

SECOND AMENDED AND RESTATED BY-LAWS
OF THE
LYONS SWIM CLUB, INC.

These Second Amended and Restated By-Laws amend and restate those certain Amended and Restated By-Laws, adopted June 5, 2007.

ARTICLE I -NAME AND ORGANIZATION

Section 1. The name of the corporation is: LYONS SWIM CLUB, INC. (the “Club”), an Illinois nonprofit corporation.

Section 2. The fiscal year of this Club shall be August 1 to July 31 (the “Fiscal Year”).

ARTICLE II - TENSE AND GENDER OF WORDS

Section 1. Words used in these Articles referring to tense of words or to gender, may be interchanged with other tenses and gender to effectuate the tenor of the particular Article, Section or paragraph.

ARTICLE III - PURPOSE

Section 1. The purpose of the Club is to develop the abilities of community members in all aspects of aquatic sports by providing quality instruction, opportunities for competition, and an atmosphere that fosters respect for oneself and others, good sportsmanship, and personal excellence.

Section 2. The purpose of the Club shall be to provide the opportunity for the objectives of this CLUB to be achieved as listed in Article IV. The corporation is organized exclusively for charitable, religious, educational, and scientific purposes, including, for such purposes the making of distributions to organizations that qualify as exempt organizations under Section 501(c)(3) of the Internal Revenue Code or any future tax code. The Club is not operated for profit and no profit shall inure to the benefit of any officers, directors or employees of the corporation, except for services rendered.

Section 3. The purpose of the Club may be extended to include other recreational programs adopted from time to time by action of the Board. Notwithstanding any other provision of these articles, the corporation shall not carry on any other activities not permitted to be carried on (a) by an organization exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code or the corresponding provision of any future federal tax code, or (b) by a corporation, contributions to which are deductible under section 170(c)(2) of the Internal Revenue Code or the corresponding provision of any future federal tax code.

Section 4. It is the intent of the Club to recognize that certain Members may be in need of financial assistance. The Club President, Treasurer, and one other Director will serve to consider and evaluate financial assistance to any Member requesting such assistance. This financial assistance may include a reduction of fees up to and including a complete waiver of fees. This financial assistance to any Member will be subject to review at all subsequent enrollments.

ARTICLE IV - OBJECTIVES

Section 1. The goals of the Club are as follows:

A. to support and help promote Aquatic Programs including, but not limited to, swimming, diving, water polo and masters (collectively, the “Aquatic Programs”);

B. to encourage the development of all participants in all Aquatic Programs offered by the Club to their highest abilities; and

C. to promote team spirit and good sportsmanship at all times.

Section 2. The objectives of the Club shall be to foster an interest in the community in aquatic activities and to offer people of the community an opportunity to engage in the Aquatic Programs.

ARTICLE V -MEMBERSHIP

Section 1. The membership of this Club shall consist of each family household having at least one participant in an offered Aquatic Program of the Club (each a “Member”); provided, however, that only one membership shall be available to each family household regardless of the number of participants in the Aquatic Programs.

Section 2. Membership in the Club is based on and maintained by each family having fully paid all dues and fees payable throughout a Fiscal Year. Any family household whose dues and fees are in arrears shall be ineligible to vote in Club elections in that Fiscal Year. All Members, by accepting membership in the Club, agree to abide by the By-laws and any codes of conduct, policies and rules and regulations as established by the Board from time to time. Applications for membership in the Club shall be through an online registration system in writing on forms furnished for such purpose as part of an online registration system (or such other system as the Board may designate from time to time) and shall be subject to approval by the Board. Each such application shall be in form and substance satisfactory to the Board.

Section 3. The fees and all other costs associated with the Aquatic Programs will be set by the Board.

Section 4. The suspension and expulsion of Members and individual participants in an Aquatic Program (each a “Participant”) shall be governed by the By-laws and any codes of conduct, policies and rules and regulations as established by the Board from time to time.

