

KARAKUNG SWIM CLUB

CONSTITUTION

ARTICLE I

SECTION 1: NAME

The name of this Organization shall be the Karakung Swim Club, a non-profit corporation, organized under the laws of the Commonwealth of Pennsylvania.

SECTION 2: LOCATION

The principal address of the Corporation shall be Karakung Swim Club, P.O. Box 812, Havertown, Pa.

SECTION 3: The objectives of the Corporation are:

- (a) To promote, finance, lease, own and operate recreational or educational facilities of all kinds, including a swimming pool and associated equipment;
- (b) To make readily available to the members, their immediate families and guests, safe and clean swimming and recreational facilities;
- (c) To maintain a club for civic and social enjoyments of a moral, educational, and legal nature.

ARTICLE II

SECTION 1: GOVERNMENT

The property and affairs of the Corporation shall be managed by a Board of Governors, elected by the membership as provided in the By-Laws, and it shall be their duty to carry out the objectives of the Corporation.

ARTICLE III

SECTION 1: BONDS

The Karakung Swim Club is authorized to issue and sell bonds, each bond to have par value of four hundred and fifty dollars (\$450.00). The number of bonds to be issued and sold by the Corporation shall be established at four hundred (400), but at the discretion of the Board of Governors this number may be increased not to exceed a limit of four hundred and fifty (450). The said bonds

are assessable, non-negotiable, non-profit-sharing, non-interest bearing, and do not represent an obligation of the Corporation, and shall not release the holder or holders thereof from payment of dues and fees for club privileges received.

SECTION 2: PRICE OF BONDS

The price at which Bonds shall be offered for sale shall be the price fixed from time to time by the Board of Governors, but the price shall not be less than par.

SECTION 3:

There shall be issued to each full-paid-up bondholder of the Club a certificate that is evidence of his or her ownership of one Bond. Said certificate shall set forth the serial number of the Bond so owned. Not more than one such certificate shall be issued to any individual or family group.

SECTION 4: MEMBERSHIP REQUIRED

Ownership of a Bond does not per se entitle the holder or owner thereof to membership in the Club, or the use of the Club facilities, unless and until such owner shall have been elected to membership by due process and has paid the current dues, and membership fee.

SECTION 5:

Bonds shall not be transferable and shall contain an appropriate notation to that effect on the face thereof.

SECTION 6:

Except for payment as herein after provided, each Bond Certificate shall become null and void upon the date that the holder thereof ceases to be a member for any cause. The time and manner in which the holder shall be paid the value of their bond, subject to the provisions of Section 7 hereof, shall be determined by the Board of Governors, provided however, that each Bond shall be redeemed in the chronological order in which the membership terminated, and as soon as payment is received from an incoming member.

SECTION 7:

Upon cessation of membership for any cause all indebtedness owing to the Club by the holder shall be a lien upon and charged against their Bond, and the Bond may be taken over by the Club to satisfy such indebtedness. In the event of the Club being unable to obtain possession of the Bond, it may be canceled on the books of the Club, and a new Bond issued in place thereof to a newly elected member on payment by the holder to the Club of the then value of a Bond as

fixed by these By-Laws. In case of the enforcement of a lien, as above herein provided, neither the signature of the holder nor the delivery of the Bond shall be requisite to perfect the transfer to the Club, or to a new possessor, and the Treasurer of the Club for the time being is hereby authorized as the attorney of the holder of such Bond, to make such transfer. Every Bond issued is expressly subject to the provisions of this section.

SECTION 8:

Members shall be responsible for the payment of all charges or liabilities that may be imposed upon or incurred by members of their family to whom the privileges of the Club shall have been extended, and for all charges and liabilities imposed upon or incurred by guests introduced by them.

SECTION 9:

All fees and other charges mentioned herein are exclusive of taxes imposed by the Federal, State and other Governmental bodies and agencies.

SECTION 10:

There shall be kept by the Club a Bond Transfer Book, which shall show the name and address of each certificate owner and the serial numbers of the bond so held.

ARTICLE IV

SECTION 1: VOTING RIGHTS

- (a) Each fully paid bond certificate in the Club shall entitle the owner thereof, as recorded in the Club's Bond Transfer Book, to one vote, provided that such owner has been elected to membership in the Club, on the affairs and at elections of the Corporation.
- (b) Certificates held jointly shall indicate the name of the voting member on the face thereof.
- (c) A member on the record entitled to vote may cast a vote either in person or by mail or delivered addressed to the Secretary as designated in the notice calling the meeting. No member may vote by proxy.

SECTION 2: TRANSFER OF CERTIFICATE

Certificates of the Club shall be transferable on the Bond Transfer Book of the Corporation through legal heirs or devisees upon the death of the owner thereof, but such transfer shall not act to allow the new owner or owners membership in the Club or use of Club privileges unless and until such new owner or owners

shall have been elected to membership through due process and have paid the current dues, and membership fee.

SECTION 3: REPURCHASE OF BONDS

The Corporation and only the Corporation shall have power by act of its Board of Governors to repurchase at not more than the Owner's purchase price membership bonds of the Corporation as are offered for sale, or such membership bonds as may be recalled by the Board of Governors.

SECTION 4: SUSPENSION OF MEMBERS

The Corporation shall have power by act of its Board of Governors to revoke or recall the membership of any member who fails to comply with the reasonable and lawful requirements of the laws, rules and regulations duly made by the Corporation for the government of its members or who is otherwise deemed objectionable. The Board of Governors may cancel the membership of any such offending member without a detailed explanation: but such action shall not be taken until ten (10) days notice has been given the offending member to attend a hearing before the Board of Governors.

ARTICLE V

SECTION 1: AMENDMENTS

Amendments to this Constitution or to any article thereof may be made at an Annual Meeting or at any other regularly called meeting of the membership by a two-thirds vote of the active members, provided that the proposed amendment or amendments have been previously approved by the Board of Governors. The membership at large may call for a vote on an amendment to the Constitution through a petition in writing to the Secretary of the Corporation which is signed by at least twenty (20) percent of the active members. The Board of Governors shall be required within thirty (30) days upon receipt of said petition to set a time and place for a meeting. The notice of the meeting with a copy of the proposed amendment shall have been mailed to each active member at least five (5) days before such meeting.

SECTION 2: BY-LAWS

The Board of Governors is authorized to enact a set of By-laws, which By-Laws shall be prepared by a committee designed for such purpose and shall be passed upon by the Board of Governors.

ARTICLE VI

SECTION 1:

For the purpose of organizing the Karakung Swim Club, a Board of Governors shall be elected by and from the charter members. These Governors shall serve in accordance with the provisions in the By-Laws.

SECTION 2:

The Board of Governors shall elect its own officers who shall consist of President, Executive Vice-President, First Vice-President, Recording Secretary, and Treasurer. The Treasurer shall be bonded by a bonding company of good standing.

ARTICLE VII

SECTION 1:

In the event of dissolution or liquidation of the Corporation, after payment of all debts and liquidation of all liabilities, the assets of the Corporation shall be disposed of as follows:

- (a) There shall be a pro-rata distribution thereof among the bond holders at the time of dissolution up to the extent of the owner's purchase price, and such Bonds shall thereupon be assigned to the Corporation and canceled.
- (b) Assets remaining after retirement of the membership Bonds shall likewise be distributed among bond holders at the time if dissolution of such assets are in excess of seventeen-hundred and fifty dollars (\$1,750.00). In the event that such assets be less than seventeen hundred and fifty dollars (\$1,750.00), then these assets shall be assigned to local charities or non-profit community projects as selected by the Board of Governors at the time of dissolution.