

**BY-LAWS**  
**OF**  
**PALISADES SWIM CLUB, INC.**  
**of**  
**PALISADES, NEW YORK**  
**(A NEW YORK MEMBERSHIP CORPORATION)**

Revised

MAY 2012

By-laws of Palisades Swim Club, Inc. (a New York membership corporation)  
Incorporated June 19, 1964.

## ARTICLE I

### GOVERNMENT

The business, property and affairs of this corporation (hereinafter called Club) shall be managed by a Board of Directors.

## ARTICLE II

### BOARD OF DIRECTORS

Section 1. Number. There shall be a Board of at least six but not more than nine Directors, with the powers and duties set forth in the laws of the State of New York and in these by-laws.

Section 2. Term of Office. Except as hereinafter provided, each Director shall serve for a term of three years, and shall be eligible to succeed himself. At the first Annual Meeting of the membership, not less than three of the Directors to be elected shall be elected for a term of three years; not less than three of the Directors shall be elected for a term of two years; and the remaining members of the Board shall be elected for a term of one year. The term of office of all Directors elected at subsequent Annual Meetings shall be for three years.

Section 3. Qualifications. Any member of the Club over 21 years of age shall be eligible for election to the Board of Directors.

Section 4. Vacancies. In case of any vacancy through death, resignation or disqualification, the remaining Directors, by an affirmative vote of the majority of the entire Board of Directors, may elect a successor to hold office until the next Annual Meeting of the membership, at which meeting a successor to hold office for the remainder of the unexpired term of the Director whose place shall be vacated shall be elected. Ninety days prior to the annual meetings, the Board of Directors shall appoint a nominating committee of three members, one (1) of whom shall be a member of the Board, to make nominations for vacancies occurring upon the normal expiration of Directors terms in office. Nominations shall also be recognized from the floor at the Annual meeting.

Section 5. Meetings. After each Annual Meeting of the membership, the newly elected Directors shall meet for the purpose of organization, the election of the officers, and the transaction of other business as set forth in Article 2 of the Articles of Incorporation, at the same place and forthwith upon the adjournment of the membership meeting, and if a majority of the Directors be present at such time and place, no prior notice of such meeting shall be required to be given to the Directors. Subsequent meetings of the Board shall be held within the State of New York whenever called by the President or by one half of the Directors in office at the time, upon the notification thereof to each said Director at least two days before the meeting. In the absence of the President, one of the Directors chosen by a majority of those Directors present shall preside at the meeting.

Section 6. Quorum. A majority of the total number of Directors, or one half of the total number when the number of Directors then in office is even, shall constitute a quorum for the transaction of business.

Section 7. Duties. Consistent with the law and these by-laws, the Board of Directors shall:

- A. Approve new Club members and elect officers;
- B. Establish and receive maintenance and other fees, if any;
- C. Transact all Club business and make amend rules for the regulation of the use of Club property. The Board may also appoint and remove such agents, servants and employees as it may deem necessary, and may fix their compensations;
- D. Fix, impose and remit penalties for violation of these by-laws and the Rules of the Club;
- E. Constitute committees and define their powers and duties;
- F. Fix the number of Directorships, within the limits imposed by Section 1 of Article II of these by-laws, by a majority vote of the Directors then in office.

Section 8. Real Property Transactions. The Board of Directors shall, only with the prior approval of at least two-thirds of the active memberships present and voting at any meeting of the membership, purchase real property, or sell, mortgage or lease any or all of the real property of the Club; provided, however, that no sale or mortgage (other than a purchase money mortgage of real property within the State of New York) or lease thereof for more than five years shall be made without leave of the Supreme Court in a Judicial District in which some of the property is located or the County Court wherein the property is wholly or partly situated.

Section 9. Banks. The Board of Directors shall designate a bank or banks in which the funds of the Club shall be deposited and shall determine the manner in which checks, drafts and other instruments for the payment of funds of the Club shall be executed.