Section 5. There will be one meeting of the Members held each year. It shall be held in the Spring each year on such date and at such time and place as may be designated by the Board and for the primary purpose of electing Directors and for the transaction of such other business as may come before the meeting. Appropriate notice of time and place of each meeting shall be given to each Member in good standing.

Section 6. Special meetings of the Members may be called by the President or a majority of the Board.

Section 7. The responsibilities of the Members will be to support the goals of the Club. These will include, but are not be limited to, the following:

A. to volunteer time to work swim, dive, or water polo meets as required;

B. to assist whenever possible the Officers, the Board and coordinators of the Aquatic Programs; and

C. to elect members of the Board in accordance with the By-laws.

Section 9. Each family household or guardian represents one Member, which shall be entitled to vote once for the Directors to be elected at the annual Spring meeting. Only adult Members of the Club shall be counted at all meetings of the Club and shall be allowed to vote.

Section 10. All Members and Participants shall follow the By-laws and any codes of conduct, policies and rules and regulations as established by the Board from time to time.

Section 11. Withdrawal from membership in the Club may be made by written notice to or from the Secretary of the Club.

ARTICLE VI - OFFICERS

Section 1. Officers shall be members of the Board. Officers must be Members of the Club and must maintain their Participant's registration in good standing, throughout their tenure on the Board.

Section 2. The officers shall be a President, Vice President, Secretary and Treasurer. The officers shall be elected by a majority vote of the Board at the first meeting of the newly elected Board. The President may appoint such assistant secretaries and assistant treasurers, as he/she shall deem necessary.

Section 3. The officers shall hold office until their successors are elected.

Section 4. The officers shall serve without compensation and will devote their time and efforts for the interest of the Club, as defined by the By-Laws.

Section 5. In case of death or resignation of the President, the Vice President shall at once assume his/her title and duties. The vacancy in the office of Vice President shall be filled by a majority vote of the Board. In case of death or resignation of any other officer, his/her office shall be filled by appointment by the President with a majority of the members of the Board concurring at the next meeting of the Board following the vacancy.

Section 6. A Board member may be removed, with or without cause, from an officer position by the affirmative vote of a majority of the Board. The Board shall immediately fill the position of a removed officer with a currently serving Board member by a majority vote of the Board. Any officer may resign at any time by giving written notice to the Board, the President or the Secretary. An officer's resignation will take effect when the notice is delivered unless the notice itself specifies a future date.

Section 8. The President shall call and preside at all membership meetings and all meetings of the Board. He/She shall be an ex officio member of all standing and special committees except the Nominating Committee and shall perform such other duties as are required of this office and shall exercise general supervision and control of the affairs of the Club.

The Vice President shall, in the absence of the President, or in the event of his/her removal, death, or resignation shall at once assume his/her title and duties. The Vice President shall assist the President in coordinating the activities of the Club and shall perform such other duties as are usually required by this office or which may be delegated by the President or by the Board.

The Secretary shall keep minutes of each Board meeting and distribute them to Board members prior to the next meeting; keep attendance records; conduct any business correspondence as required; prepare, issue and maintain a list of Board members' names, addresses, e-mails, telephone numbers; maintain files of written correspondence and a manual of Board policies and procedures. He/She shall see that all notices of meetings are given as required by these By-Laws and perform such other duties as the President or the Board may require.

The Treasurer shall be the custodian of all monies and property belonging to the Club. The Treasurer will develop the appropriate financial controls for approval by the Board. He/She shall work with the Book keeper to ensure proper filing of all legally required tax forms (IRS, state, etc.), including those relating to the payment of compensation to any employees of the Club. The Treasurer may receive prior approval of the Board to hire a payroll service and a tax preparation service. He/She or book keeper shall keep an accurate account of all monies coming into his/her hands and shall make a full and proper report to the Board of all receipts and expenditures and of the financial condition of the Club. He/She in conjunction with the Head Coach, shall present a financial report at each Board meeting. He/she shall present a summary financial report at the annual Club membership meeting. He/she shall be a member ex officio of all fund raising activities. He/She shall perform such other duties as pertain to this office. Treasurer is responsible for approving club expenditures requested or required for Club activities or events

beyond line items budgeted. He/She is also responsible for any supporting receipts as submitted by membership.

