

# **LAUREL RUN SWIMMING ASSOCIATION BY-LAWS**

Amended April 14, 2013

## **ARTICLE I. ORIGIN, NAME, PURPOSE AND RESTRICTED ACTIVITIES**

A. Laurel Run Swimming Association is a nonprofit corporation organized and existing under the "Nonprofit Corporation Law" of the Commonwealth of Pennsylvania, approved May 5, 1933, as amended (the "Corporation"). The charter of this Corporation was approved by the Court of Common Pleas of Berks County, Pennsylvania, on February 6, 1961.

B. The Corporation's chartered and registered name is Laurel Run Swimming Association.

C. The purpose of this Corporation 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 Berks and the Commonwealth of Pennsylvania. The Corporation does not contemplate pecuniary gain or profit, incidental or otherwise, to its members.

D. Subject to the applicable laws, ordinances, and regulations of the Commonwealth of Pennsylvania and the Township of Muhlenberg, it is hereby provided as follows:

1. Alcoholic beverages may be consumed on the premises at other than normal operating hours under the control of the Board of Directors.
2. Eating facilities may be permitted on the premises under the control of the Board of Directors.
3. Music and dancing may be allowed on the premises under the control of the Board of Directors.

## **ARTICLE II. MEMBERSHIP**

There shall be four (4) classes of membership in the corporation, Class "A" membership, Class "B" membership, Class "C" membership and Class "D" membership and Class "E" membership (collectively, "Member").

A. Class "A" Membership

1. Number

Class "A" Memberships shall be limited to four hundred (400) in number, or at the Board of Director's option the Class "A" Memberships may be increased by not more than twenty percent (20%) without amending these By-laws; such increase shall be deemed to have been approved by a two-thirds (2/3) affirmative vote of a quorum, as hereinafter provided in Article VI, E. 2. of these By-laws, of the Board of Directors.

## 2. Requirements and Qualifications

All applicants for a Class "A" Membership must:

a. Be an adult person eighteen (18) years of age or older.

b. Submit an application to the membership committee, which shall refer the application to the Board of Directors, or submit an application directly to a member of the Board of Directors. The Board of Directors, at its next regular meeting, shall then discuss and vote on the applicant. A two-thirds (2/3) affirmative vote of a quorum, as hereinafter provided in Article VI. E. 2 of these By-laws, of the Board of Directors shall be required for approval of said applicant.

c. Be a registered holder of three (3) shares of Laurel Run Stock as evidenced by a share certificate duly issued by the Board of Directors (a "Share Certificate") or as otherwise accounted for in the records of the Corporation.

d. Be an individual or joint owner. Joint owners must be permanent members of the same household and shall be restricted to one vote between them, as hereinafter provided in Article II. 5. A. and Article III of these By-laws.

## 3. Stock

As stated in Article II. A. 2. c., a Class "A" member or joint members must be the registered holder of three (3) shares of stock. The following Conditions; rules and regulations shall govern said stock.

### a. General

(i) The shares of stock shall be evidenced by a Share Certificate or as otherwise accounted for in the records of the Corporation. Such shares or interest shall be non-transferable except as provided in Article II. A. 3. C.; shall be non-assessable and non-interest bearing; and shall not represent an obligation to the corporation. The Corporation is not obligated to pay or reimburse any Member for the value of such Member's stock.

(ii) A Share Certificate or the member's interest in the Corporation shall become null and void upon the date the registered owner thereof ceases to be a member of the Corporation for any reason, unless a transfer is permitted as provided in Article II. A. 3. c.

### b. Termination

Upon the revocation (also referred to as termination) of a Class "A" Membership, the Corporation shall determine the disposition of the shares of stock held by such Class "A" member.

### c. Transfers

(i) In the event of the death of a Class "A" Member in good standing, said Share Certificate or member's interest may be transferred on the books of the Corporation to any joint Class "A" member individually or to an adult heir, or as designated by the estate of the Class "A" member, provided:

(a) The proposed transferee, if not a joint Class "A" member, applies for such transfer within ninety (90) days of the deceased member's death; and

(b) The proposed transferee is approved for Class "A" Membership pursuant to Article II. A. 2. of these By-laws.

