

BY-LAWS  
Of  
HEART OF TEXAS AQUATICS TEAM  
A NONPROFIT CORPORATION  
Adopted August 13, 2006

ARTICLE I  
GENERAL

Section 1. Name. The name of the corporation shall be Heart of Texas Aquatics Team (HEAT).

Section 2. Mission. HEAT's mission is:

1. To be a model competitive United States swimming team with Local, State, Regional, and National recognition.
2. To provide an ideal swimming environment based on the principles of integrity, respect and sportsmanship.
3. To educate, instruct and train members in year round competitive swimming.
4. To enable swimmers to reach their personal goals and potential.
5. To foster self-esteem and self-discipline through a creative and supportive environment integrating swimmer, coach and parent.
6. To be exemplary in creating and demonstrating the highest standard in individual and team sportsmanship.

Section 3. Organization. HEAT is organized exclusively for charitable and educational purposes and for the purpose of fostering amateur sports competition.

ARTICLE II  
MEMBERSHIP

Section 1. Athlete Member. An Athlete Member is an individual who participates or competes in the sport of swimming and is in good standing as an individual member of HEAT and of USA Swimming.

Section 2. Non-Athlete Member. Parents or guardians of active Athlete Members, or such other individuals or organizations as the Board may decide to admit to membership from time-to-time.

Section 3. Voting Rights. Each family unit in good standing with HEAT and USA Swimming, irrespective of the number of athlete or non-athlete members participating from a family unit, shall be entitled to one (1) vote on each matter submitted to a vote of the members. A family member 18

years of age or older must be present to exercise the voting rights of the family unit. No proxy votes or absentee votes will be permitted.

Section 4. Meetings. An Annual Membership meeting will be held each August. In addition, Special Membership meetings may be called by the President or by written petition of at least thirty percent (30%) of Member Families, each of which must be 18 years of age or older. The purpose(s) of a Special Membership meeting shall be stated when the meeting is called, and action shall be limited to the purpose(s) so stated.

Section 5. Notice. Notice of Annual Membership and Special Membership meetings will be given by written notice via electronic mail. In the event a member family does not have access to electronic mail, written notice will be sent via United States mail. Written notice shall also be posted on the webpage. Such notice shall be given at least seven (7), but not more than thirty (30), days prior to such meeting. Notice of Special Membership meetings shall state the purpose(s) of such meeting.

Section 6. Quorum. The membership present at the Annual or Special Membership meeting will represent a quorum for any election.

Section 7. Special Members. The Board of Directors shall have the authority to create a special membership in HEAT and to set the criteria therefore.

Section 8. Resignation of Membership. Any Member may resign by filing a written resignation with the Secretary of HEAT and the head coach, but such resignation shall not relieve the Member of the obligation to pay any dues, assessments, or other charges theretofore accrued, and must be made thirty (30) days prior to their monthly fee obligation.

Section 9. Termination of Membership. The Board of Directors, by affirmative vote of two-thirds of all members of the Board, may suspend or expel a member for cause after an appropriate hearing and may, by a majority vote of those present at any regular meeting of the Board of Directors, terminate the membership of any member who becomes ineligible for membership, or suspend or expel any member who shall be in default in the payment of dues for the period of thirty (30) days from the date the payment is due.

Section 10. Transfer of Membership. Membership in HEAT is not transferable or assignable.

ARTICLE III  
BOARD OF DIRECTORS

## Section 1. Directors.

1. The governing body of HEAT shall be the Board of Directors, which shall consist of eight Directors. The Board may from time to time add another Director position. Additional Director positions shall only be added by the unanimous consent of the Board of Directors.

2. The following officers shall comprise the Board: President, President-Elect, Secretary, Treasurer, Vice President of Planning, and three at-large Directors. Board positions are for a two-year term. The Head Coach shall be an ex-officio member of the Board.

3. To become a member of the Board the individual shall be a parent or guardian of an active participant or shall be an active participant of the Masters program. A Board of Director member will be required to resign his/her position if they no longer meet the qualifications to be a member thereof unless the Board, by unanimous decision, determines that it is in the best interests of HEAT to continue to have the said Board member actively involved in the affairs of HEAT.