ARTICLE VII - BOARD OF DIRECTORS

Section 1. The affairs of the Club shall be governed by the Board of Directors (each member of the Board being referred to herein as a “Director” and collectively, the “Directors”). The Directors shall serve without compensation.

Section 2. The Board of the Club shall be duly elected by the membership of the Club.

Section 3. The Board shall consist of a minimum of seven (7) Directors elected by the Members of the Club for a three (3) year term. Any Director may serve two (2) consecutive three year terms, following re-election by the membership for the second term. Following a minimum of one (1) year after the expiration of a Director’s second consecutive three year term, a past Director may seek re-election to the Board for a new three (3) year term. At each annual meeting, the Members shall elect new Directors for a three (3) year term. The Directors shall hold office until their successors have been elected and hold their first Board meeting following the annual meeting of the Members.

Section 4. The Directors must be Members of the Club and must maintain their registration in good standing, throughout their tenure on the Board, and may not serve on the Board of any other ISI Aquatics Club, American Waterpolo Association club or USA Diving club concurrent with their tenure on the Board of the Club. Elected Directors may not have a participant or member in another ISI Aquatics Club, American Waterpolo Association club or USA Diving club while serving their tenure on the Board of the Club.

Section 5. No two members of the same household/family shall serve concurrently on the Board.

Section 6. The Board shall have the powers and duties as set forth in these By-Laws.

Section 7. Vacancies on the Board caused by any reason shall be filled from the Members by vote of the majority of the remaining Directors, even though they may constitute less than a quorum. A Director so appointed by the remaining Directors shall fill the respective term held by the Director creating the vacancy.

Section 8. At a regular or special meeting of the Members duly called, any one or more of the Directors may be removed with or without cause by a majority of the Club Members present and those filing properly submitted proxies and a successor may then and there be elected to fill the vacancy thus created. Any Director whose removal has been proposed by the members shall be given an opportunity to be heard at the meeting. Any Director may also be removed, with or without cause, by the affirmative vote of a majority of the Directors then in office.

Section 9. Regular meetings of the Board may be held at such times and places as shall be determined from time to time by a majority of the Directors, but one such meeting shall be held every month unless it is reasonably determined by a majority of the Directors to cancel such monthly meeting.

Section 10. Special meetings of the Board may be called by the President on seven (7) days' notice to each Director, which notice shall be made by mail, e-mail, or telephone, and which notice shall state the time, place and purpose of the meeting. Special meetings of the Board shall be called by the President or Secretary in like manner and on like notice on the written request of three (3) Directors.

Section 11. Notice of the time and place of each meeting shall be given not less than seven (7) days before such meeting; except that when, in the opinion of the President with respect to special meetings, the purpose of such special meeting is of such urgency that time does not permit the giving of the required notice, the President may call such meeting by appropriate means.

Section 12. Before or at any meeting of the Board, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board shall be deemed a waiver of notice by him/her of the time and place thereof. If all of the Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting. All such waivers, consents, or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

Section 13. Any action by the Board shall require a quorum. A simple majority of the Board entitled to vote shall constitute a quorum for the transaction of business. A majority of such quorum present at the time and place of any meeting of the Board shall be sufficient to act upon any proposition that may come before the Board and any number of Directors less than a quorum may adjourn a meeting from time to time without further notice until a quorum attends.

Section 14. A Director may vote or be represented by proxy and such proxy may be counted for determining a quorum. A proxy must be in writing, signed by the Board member, dated, and specific as to the issue being voted on. For purposes of establishing a quorum, the proxy must be assigned to another Board member who will be present at the specified meeting and give that Board member the right to exercise the proxy in regard to all matters transacted at the specified meeting. A proxy must be presented at the start of the specified meeting.

Section 15. The Board by simple majority vote shall, in addition to the general powers conferred upon them by these By-Laws, have the power to:

A. Make and amend By-Laws for the proper operation of the Club, in the conformity with Article XV of these By-Laws.

B. Elect officers of the Club as designated in Article VI should a vacancy occur, and such additional officers of the Board as they may desire.