(ii) In the event of divorce or legal separation of joint Class "A" members in good standing, or if joint Class "A" members in good standing are otherwise no longer permanent members of the same household, the joint Class "A" members must decide which member will retain the stock/membership and notify the Corporation in writing by declaration or affidavit signed by both joint Class "A" members or provide the Corporation with a written agreement or court decree addressing the membership. The former joint Class "A" member shall no longer have any membership privileges. If no such written statement of ownership is provided, the Corporation reserves the right to take whatever action it deems necessary, in its sole discretion, to allow or bar such members' continued membership privileges until there is an agreement as to who owns the stock/membership or to terminate, revoke or suspend the membership in accordance with Article II, G hereof.

(iii) Any Member who is not in arrears of payment for dues, fees or assessments and does not owe any other indebtedness to the Corporation may transfer his or her Membership to a new member procured by him or her, provided that the new member meets the admission requirements of the Corporation. Any compensation received by the transferor shall be a matter wholly between the transferor and transferee, and the Association shall have no obligation to pay any amount to the transferor. A transfer of membership request and a membership application for the potential new member must be submitted in writing to the secretary and approved by the Board of Directors in accordance with Article II. A. 2.

d. Redemption

No shares of stock shall be redeemed by the Corporation unless the Board of Directors approves a redemption by a two-thirds (2/3) affirmative vote of a quorum.

e. Share Certificates. The Corporation reserves the right to discontinue the issuance of share certificates and instead to maintain the names of Members in the books and records of the Corporation and no certificate shall be issued to Members.

5. Rights and Privileges

Class "A" Membership shall entitle the holder thereof to the following rights and privileges so long as the Class "A" member is a member in good standing:

a. The right to cast one (1) vote per Class "A" Member. Joint owners of stock shall constitute one (1) Member.

b. To participate in voting to dissolve the Corporation, and to share in the proceeds of the Corporation's assets on dissolution.

- c. To participate in the conduct of the business of the Corporation.
- d. To hold elective office.
- e. To notice relative to the buying or selling of real estate, borrowing money, giving a mortgage on Corporation assets as security for payment of a loan, amending the Charter or By-laws, or dissolving the Corporation; and such other notices as may be required by law or these By-laws.
- f. To the use of the facilities of the Corporation upon payment of yearly dues and other fees.
- g. Any other rights as may be provided by law or these By-laws.

B. Class "B" Membership

1. Requirements and Qualifications

All applicants for Class "B" Membership must:

- a. Be individuals who are sponsored by a Class "A" member, and;
- b. Be a person who is a permanent member of a Class "A" member's household who are between the ages of 12 and 25. This may include children of any Class "A" member of whom the Class "A" member is not the primary custodial parent.

C. Class "C" Membership

1. Requirements and Qualifications

All applicants for Class "C" Membership must:

- a. Be individuals who are sponsored by a Class "A" member, and;
- b. Be a person who is a permanent member of a Class "A" member's household who is under the age of 12. This may include children of any Class "A" member of whom the Class "A" member is not the primary custodial parent.

D. Class "D" Membership

1. Requirement and Qualifications

All applicants for Class "D" Membership must:

- a. Be individuals who are sponsored by a Class "A" member, and;
- b. Be a person who is a permanent member of a Class "A" member's household who is over the age of 25. The Corporation reserves the right to assess additional fees for such members.

E. Class "E" Membership

1. Requirements and Qualifications

All applicants for Class "E" Membership must be individuals who are sponsored by a Class "A" member, and (a) be a babysitter or caretaker over the age of 15 who babysits a Class "A" member's child under age 12 or (b) a child under age 12 that a Class "A" member babysits. The Corporation reserves the right to assess additional fees for such members.