4. All Board members will have one vote in matters presented to the Board for a vote; the President will not have a vote except in the case of a tie vote of the Board.

Section 2. Advisory Directors. The Board of Directors shall have the authority to appoint from time-to-time temporary, non-voting, advisory directors to the Board in order to obtain access to their expertise and counsel. The limits of their term will expire when their expertise is no longer required. It is not necessary that these advisory directors be members of HEAT.

Section 3. Duties and Powers. The Board of Directors shall supervise the affairs of HEAT. The Board shall be responsible for the business affairs of HEAT including, but not limited to, establishing Codes of Conduct and other rules and regulations affecting the affairs and activities of HEAT, fund raising, social activities, establishment of dues and fees, structure, establishment of compensation for employees, as well as employment and personnel policies. The signatures of the President and/or the President-Elect and Treasurer are required in order to execute a binding commitment in the name of HEAT except in cases where a majority of the Board of Directors shall expressly delegate that authority to another Director/Officer or agent. The Board will also be responsible for hiring/terminating a Head Coach.

Section 4. Committees. The Board of Directors may, by resolution, designate other individuals and/or committees as may be deemed appropriate to transact/conduct the business of HEAT. The functions and

responsibilities of any such individuals and/or committee(s) shall be specified in the appropriate resolution; provided that the authority of any such committee shall not supersede or replace the authority of the Board in the management of the affairs of HEAT. Committees will be chaired by an At-Large Director and report to the Board.

Section 5. Meetings. The Board of Directors will meet at least once in each calendar month, but more frequently if required. The meetings will be called by the President or by a majority of the Directors. The agenda for regular meetings will be published on the website at least three (3) days prior to the meeting. If an emergency meeting needs to be called, the person(s) calling the meeting shall give at least twenty-four (24) hours notice to the Directors. Directors may be given notice either orally or in writing. Attendance at a meeting shall constitute waiver of notice of such meeting except where a Director attends such meeting for the purpose of objecting to the transaction of business on the grounds that such meeting is not lawfully called or convened. Notice of any meeting of Directors should specify the business to be transacted or the purpose of such meeting. Any Director or officer who, following proper notice, fails to attend two consecutive meetings without just cause may be removed by a three-fourths (3/4) vote of the remaining Directors. The Board shall welcome to its meetings the swim coaches and any other interested parties. Guests shall be allowed to speak by being placed on the agenda in advance of the meeting or at the discretion of the President. Notwithstanding the above, the Board may meet in executive session without notice to the Members when requested by a majority of the Directors or to discuss personnel matters. The minutes of said meeting should designate the meeting as an Executive Session of the Board of Directors.

Section 6. Quorum. A simple majority of the Board members present shall constitute a quorum. Employment issues require a minimum of two-thirds (2/3) of the directors for a quorum. Directors not present at the meeting may give their proxy to another Board member, either verbally or in writing, with notice to the President if they are unable to attend a meeting. The Board of Directors may call a vote via electronic mail if unable to assemble and the transaction of business is required. A quorum for electronic mail voting purposes will be in effect after all directors have been notified and cast their vote. The Secretary will place the mention of each electronic mail vote and its results in the minutes of the next official Board Meeting.

Section 7. Vacancies. Any vacancy occurring in the Board of Directors shall be filled by the affirmative vote of a majority of the remaining Directors though less than a quorum of the Board of Directors. A Director so elected shall serve the unexpired term of the replaced Director.

Section 8. Action by Unanimous Consent. Any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof may be taken without a meeting if a written consent, setting forth the action to be taken, is signed by all members of the Board of Directors or the committee. Such written consent shall have the same force and effect as a unanimous vote at a meeting.

Section 9. Compensation. Directors shall not receive any compensation for serving in such capacity. Directors are not precluded from serving HEAT in any other capacity and receiving compensation for such other services.

Section 10. Membership in United States Swimming, Inc. All members of the Board of Directors shall maintain non-athlete memberships with USA Swimming, Inc.

Section 11. Directors and Officers Liability Insurance. HEAT will provide the Board of Directors with Directors and Officers Liability insurance annually.