C. Represent the general membership in carrying out the goals of the Club, and establish, appoint, and maintain committees as needed to fulfill the goals of the Club.

D. Receive and hold by purchase, gift, devise, bequest, or grant, real or personal property for Club purposes connected with the Club or for the benefit of the Club.

E. Sell, mortgage, lease or otherwise use and dispose of the property of the Club in such manner as the Directors shall deem most conducive to the prosperity of the Club.

F. To appoint, employ or dismiss a head coach or any assistant coach by a majority vote of the full elected Board at any regularly scheduled meeting or a special meeting called for any of the purposes named in this paragraph.

G. Approve an annual budget for the Club, which shall include the salaries of all personnel and membership dues, fees and other costs.

H. Set policies, procedures, rules and regulations in conformity with these By-Laws to govern the operation of the Club.

I. Direct the Treasurer to place, transfer, or invest funds of the Club in appropriate interest-bearing and insured accounts that will enhance the growth of such funds of the Club.

J. Approve any additional expenses over budgeted expenses including, but not limited to, any new programs or initiatives.

Section 16. Any Director of the Club shall disclose to the Board any relationship that he/she may have with any person, corporation, or other entity with whom the Club proposes to enter into any contract or other transaction which will or may result in financial gain or advantage to such Director by reason of such relationship. If such Director shall fail to make this disclosure before the Club enters into any such contract or transaction, the Board may remove him/her from the Board.

Section 17. The head coach of the Aquatic Programs shall be a non-voting ex officio member of the Board and kept apprised of all aspects of the operation of the Club including financial information. He/she will attend all meetings of the Board and advise the Board on all aspects of the Club operations.

Section 18. Any Director becoming ineligible for membership in the Club shall automatically forfeit his/her office and such vacancy shall be filled with a member in good standing by a majority vote of the Board.

ARTICLE VIII - ELECTION OF BOARD

Section 1. On or about February 1 of each Fiscal Year, the current President will appoint a Nominating Committee of at least five (5) persons.

Section 2. Two (2) members of the Nominating Committee will be chosen from the then current Board. The remaining three (3) members of the Nominating Committee will be chosen from the general Club membership.

Section 3. The Nominating Committee shall solicit all interested and eligible members as candidates for open Board positions. All interested and eligible members will be presented to the Members for election.

Section 4. The names of all interested and eligible members must be made available for review by the Members at least seven (7) days prior to the scheduled election date. All names of candidates will be published on the Club's website.

Section 5. Each Member shall be eligible to cast a vote for the number of Directors to be elected in a given Fiscal Year in the manner prescribed by the Board.

ARTICLE IX - ANNUAL AND SPECIAL MEETINGS OF THE MEMBERSHIP

Section 1. The Club will hold one meeting of the Members annually, to be held in the Spring of each year.

Section 2. Special meetings of the Members may be called at the option of the President or when requested a Majority of the Directors. Every Member shall be notified of such meeting by e-mail at least five (5) days prior to the time of the meeting. No other business other than the slated purpose of the special meeting will be discussed at any special meeting.

Section 3. Any group of at least twenty (20) Members of the Club may submit a written request to the Board to authorize a special meeting, specifying the reason for the meeting. If a majority of the Board agrees to authorize such a special meeting, this special meeting must be held within fifteen (15) days of the date upon which the Board agreed to call the meeting. An agenda must be prepared by the group requesting the special meeting. No other business may be transacted at such a special meeting other than the reason(s) for which the special meeting was called.

Section 4. A simple majority of those present is necessary to accept or reject any business at any annual or special meeting of the Members.

Section 5. A quorum for a special or regular meeting of the Club is defined as stated in Article V, section 9.

ARTICLE X - COMMITTEES

Section 1. The Board may appoint such standing and special committees as it deems necessary. The policies promulgated by the different committees shall be subject to approval by the Board.