F. Rights and Privileges of Membership

1. Class "B", "C" and "D" Membership shall entitle the holder to the use of the facilities of the Corporation upon payment by the Class "A" member of all yearly dues and fees.

2. Class "E" Membership shall entitle the holder thereof to use of the facilities of the Corporation upon payment by the Class "A" member of all yearly dues and fees when such Class "E" member is actually babysitting the child of a Class "A" member or when a Class "A" member babysits such child. Class "E" members shall not be entitled to use the Corporation's facility at any other time.

3. Membership of all classes of members does not give a Member the unlimited right to use the Corporation facilities at all times. The use of the facilities will be restricted at certain times during the year, for example, during swim meets and special events and at times when the pool is closed.

4. Class "B", "C" and "D" and "E" Members shall not be entitled to hold office, to participate in the conduct of the Corporation, vote to dissolve the corporation, share in the proceeds of the Corporation's assets upon dissolution or to receive any notices required to be sent under these Bylaws or applicable law.

#### G. Revocation, Termination and Suspension of Membership

1. The Corporation, through its Board of Directors, may revoke or suspend the membership of any member who

a. fails to pay their dues or other charges as hereinafter provided, or

b. who fails to comply with the rules and regulations of the Corporation, violates any Federal, State or Local law or Ordinance or whose conduct has been such as shall be deemed by the Board of Directors to be detrimental to the best interests of the Corporation or its Members.

2. In the event of revocation, the Board of Directors reserves the right to recall the Share Certificate of the Member. In the event of suspension or revocation for non-payment of dues, the Board of Directors reserves the right, in its sole discretion, to consider all or any part of the stock of the Member failing to pay as payment for the Member's deficient fees or dues for the current year.

3. Except for revocation or termination of membership for non-payment of dues, before taking action to revoke or suspend a Member, or to recall the Share Certificate of any Member, the Board of Directors shall hold a hearing at which time the member shall have the opportunity to appear and be heard. Notice of such hearing shall be mailed certified mail, postage pre-paid, at least five (5) days prior to the hearing, addressed to the member in question at the member's last address appearing on the Corporation's records.

4. There shall be no right of appeal from the decision of the Board of Directors, it being intended that such decision shall be final and binding on all parties.

5. The Board may suspend any Member or may delegate to the Pool Manager or other employee the authority to immediately suspend any Member for a period of not more than

seven (7) consecutive days. A written report of such suspension shall be presented to the Board within twenty-four (24) hours of such suspension. The Board may suspend any Member for a period not exceeding three (3) months after providing such Member with an opportunity for a hearing before the Board at a meeting called for that purpose.

6. A Class "B", "C", "D" and "E" Membership shall terminate automatically on the termination of the Membership of the Class "A" member who sponsored such Class "B", "C", "D" and/or "E" members.

F. "Permanent members of the same household" shall mean that the individuals occupy the same house, condominium, townhouse or apartment as their legal domicile with the intention to remain in that residence.

### **ARTICLE III. VOTING**

A. Each Class "A" member, recorded as such in the records of the Secretary or duly appointed member of the Board of Directors, ten (10) days in advance of any regular or special meeting of the membership, shall be entitled to one (1) vote per Member, including joint members at such meeting, provided such member is not delinquent in dues.

B. All Class "A" members shall vote in person.

C. All Class "A" members shall have the opportunity to appoint in writing the Board of Directors to have full power of substitution to vote for the Class "A" member at any meeting specified, upon all subjects that may properly come before the meeting, including matters described in a proxy statement, subject to any directions given on the proxy. If no directions are given, the Board of Directors will vote as they deem fit for the benefit of the Corporation.

### **ARTICLE IV. MEMBERSHIP FEES AND DUES**

A. The Board of Directors shall, from time to time, fix the amount of fees and dues to be charged for the various classes of membership. The amount of dues is to be fixed annually by the Board of Directors.

B. Annual dues shall be payable by a date to be set each year by the Board of Directors (the "Due Date"). The Board of Directors may assess a late fee for payment of dues after the Due Date.