Section 10. Annual Report. The Board of Directors shall present at each Annual Meeting of members, or if proxies therefore are solicited by management, then to accompany such solicitation, a Report consisting of: (1) the financial statements of the Club as of the close of the preceding year, certified by independent public accountants, and (2) a proposed budget for the year next following, with appropriate comparison to the proposed and actual budgetary expenditures of the preceding year. Such report shall be actual budgetary expenditures of the preceding year. Such Report shall be filed with the records of the Club, and an abstract thereof entered in the minutes of the Annual Meeting at which the Report is presented.

Section 11. Limitation of Powers. Nothing in these by-laws shall be construed to permit the Board of Directors to contract for any obligations in excess of the Club's then unobligated liquid assets without the specific approval of 2/3rds of the active membership present and voting in person or by proxy. Such approval shall be by vote at a duly held Annual or Special Meeting of the members.

Section 12. Audit. The Board of Directors shall cause the books of the Club to be audited annually by auditors selected by the Directors, who shall neither be Directors nor officers of the Club, and the report of the auditors shall be available to the members at all times.

Section 13. Residual Powers. In addition to the powers expressly conferred by these by-laws upon the Board of Directors, it may exercise such powers and do such lawful acts and things as are not by statute or the Certificate of Incorporation or by these by-laws required to be exercised by members or officers.

Section 14. Removal from Office. Any Director who is absent from three (3) successive meetings of the Board, and who has not been granted a temporary leave of absence from the duties of a Director by an affirmative vote of a majority of the remaining Directors, shall be removed and replaced as set forth in Article II, Section 4.

### ARTICLE III

#### OFFICERS

Section 1. Executive Officers. The executive officers of the Club shall be a President, one or more Vice Presidents, a Secretary, and a Treasurer, all of whom shall be elected by the Board of Directors. The Board may appoint an Assistant Secretary and an Assistant Treasurer.

Section 2. President. The President shall be Chief Executive Officer and a member of the Board of Directors, shall appoint members to the committees authorized by the Board, and, subject to the direction of the Board, shall have and exercise general supervision over the business and affairs of the Club, and shall consult with the Treasurer, Assistant Treasurer and Board Members, as appropriate, on matters that affect the operation of the Club. He shall preside at all meetings of the membership, of the Directors, and shall do and performs such other things as may from time to time be assigned to him by the Board.

Section 3. Vice Presidents. The Vice Presidents shall keep in touch with the administration of the affairs of the Club. They shall advise and counsel with the President; and shall do and perform such duties as may be assigned to them by the Board of Directors or by the President.

Section 4. Secretary. The Secretary shall keep the minutes of all meetings of the membership and of the Board of Directors. He shall attend to the giving of all notices of the Club. He shall sign with the President or with one of the Vice Presidents such contracts, certificates of ownership, notes and other obligations of the Club as may require his signature. He shall have charge of the certificates of ownership books, such other documents and books as the Board may direct, and, in general, shall perform and duties incident to the office of Secretary, subject to the control of the Board. The Assistant Secretary may, in his own name, perform any duty of the Secretary, when so requested by the Board, the Secretary, or in the absence of that officer.

Section 5. Treasurer. The Treasurer shall have custody of all funds of the Club which may come into his hands. He may indorse for collection, on behalf of the Club, checks, notes and other obligations, and shall deposit the same to the credit of the Club in such bank or banks, or depositories, as the Board of Directors may designate. He shall sign receipts and vouchers for payments made to the Club. Jointly with such officer as may be designated by the Board, or singly if authorized by the Board, he shall sign checks made by the Club, and pay out and dispose of the proceeds under the direction of the Board. Whenever required by the Board, he shall render a statement of his accounts. He shall enter regularly in the books of the Club to be kept by him for that purpose full and accurate accounts of all moneys received and disbursed by him, and shall perform all duties incident to the office of Treasurer, subject to the control of the Board. The Assistant Treasurer may, in his own name, perform any duty of the Treasurer, when so requested by the Board, the Treasurer, or in the absence of that officer.

Section 6. Tenure of Office: Removal. All officers shall be subject to removal at any time by the affirmative vote of a majority of the entire Board present at any meeting of the Board.

#### ARTICLE IV

#### MEMBERSHIP

Section 1. Membership in the Club shall consist of family units residing in the same household, within which there shall be the following classes of members:

- A. Active (Primary)
- B. Associate
- C. Junior (Dependent)
- D. Special

Section 2. Active (Primary) Membership – head of the family, or head of household with one vote. A single parent is also considered an Active (Primary) Membership with one vote.