Section 2. Each committee shall, from time to time, make and submit to the Board, such policies as may be deemed wise for the proper control, management and direction of the Club activities under its charge to the extent such policies do not conflict with these By-Laws.

Section 2. Each committee appointed by the Board shall be chaired by a member of the Club. The chairperson of each such committee may or may not also be a Director. Additional members of the committee may be Directors or other Members.

ARTICLE XI- FINANCIAL

Section 1. The budget for the Club shall be prepared and approved by the Board at the July Board meeting each year. At least one (1) week prior to the fall meeting, the proposed budget in summary form shall be made available to members of the Club by the Treasurer, upon request.

Section 2. A summary financial report for the Fiscal Year shall be presented to all members of the Club at the annual meeting.

Section 3. Discretionary expenditures are to be approved by a majority of the Board members in attendance at a Board meeting. Discretionary expenditures are defined as those which are non-meet related, non-operating and/or non-budgeted expenses as well as all capital expenditures.

Section 4. All check requests for discretionary expenditures in excess of \$250.00 must be approved by a majority of the Board and will require two (2) signatures; one signature will be that of the Treasurer, and one other officer of the Club.

Section 5. A meet entry fee disbursement may be paid by the Treasurer and/or Bookkeeper, provided the Board has approved the meet.

Section 6. Any and all monies shall be forwarded to the Treasurer who shall deposit the amount collected.

Section 7. The Club shall operate fiscally, from August 1 through July 31 of each calendar year.

Section 8. If the Club's revenues for the year are above One Hundred Fifty Thousand (\$150,000) dollars or such other amount as dictated by the Attorney General of the State of Illinois, an annual audit of the financial records shall be made by a certified Illinois CPA, and shared with board members upon completion no later than May of the following year.

Section 9. The Board shall have complete discretion to use for the purposes of furthering the goals of the Club any and all monies and funds remaining or left over at the end of the Fiscal Year.

Section 10. No Board member may enter into any verbal, written, or contractual agreement representing the Club without prior approval of a majority of the Board. All contracts approved by the Board must be signed by the President and one additional officer.

ARTICLE XII - PROHIBITED ACTIVITIES

Section 1. No part of the net earnings of the Club shall inure to the benefit of, or be distributable to its Directors, trustees, officers, members, or other private persons, except that the Club shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Article III hereof.

Section 2. No substantial part of the activities of the Club shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the Club shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of or in opposition to any candidate for public office.

Section 3. Notwithstanding any other provision of these Articles, the Club shall not carry on any other activities not permitted to be carried on (a) by any entity exempt from federal income tax under Section 501 (c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code, or (b) by any entity, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code, or the corresponding section of any future federal tax code.

Section 4. Notwithstanding any other provision of these Articles, none of the Club's assets or income earned on those assets, shall be loaned, directly or indirectly, to any person or entity.

ARTICLE XIII –CLUB REGISTRATION /AFFILIATION

The Board will ensure that the Club and all Members and Participants maintain the appropriate annual memberships and registrations and are in good standing with Illinois Swimming, Inc., USA Swimming, USA Water Polo and/or any governing body corresponding to the Aquatic Programs offered by the Club including, but not limited to, the Amateur Athletic Association, and the Club and its Members and Participants will abide by all technical rules promulgated by these bodies.

ARTICLE XIV -INDEMNIFICATION OF OFFICERS AND DIRECTORS

Section 1. No Director shall be answerable for any act, neglect, or default of any other Director; and no Director shall be liable, individually or collectively, for any error of judgment, or for any

act done or step taken or omitted under the advice of counsel, nor for any mistakes of fact or law, nor for anything which he/she may do or refrain from doing in good faith.

Section 2. Every Director and every Officer of the Club shall be indemnified by the Club against all expenses and liability, including counsel fees, reasonably incurred by or imposed upon him/her in connection with any proceeding to which he may be a part, or in which he may become involved, by reason of his being or having been a Director or Officer of the Club at the time such expenses are incurred, except in such cases wherein the Director or Officer is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties; provided that, in the event of a claim for reimbursement or indemnification hereunder based upon a settlement by the Director or Officer seeking such reimbursement or indemnification, the indemnification herein shall apply only if the Board (with the Director seeking reimbursement abstaining) approves such settlement and reimbursement as being in the best interest of the Club. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such Director or Officer may be entitled.