C. Any member who fails to pay their dues or assessments by the Due Date shall be declared delinquent by the President, and all of such member's membership privileges shall be suspended until payment is made in full, including delinquent charges. In the event said delinquency continues until the first day of June, said delinquency shall constitute grounds for revoking the membership of the delinquent member as provided for in Article II, G.

D. Annual membership cards shall be issued to all members on receipt of their dues, provided such member has no other charges or liabilities owing to the Corporation. A Membership Card may not be used by any person other than the person to whom it is issued.

E. A Class "A" member shall be responsible for the payment of all charges or liabilities for damage to the Corporation's property or otherwise that may be caused by or imposed upon them individually, or that may be caused by or incurred by Class "B", "C", "D" and/or "E" members, or guests sponsored by such Class "A" member.

F. The Board of Directors may, from time to time, issue Special Assessments for the purpose of defraying the cost of construction, reconstruction, repair or replacement of capital improvements or other costs incurred in the operation of the business of the Corporation.

## **ARTICLE V. MEETING OF MEMBERS**

A. The meetings of members of the Corporation shall be held semi-annually in October and April of each year (the "Membership Meeting"). The October meeting shall be referred to as the "Annual Membership Meeting".

B. The President shall call special meetings of the members of the Corporation upon direction of two-thirds (2/3) of the members of the Board of Directors, or upon written petition of ten percent (10%) of the members qualified to vote.

C. Written notice of all regular and special meetings of the Corporation shall be made available to each member of record entitled to vote at the meeting at least five (5) days prior to the date fixed for the meeting. Such notice may be made by posting the date and place of the meeting on a prominent place on the Corporation's building.

D. All business introduced before the meeting must be decided by a simple majority of the members present at such meeting.

- E. Order of Business
1. Calling meeting to order
  - 2.. Reading of minutes of previous meeting
  3. Reports of Officers and committees.
  4. Unfinished business
  5. New business
  6. Good of the order
  7. Adjournment

## **ARTICLE VI. BOARD OF DIRECTORS**

A. Powers, Term of Office, Election

The management of the Corporation shall be vested in a Board of Directors of not less than seven (7) or more than twelve (12) Directors as determined by the Board of Directors. At each April and October Membership Meeting, members of the Board of Directors may be elected as required for a term of three (3) years.

B. Nominations

The President of the Corporation, at his or her discretion, may appoint a nomination committee of at least three (3) voting members in good standing, a minimum of thirty (30) days before the Annual Membership Meeting. Such nomination committee shall prepare a list of

nominees from Class “A” members in good standing for the number of Directors to be elected. The report of such nomination committee shall be submitted at the Annual Membership Meeting. Nominations also may be made from the floor at the Annual Membership Meeting.

C. Vacancies on the Board

Vacancies on the Board of Directors shall be filled by a majority vote of the remaining members of the Board. Each person so elected shall serve until the next Membership Meeting, at which time the membership shall elect a successor to fill out the remainder of any term.

D. Removal from Office

A Director shall be removed from office for failing to retain their membership in good standing, for failure to attend three (3) meetings without good cause, or for otherwise failing to carry out the duties and responsibilities of office.

E. Meetings

1. Date

The Board of Directors shall hold meetings once per month or as agreed upon by the Board of Directors, and at such other times and intervals as they deem necessary. Special meetings of the Board of Directors may be called by the President or a majority of the Directors, and shall be held at such time and for such purposes as may be specified in the call for said meeting. Notice of all meetings of the Board of Directors, starting time, place and purpose of the meeting, shall be provided to each Director at least three (3) days prior to the day fixed for the meeting.

2. Quorum, Necessary Vote, Action by Written Consent

A majority of the Directors in office shall constitute a quorum for the transaction of business. The acts of a majority of the Directors present at a meeting shall constitute a valid action of the Board of Directors, provided that if all the Directors shall consent in writing to any action, such action shall be valid as though it had been authorized at a meeting of the Board.