Section 3. Associate Membership – adult person living in the household of an Active (Primary) Member who is related by blood, marriage, civil union or domestic partnership with the Active Member. The Board of Directors may specify additional conditions for such membership.

Section 4. Junior (Dependent) Membership – dependent child, under 21 years of age, of an Active (Primary) Member or Associate Member.

Section 5. Special Membership – Nannies, Au Pairs, babysitters, and other care-givers primarily residing in the same household with the member may be considered Special Members. Visitors temporarily staying at the member’s residence may also qualify. The Board of Directors may specify additional conditions for such membership.

Section 6. Conditions for Memberships - The Board of Directors reserves the right to define and delimit all classes of memberships, including reclassifying existing members from one category to another, if warranted and as deemed necessary by the Board to serve the best interests of the Club.

Section 7.

- A. The Board of Directors shall vote upon the admission to the Club of each applicant at its first meeting after receiving the application and (when necessary) the recommendations, and shall confer membership upon only those applicants who shall be approved by at least three-fourths of the Directors present or other procedure the Board deems appropriate. The vote of the Board shall be by ballot if requested by any member of the Board.
- B. No one will be denied membership by reason of race, creed, color, sex, national origin or for any other reason prohibited by the laws of the State of New York.
- C. Junior (Dependent) Membership shall be automatic.
- D. If there is a waiting list for Active (Primary) Membership, the order of priority for consideration of applicants for Active (Primary) Membership shall be as follows:
  - 1) an applicant who purchased for his residence the home of an Active (Primary) Member who withdraws from the Club by reason of selling his home;
  - 2) all other applicants.

Section 8. Any member of the Club may withdraw at any time subject to the provisions of Article VII and there shall be no refund of the current year’s maintenance fee.

Section 9.

- A. Any member of any class may, for cause and after having been given an opportunity for a hearing before the Board, be suspended for a period not to exceed three months, or expelled by a vote of three-fourths of the Directors present. Cause for suspension or expulsion shall, in general, consist of violation of these by-laws or of the Rules of the Club.
- B. The Board of Directors may delegate to any Director the power to suspend pool privileges for a violation of the Rules of the Club for a period not to exceed seven days. A written report of such suspension containing the reasons thereof shall be submitted to the Board at its first meeting after the violation of the Rules.

Section 10.

- A. All classes of member of the Club shall be accorded the facilities of the Club subject to the Rules of the Club, which shall be distributed to the members or posted at a suitable place, or both.
- B. The Board of Directors, at its discretion, may extend temporarily 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 Club.

Section 11. The number of Active (Primary) Memberships of the Club shall be limited to 240, but the Board of Directors at any time shall determine the number of active memberships to be issued.

ARTICLE V

MEETINGS

Section 1.

- A. The Annual Meeting of the members shall be held in the first quarter of the calendar year of the upcoming season, but in no event later than April 30th, 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 the transaction of such other business as may be indicated in the notice or may be brought before it.

Section 2. Special Meetings of the Members may be called by the Board of Directors or the President. Also, upon the written request of ten Active (Primary) Members to the Secretary, stating the purpose therefore, a Special Meeting shall be called by the Secretary within 30 days.

Section 3.

- A. Notice of the Annual Meeting shall be given in person, by mail, telephone, or e-mail to the members at least five days prior thereto.
- B. Special Meetings of the Members may be held on three-days' notice in person, by mail, telephone, or e-mail to all Active (Primary) Members. The notice shall state the purposes for which the Special Meeting is called, and no other business shall be transacted therat.

Section 4. Only Active (Primary) Members in good standing on the date of the meeting shall be entitled to vote at meetings of the Club. Any such Active (Primary) Member may be represented by proxy if not able to attend in person.

Section 5. One-third of the Active Memberships present in person or by proxy shall constitute a quorum at all Club meetings.

Section 6. Whenever in these by-laws notice to Members is required, e-mailing of such notices to the last known e-mail address of the Member shall constitute sufficient notice. The Board of Directors, at their discretion, may mail notices to a member's last-known residential address.