#### ARTICLE IV ELECTION OF OFFICERS AND AT-LARGE DIRECTORS

Section 1. Nomination. A Nominating Committee will be appointed by the President with approval of the Board and announced to the membership by posting on the HEAT website. The President-Elect shall chair the Nominating Committee and the Head Coach shall serve as a permanent, ex-officio member of the committee. The Nominating Committee will be responsible for interviewing all candidates for Director positions and recommending a slate of Directors for election. Additional nominations will be accepted from the floor.

Section 2. Election. New Directors will be elected at the Annual Membership Meeting by a simple majority of the votes cast, provided written notice of the election and proposed slate is given to Members at least ten (10) days prior to such meeting. The chairman of the Nominating Committee is the President-Elect.

Section 3. Term. The term of office for Directors shall be two (2) years. The term of office shall begin September 1 of the year of election.

Section 4. Vacancies. Any vacancy occurring on the Board of Directors will be filled as stated in Article III, Section 7.

Section 5. Removal. A Director who fails to attend two consecutive meetings without just cause may be removed from his/her position as provided for in Article III, Section 5. Any Director may be removed by the Members at a Special Membership meeting whenever in their judgment the best interests of the HEAT will be served thereby.

## ARTICLE V DUTIES OF OFFICERS AND DIRECTORS

Section 1. President. The president is the principle executive officer of HEAT and will be responsible for the supervision of all affairs of the corporation. The President will be responsible for providing the tie breaking vote on any Board matters. The President shall preside at all regularly called Board of Director meetings and business meetings, Annual and Special Membership meetings, and be responsible for the preparation and posting of agendas for such meetings. The President may sign, with the Treasurer, Secretary, or any other proper officer of the HEAT Board of Directors any deeds, mortgages, bonds, contracts or other instruments which the Board of Directors has authorized to be executed, except those acts which require the signature of some other Officer or Director. The President shall serve as an ex-officio member of all committees. The President shall perform all duties incident to the office of President and such other duties set forth by the Board of Directors from time to time. The President shall also act as a principal liaison between HEAT, USA Swimming, local communities, corporations and other not-for-profit entities.

Section 2. President-Elect. The President-Elect shall be responsible for all committees, including those chaired by At-Large Directors. In the absence of the President or in the event of the President's inability or refusal to act, the President-Elect shall perform 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. In the absence of the President-Elect, or in the event of the President-Elect's inability or refusal to act, the Secretary shall perform the duties of the President-Elect, and when so acting shall have all the powers of, and be subject to all the restrictions upon the President-Elect.

Section 3. Vice-President of Planning. The Vice-President of Planning shall be responsible for designing, planning and overseeing the execution of the marketing, advertising, and fund raising activities determined by the Board of Directors as necessary to enable HEAT to meet its primary financial purpose and objectives.

Section 4. Treasurer. The Treasurer is the principal financial officer of

HEAT and shall specifically supervise the financial affairs of the corporation. The Treasurer shall have charge and custody of and be responsible for all funds and securities of the corporation, receive and give receipts for moneys due and payable to the corporation from any source whatsoever, and deposit all such moneys in the name of the corporation in such banks, trust companies, or other depositories as shall be selected in accordance with Article VI of these bylaws. The Treasurer shall only disburse funds specifically authorized by a motion of the Board of Directors or which is allowable within the confines of the Board approved Annual Budget. In the event a proposed expenditure exceeds the HEAT budget for such expense, the Treasurer shall obtain Board approval before disbursing the funds. The Treasurer, in cooperation with the President of the Board, shall appoint a Finance Committee consisting of no more than three members. The Treasurer shall serve as chair of the committee. Committee members should have accounting, bookkeeping or other applicable business experience and may include non-members of HEAT. The Finance Committee shall assist the Treasurer in the preparation of the annual budget, and such budget shall be submitted to the Board of Directors for review no later than two weeks before the Annual Membership Meeting. The Personnel Committee shall also assist the Finance Committee in preparing an annual salary package for coaches. The Finance Committee shall also perform the duties outlined in Article VI of these Bylaws. The Treasurer shall maintain a roster of all the names and addresses of each Member, and shall perform all other duties set forth by the Board of Directors from time to time. Accordingly, the Treasurer should be present at all meetings with potential financial impact to the corporation. The Treasurer may sign, with the Secretary or any other proper officer of the HEAT Board of Directors, any deeds, mortgages, bonds, contracts, or other instruments which the Board of Directors have authorized to be executed, except as to those acts which require the signature of some other Officer or Director. The Treasurer shall prepare or have prepared financial reports at least monthly listing the current budget variances by line item. He/she shall prepare or have prepared the necessary documentation for the filing of HEAT's annual Federal Income Tax as well as all other forms due local, state and federal tax authorities. He/she shall arrange for an annual audit, if directed by the Board, and report the results of the audit to the Board. The Treasurer shall perform all duties incident to the office of Treasurer and such other duties as set forth by the Board of Directors from time to time. The Treasurer shall also be the custodian of all HEAT financial records.