3. Presiding Officer

The President, or in their absence the Vice President, or in their absence the Secretary, shall preside at all meetings of the Board of Directors. In the absence of the President, Vice President, and Secretary, the Directors present at such meeting shall elect a Chairman Pro Tempore.

4. Teleconference Meetings.

Any Director may participate in a meeting of the Board or any committee by means of a conference telephone or similar communications equipment by which all persons participating in the meeting can hear each other.

5. Specific Powers

The management and operations of the Corporation shall be vested in the Board of Directors, which shall have the following powers:

a. To adopt an annual budget for the operation of the Corporation for the fiscal year.



b. To prepare an annual report showing the state of memberships and finances, and to cause the books of the Corporation to be audited annually by auditors who shall be neither Directors nor officers of the Corporation.

c. To supervise all committees, with power to direct their activities and to alter or amend any rules or regulations formulated by any committee.

d. To formulate and adopt rules for the government and use of the Corporate facilities and activities.

e. To hire employees and fix their classifications and schedule.

f. To appoint a manager, who shall have the responsibility of operating the pool, and who shall be directly responsible to the Board of Directors as a body. No order or directive shall be recognized by the manager unless sanctioned by official Board action.

g. To expend monies or authorize purchases necessary or desirable for the operation of the Corporation.

h. To secure all necessary public liability, property damage and other forms of insurance as may be deemed necessary to protect the interests of the Corporation.

i. To secure and pay for, from the funds of the Corporation, fidelity bonds for such of its officers and employees and in such amounts as it shall deem advisable for the best interests of the Corporation

j. To fix membership fees, dues, penalties, fines and guest fees, subject to the provisions of Article IV.

k. To direct the investment and care of the funds and property of the Corporation.

l. To act upon applications for membership.

m. To assign membership privileges at its discretion when the dues-paying membership falls below four hundred (400). Such assignments shall be given to prospective members on a waiting list. An assignment shall be made to any given family for one (1) year only. If a waiting list does not exist, the Board shall make assignments at its discretion.

n. To do or cause to be done all other things necessary or proper for the management of the Corporation, and to conduct generally the Corporation business.

6. Order of Business

a. Calling meeting to order

b. Roll call of officers

c. Reading of minutes of previous meeting

d. Communications

e. Reports of officers and committees.

- f. Election of new members
- g. Unfinished business
- h. New business
- i. Good of the order
- j. Adjournment

7. Eligibility

Eligibility for election to the Board of Directors shall be open to any Class "A" Member in good standing. Only one adult member per Share Certificate may serve on the Board at any given time unless the Board of Directors waives this limitation by a two-thirds (2/3) affirmative vote of a quorum, as herein provided in Article VI, E. 2 of these By-laws.

8. No Conflict of Interest.

It shall not be a conflict of interest for a member of the Board of Directors, in his regular occupation, trade or business, to be retained and paid for any contract or service relating to the business of the Corporation, provided, however, that the specific details of the contract or transaction are disclosed to the Board and such Director shall abstain from voting upon such contract.

## **ARTICLE VII. OFFICERS**

A. Election

The Board of Directors, as elected, on the date of the Annual Membership Meeting and immediately after adjournment thereof, shall elect from their body, by a majority vote of Directors present, a President, Vice-President, Secretary, and Treasurer, who shall serve for a term of one (1) year and until after their successors shall have been elected.

B. Vacancies

The Board of Directors shall have the power to fill any vacancies in office. The officers so appointed shall serve during the balance of the term of the office and until their successors shall have been elected.

C. Powers and Duties of the President

The President shall have the following powers and duties:

- 1. To preside at all meetings of the Board, and at all meetings of the Membership.
- 2. To sign all contracts, documents and papers relating to the affairs of the Corporation.
- 3. To appoint, subject to confirmation by the Board of Directors, all standing committees, designating the chairman thereof, and all special committees as may be directed; and the President shall be an ex officio member of all committees.
- 4. To perform all other acts properly belonging to such office, including executive supervision of all activities of the Corporation and its employees.