## ARTICLE VI

### ISSUANCE OF BONDS

Section 1. The Club may raise some or all of the funds necessary for acquiring or improving its properties and facilities or for its operations through the issuance of Bonds. The Bonds may be issued in one or more series, as determined by the Board of Directors from time to time. No Bond shall be issued for less than its face value. No second or subsequent series of Bonds may be issued on a more favorable basis than the Bonds described in Sections 2 through 4 of this Article.

Section 2. The bonds shall be non-transferrable and each Bond shall contain an appropriate notation to that effect on the face thereof.

Section 3. The manner in which the bonds shall be redeemed shall be determined by the Board of Directors, provided, however, that each such Bond shall be redeemed in the chronological order in which the same are presented for redemption. Provisions for the redemption of any Bond shall be clearly stated on the face thereof.

Section 4. In the event of the dissolution of the Club in any manner, or for any cause, and in other event, upon the effective date of dissolution of the Club, each Bond shall be a lien upon the proceeds of the sale of the property of the Club after the payment of all its just debts and obligations to the extent of the face value of the Bond. After payment of all Bonds outstanding upon the effective date of dissolution of the club, any surplus remaining shall be paid and distributed in equal shares among the Active Members or their legal representatives (but each Active Membership shall not be entitled to more than one such share) and to no others.

## ARTICLE VII

### CERTIFICATE OF OWNERSHIP

Section 1. Supplemental to the fund-raising provisions contained in Article VI of these by-laws, the Club may also issue Certificates of Ownership at a value to be determined and fixed by the Board of Directors. Ownership of Such Certificates shall be a condition precedent to Active Membership in this Club, as defined in Section 2 of Article IV of these by-laws.

Section 2. The total number of Certificates of Ownership which may be issued shall not exceed the total number of Active Memberships.

Section 3. Subject to the by-laws now in force and/or as hereafter amended or adopted, ownership of such Certificate shall entitle the holder thereof to all privileges of the Club, and to a pro rata share in any distribution of the property and assets of the Club, after satisfaction of all outstanding Bonds, if any, and other indebtedness.

Section 4. Certificates of Ownership are non-transferable except to and by the Club.

Section 5. A holder of a Certificate of Ownership may redeem same one year after date of its issuance, or subsequently, at an annual date fixed by, and at a value to be determined by, the Board of Directors, from which shall be deducted all indebtedness owed the Club by such member, provided that the Club shall have no obligation to redeem any Certificate of Ownership at a time when there are no applicants for membership who are satisfactory to the Board of Directors and have complied with all conditions of membership.

Section 6. In determining the value of a Certificate of Ownership presented for redemption as provided in Section 5 of this Article, the Board of Directors shall give consideration to the following factors: (a) the holder's original cost in the Certificate of Ownership, but not inclusive of maintenance fees incurred thereby, (b) the current market value of a Certificate of Ownership, as determined by the Board, and (c) the holder's equity in the net book value of the Club's assets.

Section 7. All indebtedness owing to the Club by the holder of a Certificate of Ownership shall be a lien upon and charged against his Certificate at the time of redemption and the Certificate may be taken over by the Club to satisfy such indebtedness. In the event of the Club's being unable to obtain possession of the Certificate, it may be cancelled on the books of the Club and a new Certificate issued in place thereof to an approved applicant for membership; and the Secretary of the Club is hereby authorized as the attorney of the holder of such Certificate to make such transfer. Every Certificate is expressly subject to the provisions of this clause.

## ARTICLE VIII

### MAINTENANCE AND OTHER FEES

#### Section 1.

- A. The Board of Directors shall establish the maintenance fee for each year for any one or more of the classes of membership and the date for payment thereof.
- B. Maintenance fees shall be sufficient to provide for the necessary running expenses of the Club and the proper maintenance and improvement of its property.
- C. No maintenance fee nor part thereof shall be refunded in the event that pool operations are required to be suspended for any period.

Section 2. Active (Primary) Members shall be responsible for the payment of all charges and 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 their guests.

Section 3. All fees and other charges mentioned herein are exclusive of taxes imposed by Federal, State and other governmental bodies and agencies.

Section 4. Members are responsible for ensuring that there are no outstanding/overdue guest fees, maintenance, or other monies due to the Club.