

**Bylaws of Bloomington Normal Swim Club
An Illinois General Not for Profit Corporation**

**Article 1
Name**

The name of this corporation is Bloomington Normal Swim Club d/b/a RKSA (the "Corporation").

**Article 2
Principal Office**

The principal office for the transaction of the activities and affairs of the Corporation ("principal office") is located at 1004 Ironwood Country Club Drive, McLean County, Normal, Illinois 61761. The directors may change the location of the principal office at any time. Any change of this location shall be noted by the secretary on these bylaws opposite this section or this section may be amended to state the new location.

**Article 3
Purposes and Objectives**

3.1 Not For profit Corporation

This Corporation is a non-profit corporation and is not organized for the private gain of any person. It is organized under the Illinois General Not For Profit Corporation Act of 1986, Section 805 ILCS 105/101.01 et seq., for charitable purposes. Its specific purpose is for charitable, civic, and athletic purposes as allowed in 805 ILCS 103.05(a)(1), (5), and (11).

3.2 Tax-Exempt Status

This Corporation is organized for the purpose of fostering national or international amateur sports competition and exclusively for charitable, religious, educational, and scientific purposes, including, for such purposes, the making of distributions to organizations qualifying as an exempt organization from Federal income tax under section 501(c)(3) of the Internal Revenue Code of 1986, or corresponding section of any future Federal tax code.

No part of any net earnings of the Corporation shall inure to the benefit of, or be distributable to its members, trustees, officers or other private persons except the Corporation 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 the purpose clause hereof. No substantial part of the activities of the Corporation shall be the carrying on of propaganda or otherwise attempting to influence legislation and the Corporation shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office. Notwithstanding any other provision in this document, the Corporation shall not carry on any other purpose not permitted to be carried on: (i) by an organization exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1986 or corresponding Section of any future

Federal Tax Code; or (ii) by an organization, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code or corresponding Section of any future Federal tax code.

Article 4 Dedication of Assets

The properties and assets of this not for profit corporation are irrevocably dedicated to charitable purposes. No part of the net earnings, properties or assets of this corporation, on dissolution or otherwise, shall inure to the benefit of any private person or individual or any member or director of this corporation. Upon the dissolution of the Corporation, all of the Corporation's net assets shall be distributed for one or more exempt purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986 or 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 net assets not disposed of shall be disposed of by the McLean County, Illinois District Court exclusively for such purposes or to such organization or organizations as such Court shall determine which are organized and operated exclusively for such purposes.

Article 5 Membership

5.1 Qualifications

(a) There shall be one class of membership in this corporation consisting of:

- (i) the parents or legal guardians of and living with minor children who participate in amateur competitive swimming activities conducted by the Corporation, and
- (ii) emancipated persons who participate in amateur competitive swimming activities conducted by the Corporation.

(b) The members will have no voting rights.

5.2 Fees and Dues

Each member must pay, as determined by and within the time and on the conditions set by, the board of directors, an initiation fee, if any, and monthly and/or annual dues to be determined and in amounts to be fixed from time to time by the board of directors.

5.3 Termination of Membership

Any member may be expelled:

- (a) for failure to pay dues or assessments within the time set by the board of directors,
- (b) for failure in a serious and material degree to observe the rules of conduct of the Corporation, or
- (c) for engaging in conduct materially and seriously prejudicial to the interests and purposes of the Corporation.

Article 6
Number and Composition of Board of Directors

The board of directors of the Corporation shall consist of no fewer than three and no greater than five directors.

Article 7
Directors

7.1 Initial Directors

The initial directors shall be appointed by the incorporators.

7.2 Election and Term of Office of Directors

Directors shall serve for two year terms, but may be reelected an unlimited number of times. The directors, by majority vote, may elect additional directors or may fill vacancies.

7.3 Action without Meeting

Any action required or permitted to be taken by the board of directors may be taken without a meeting, if all members of the board, individually or collectively, consent in writing to that action. Such action by written consent shall have the same force and effect as a unanimous vote of the board of directors. Such written consent or consents shall be filed with the minutes of the proceedings of the board.

7.4 Fees and Compensation

Directors and members of committees shall receive:

- (a) no compensation for their services and
- (b) such reimbursement of expenses as may be determined by resolution of the board of directors to be just and reasonable.

Article 8
Officers

8.1 Officers

The principal officers of the Corporation shall be a president, vice president, a secretary and a treasurer. Any number of offices may be held by the same person, except that neither the secretary nor the treasurer may serve concurrently as either the president or chairman of the board.

8.2 Election of Officers

The officers of the corporation shall be chosen by the board of directors and each shall serve at the pleasure of the board.

8.3 Subordinate Officers

The board of directors may appoint, and may authorize the president or another officer to appoint any other officers that the business of the corporation may require, each of whom shall have the title, hold

office for the period, have the authority and perform the duties specified in the bylaws or determined from time to time by the board of directors.

8.4 Responsibilities of Officers

(a) President. The president shall preside at the meeting of the board of directors and exercise and perform such other powers and duties as may be from time to time assigned to him by the board of directors or prescribed by the bylaws. The president shall, in addition, be the chief executive officer of the corporation and shall, subject to the control of the board of directors, generally supervise, direct and control the business and the officers of the corporation. He shall have such other powers and duties as may be prescribed by the board of directors or the bylaws.