D. Power and Duties of the Vice President

The Vice President shall have the following power and duties:

1. To perform the functions of the President in the President's absence, and to assist the President.
2. The Vice President shall be under the direction of the President to attend to the business in financial operations of the Corporation; and shall be an ex officio member of all committees.

E. Powers and Duties of the Secretary

The Secretary shall have the following powers and duties.

1. To perform the functions of the President in the absence of both the President and Vice President.
2. To record and maintain minutes of all meetings of the Board and of the members. At a minimum, the Secretary shall be responsible to maintain such minutes in a secure location as agreed upon by the Board of Directors. Such location may include the Secretary's personal residence provided that the Secretary agrees to release such minutes to their successor upon the completion of their term in office. In the event the Secretary does not have a successor, such minutes shall be released to the then current President. Any change in such location shall be communicated by the Secretary and recorded in the minutes at the next scheduled meeting of the Board of Directors.
3. To maintain all records of the Corporation (the "Corporate Records"). At a minimum, the Secretary shall be responsible to maintain all Corporate Records in a secure location as agreed upon by the Board of Directors. Such location may include the Secretary's personal residence provided that the Secretary agrees to release such Corporate Records to their successor upon the completion of their term in office. In the event the Secretary does not have a successor, such Corporate Records shall be released to the then current President. Any change in such location shall be communicated by the Secretary to the Board of Directors and recorded in the minutes at the next scheduled meeting of the Board of Directors.
4. To conduct all official correspondence.
5. To issue notices of meetings to the members of the Board.
6. To have custody of the Corporate seal.
7. To attest to the signature of officers of the Corporation when required.
8. To perform such other functions as may be appropriate to the office of Secretary of the Corporation.

F. Powers and duties of the Treasurer

The Treasurer shall have the following powers and duties:

1. To record and maintain records of all financial transactions of the Corporation. At a minimum, the Treasurer shall be responsible to maintain such records in a secure location as agreed upon by the Board of Directors. Such location may include the Treasurer's personal residence provided that the Treasurer agrees to release such records to their successor upon the completion of their term in office. In the event the Treasurer does not have a successor, such records shall be released to the then current President. Any change in such location shall be communicated by the Treasurer and recorded in the minutes at the next scheduled meeting of the Board of Directors.

2. To serve as chairman of such finance and budget committees as may be appointed.

3. To otherwise be responsible for the receipt of all monies due to the Corporation, and to deposit the same in depositories approved by the Board.

4. To sign all checks and make all disbursements provided, however, that all such checks, drafts and other instruments for the payment of money drawn in the name of the Corporation are signed by an officer of the Corporation.

5. To perform such other functions as may be appropriate to the office of Treasurer of the Corporation, or as may be required by the Board.

G. Other duties of the Board of Directors

1. To attend, under the direction of the President, to the operation and maintenance of the physical plant and properties of the Corporation.

2. To be responsible for issuing the annual membership cards.

3. To bill all Class "A" members for all charges or liabilities that may be imposed upon such member individually, or that may be incurred by any Class "B", "C" "D" and/or "E" members, or guest sponsored by such member.

4. To keep a Corporation Share Certificate register book or other evidence of ownership and issuance showing the names and addresses of the holders of shares of stock in the Corporation, together with a complete payment record thereof, and the serial number and date of any Share Certificate issued.

## **ARTICLE VIII. GUESTS**

A. Admission

Guests may be permitted to the Corporation grounds upon payment of a guest fee fixed by the Board, provided said guest is sponsored by a Class "A" member.

B. Regulations

The Board shall make such regulations as they deem appropriate to govern and grant the exercise of guest privileges, including fees, number of guests, and frequency and times of admission.

C. Every Member sponsoring a guest shall be responsible for the bills and damage caused by such Member's guests.

## **ARTICLE IX. MISCELLANEOUS**

### **A. Seal**

The seal of the Corporation shall be identical with that impressed at the right of this section.