Section 3. The Board of the Club shall take all such action as may be necessary and appropriate to authorize the Club to pay the indemnification required by this By-Law, including without limitation, to the extent needed, making a good faith evaluation of the manner in which the claimant for indemnity acted and of the reasonable amount of indemnity due him/her.

Section 4. The Board shall seek out and secure a comprehensive Directors and Officers Liability Insurance policy covering the Club. The Board will also secure additional policies covering the Club, and any other insurance required or deemed reasonable and necessary by the Board. The Board will by majority opinion determine the limits of liability that should be purchased under each separate policy. Such policy premiums shall be paid for by the Club.

ARTICLE XV- AMENDMENTS

Section 1. These By-Laws may be amended by a resolution, adopted by a simple majority of the entire Board. Board members may be present in person or by properly submitted proxy.

Section 2. A written notice and text of a proposed amendment shall be given to all members of the Board, at least ten (10) days prior to any regular or special meeting of the Board.

ARTICLE XVI- SEVERABILITY

Invalidation of any part of the Articles contained herein, by judgment of court order, by a court of competent jurisdiction, shall not affect any of the other Articles or provisions, which shall remain in full force and effect.

ARTICLE XVII -GENERAL

Section 1. These By-Laws shall not deprive the Club, the Board, the Officers, and any Director of any right or privilege conferred by the laws of the State of Illinois.

Section 2. Whenever any notice is required to be given to any member or Director under the provisions of the statutes of the State of Illinois, or under the provisions of the By-Laws of the Club, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be equivalent to the giving of such notice.

ARTICLE XVIII -DISSOLUTION

Only upon a majority vote of the membership in accordance with the provisions in Article IX may the Club be dissolved. Upon dissolution of the corporation, membership fees corresponding to non completed portions of the enrolled sessions will be refunded to members as deemed appropriate by the Board. Remaining assets shall be distributed for one or more exempt purposes within the meaning of section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code, or shall be distributed to the federal government, or to a state or local government, for a public purpose. Any such assets not so disposed of shall be disposed of by a Court of Competent Jurisdiction of the county in which the principal office of the corporation is then located, exclusively for such purposes or to such organization or organizations, as said Court shall determine, which are organized and operated exclusively for such purposes.

ARTICLE XIX –ARBITRATION

Unless otherwise agreed to in writing by the parties at the time of the dispute, any and all controversies, disputes, or claims arising out of or relating to the By-Laws, the alleged breach thereof the operation of the Club, and claims, controversies or disputes regarding the acts, omissions or any alleged conduct by the Club and/or any director or officer, which cannot be resolved amicably by mutual consultation between the parties, shall be settled by final and binding arbitration heard by a competent panel of three (3) arbitrators, one selected by the Club, one selected by the member(s), or other party(s) and a third arbitrator selected by the other two (2) arbitrators. In the event the member(s) and CLUB are unable to agree on a third arbitrator, then that dispute shall be submitted to the Court in the Circuit Court of Cook County for the appointment by the Court of the third arbitrator. The procedures and proceeding shall be conducted pursuant to the Illinois Uniform Arbitration Act (710 ILCS 5/I et seq.), presently in effect or as amended. Any demand for arbitration seeking enforcement of or otherwise founded upon these By-Laws or regarding any disputes herein set forth must be commenced within one (1) year from such action's accrual or will forever be barred. This Article shall survive if these By-Laws should be adjudged void or should be altered, amended or repealed. The parties hereby consent to the exclusive jurisdiction and venue in the Circuit Court of Cook County, Illinois.

ARTICLE XX -ADOPTION OF THE CLUB BY-LAWS

These Second Amended and Restated By-Laws of the Club will be effective upon acceptance by a majority of the Board.