(b) Vice president. In the absence or disability of the president, the vice president shall perform all the duties of the president and when so acting shall have all the powers of and be subject to all the restrictions upon, the president. The vice president shall have such other powers and perform such other duties as from time to time may be prescribed by the board of directors or the chairman of the board.

(c) Secretary. The secretary shall attend to the following:

(i) Book of minutes. The secretary shall keep or cause to be kept, at the principal office or such other place as the board of directors may direct, a book of minutes of all meetings and actions of directors, and committees of directors, with the time and place of holding, whether regular or special and, if special, how authorized, the notice given, the names of those present at such meetings, and the proceedings of such meetings.

(ii) Membership records. The secretary shall keep, or cause to be kept, at the principal office as determined by resolution of the board of directors, a record of the corporation's members, showing the names of all members and their addresses.

(iii) Notices and other duties. The secretary shall give, or cause to be given, notice of all meetings of the board of directors required by the bylaws to be given. He shall have such other powers and perform such other duties as may be prescribed by the board of directors or the bylaws.

(d) Treasurer.

(i) Books of account. The treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct books and records of accounts of the properties and business transactions of the corporation, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital, retained earnings and other matters customarily included in financial statements. The books of account shall be open to inspection by any director at all reasonable times.

(ii) Deposit and disbursement of money and valuables. The treasurer shall deposit all money and other valuables in the name and to the credit of the corporation with such depositories as may be designated by the board of directors; shall disburse the funds of the corporation as may be ordered by the board of directors; shall render to the president and directors, whenever they request it, an account of all of his transactions as treasurer and of the financial condition of the corporation; and shall have other powers and perform such other duties as may be prescribed by the board of directors or the bylaws.

(iii) Bond. If required by the board of directors, the treasurer shall give the corporation a bond in the amount and with the surety or sureties specified by the board for the faithful performance of the duties of his office and for restoration to the corporation of all its books, papers, vouchers, money

and other property of every kind in his possession or under his control on his death, resignation, retirement or removal from office.

8.5 Fees and Compensation

Officers shall receive:

- (a) no compensation for their services and
- (b) such reimbursement of expenses as may be determined by resolution of the board of directors to be just and reasonable.

Article 9 Conflict of Interest Policy

9.1 Purpose

The purpose of the conflict of interest policy is to protect this tax-exempt corporation's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Corporation or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

9.2 Definitions

- (a) Interested Person. Any director, principal officer, or member of a committee with governing board delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.
- (b) Financial Interest. A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:
 - (i) An ownership or investment interest in any entity with which the Corporation has a transaction or arrangement,
 - (ii) A compensation arrangement with the Corporation or with any entity or individual with which the Corporation has a transaction or arrangement, or
 - (iii) A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Corporation is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

A financial interest is not necessarily a conflict of interest. Under Article 9.3(b), a person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

9.3 Procedures

- (a) Duty to Disclose. In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors and members of committees with governing board delegated powers considering the proposed transaction or arrangement.

(b) Determining Whether a Conflict of Interest Exists. After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

(c) Procedures for Addressing the Conflict of Interest

(i) An interest person may make a presentation at the governing board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.

(ii) The chairperson of the governing board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

(iii) After exercising due diligence, the governing board or committee shall determine whether the Corporation can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.

(iv) If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the governing board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Corporation's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.

(d) Violations of the Conflicts of Interest Policy

(i) If the governing board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.

(ii) If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

9.4 Records of Proceedings

The minutes of the governing board and all committees with board delegated powers shall contain:

(a) The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the governing board's or committee's decision as to whether a conflict of interest in fact existed.

(b) The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

9.5 Compensation

(a) A voting member of the governing board who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to that member's compensation.

(b) A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to that member's compensation.

(c) No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Corporation, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

9.6 Annual Statements

Each director, principal officer, and member of a committee with governing board delegated powers shall annually sign a statement which affirms such person:

- (a) Has received a copy of the conflicts of interest policy;
- (b) Has read and understands the policy,
- (c) Has agreed to comply with the policy, and
- (d) Understands the Corporation is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

9.7 Periodic Reviews

To ensure the Corporation operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- (a) Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining.
- (b) Whether partnerships, joint ventures, and arrangements with management organizations conform to the Corporation's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

9.8 Use of Outside Experts

When conducting the periodic reviews as provided for in Article 9.7, the Corporation may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.

Article 10 Amendments

Any amendments to these bylaws may be proposed by a resolution adopted by a majority of the Board of Directors.

Certificate of Secretary

I, the undersigned, certify that I am the presently elected and acting secretary of Bloomington Normal Swim Club d/b/a RKSA, an Illinois Not For Profit Corporation, and the above bylaws, consisting of 8 pages, are the bylaws of this corporation as adopted by unanimous written consent of the board of directors on this 24 day of FEBRUARY, 2006.

Date: FEBRUARY 24, 2006

Secretary: Christine A. Knight