### **B. Notice**

Unless otherwise stated, whenever written notice is required to be given to any member, it may be given to such member either in-person evidenced by a witness or signature by the receiving member on a duplicate of the notice, or by sending a copy thereof through the mail, charges prepaid, to the member's address appearing on the books of the Corporation. If notice is sent by mail, it shall be deemed to have been given to the member entitled thereto when deposited in a United States Post Office, or in a United States mail box.

### **C. Waiver of Notice**

Whenever written notice is required to be given by law, the Articles of Incorporation, or these By-laws, any member entitled thereto may waive the same, by a writing signed by such member, without regard to the time of the signing. Attendance at any meeting, either in-person or by proxy (when permitted) shall also constitute a waiver of notice of the meeting, unless attendance is for the express purpose of objecting to the transaction of any business because the meeting was not lawfully called or convened.

### **D. Fiscal Year**

The fiscal year of this Corporation shall begin on January 1st of each year.

### **E. Rules and Regulations**

The Board of Directors shall have the authority to adopt such rules and regulations as it deems necessary for the proper operation of the facilities and affairs of the Corporation and may fix such penalties as it deems fair and equitable for the violation of rules and regulations. Such penalties may include barring use of facilities or denial of privileges for a designated period of time.

## **ARTICLE X. DIRECTORS' PERSONAL LIABILITY AND DIRECTORS' AND OFFICERS' INDEMNIFICATION**

### **A. Directors' and Officers' Personal Liability**

A Director and/or Officer of the Laurel Run Swimming Association shall not be personally liable for monetary damages as a result of any action taken, or failure to act, unless such action or inaction constitutes both: (a) a breach of or failure to perform such Director's and/or Officer's duties in compliance with the standards of fiduciary care prescribed in the Directors' Liability Act; that is to say in good faith, in a manner such Director and/or Officer reasonably believes to be in the best interests of the Corporation, and with such care, including reasonable inquiry, skill and diligence, as a person of ordinary prudence would use under similar circumstances, and (b) self-dealing, willful misconduct or recklessness, subject to exceptions

provided by said Act for such Director's and/or Officer's responsibility or liability under any criminal statute and such Director's and/or Officer's liability for payment of taxes.

**B. Indemnification of Directors and Officers**

The Laurel Run Swimming Association shall have the power to indemnify and save harmless any Officer or Director of said Association from and against any claims or liabilities, including reasonable attorney fees, and any judgment, decree, fines or penalties imposed on such Officer or Director for any act or omission committed or incurred while acting as such; and reimburse such Officer or Director for all legal and other expenses reasonably incurred by such Officer or Director in defense thereof, at such times and upon such terms as provided by governing law, provided that there shall be no obligation to reimburse, partially or wholly, such Officer or Director for claims or liabilities determined by a court to have constituted willful misconduct or recklessness.

**C.** Expenses incurred by a person entitled to indemnification pursuant to these By-Laws or otherwise permitted by law in defending a civil or criminal action, suit or proceeding shall be paid by the Corporation in advance of final disposition of such action, suit or proceeding. However, such individual must first agree to repay the amount so advanced if it is ultimately determined that such person is not entitled to be indemnified by the Corporation.

**D.** The indemnification and advancement of expenses provided by these Bylaws shall continue as to any person who has ceased to be an Officer, Director or representative of the Corporation and shall inure to the benefit of the heirs, executors and administrators of such person.

**ARTICLE XI. AMENDMENTS TO THE BY-LAWS**

Amendments to the By-laws may be made by a majority vote of the Class "A" members present at any Membership Meeting of the Corporation, or at any special meeting called for that purpose, provided, however, that at least ten (10) days written notice of such amendment shall have been made available to each member entitled to vote, setting forth the Article to be amended, and the proposed amendment.

These By-Laws are effective as of April 14,2013 as approved by the Board of Directors and Members of the Laurel Run Swimming Association.