Section 5. Secretary. The Secretary shall keep the minutes of the meetings of the Membership and of the Board of Directors in one or more books designated for that purpose. The Secretary will conduct all official correspondence and give all notices required by law and these by-laws.

The Secretary will be custodian of all HEAT corporate records with the exception of financial records in which the responsibility shall reside with the Treasurer. The secretary shall maintain USA Swimming registration information using the team roster. The Secretary will perform all other duties deemed reasonable by the Board of Directors. In the absence of the President and President-Elect, or in the event of the President and President-Elect's inability or refusal to act, the Secretary shall perform 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.

Section 7. At-Large Directors. Each At-Large Director shall chair one or more of the standing committees. Additionally, the Board of Directors shall elect one At-Large Director to serve as the Director of Personnel. The Director of Personnel shall form a committee of two HEAT members to serve as the Personnel Committee. With the exception of the Director, the Personnel Committee members shall not be Board members. The committee should consist of a Non-Athlete member or a Masters swimmer and another member of Heat with swimming experience. The Director of Personnel shall serve as the liaison between the Head Coach and the Board. He/she shall develop personnel policies, create job descriptions for the staff, and review salaries for the staff. The Personnel Committee shall also work with the Finance Committee to prepare an annual salary package for the Head Coach. The Personnel Director shall submit all amounts for employee pay to the Board of Directors for approval. The Personnel Committee is also responsible to present to the Board recommendations for candidates for the position of Head Coach whenever that position should become vacant and shall also be responsible for evaluation the Head Coach on an annual basis.

Section 8. Conflict of Interest. Each Officer and Director, by agreeing to serve in his or her position, also agrees and is required to comply with the organization's conflict of interest policy as in effect at the time any matter affected by it arises.

## ARTICLE VI ANNUAL AUDIT, REPORTS, REMITTANCES

Section 1. Annual Audit. The fiscal year for HEAT shall be September 1 through August 31. The financial records of HEAT shall be reviewed by the Finance Committee and presented to the Board within two (2) months of the close of each fiscal year. The report of the Finance Committee to be delivered to the Board will include a review of the following items for compliance with applicable regulations:

- Federal tax return is filed annually as required by IRS regulations
- All 941 taxes (payroll withholding taxes) are remitted timely and returns

are filed as required by the IRS

-Bank accounts are reconciled on a timely basis

-Any and all other items as deemed appropriated by the committee

Section 2. Annual External Financial Review. An annual outside audit of the books of the corporation may be conducted in order to ensure that the corporation is explicitly following Generally Accepted Accounting Principles (GAAP) if deemed necessary by the Board of Directors.

Section 3. Reports. The Secretary shall, within 21 days after each meeting of the Board of Directors, transmit a copy of the minutes of the meeting to the respective Board members for their review.

Section 4. Financial Statements. The Treasurer shall provide summaries of the financial statements to the general membership upon request.

## ARTICLE VII

### CONTRACTS AND FINANCIAL INSTRUMENTS

Section 1. Contracts. The Board of Directors may authorize any officer or agents of HEAT, in addition to the officers so authorized by these bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation. Such authority may be general in nature or confined to specific instances.

Section 2. Checks and Drafts. All checks, drafts, or orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the corporation shall be signed by such officer or officers, agent or agents of the corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors, and such instruments shall be signed by the Treasurer. When such instruments are in excess of \$1000.00 they shall be counter-signed by the President, President-Elect, Treasurer or Secretary or any other designated member of the Board of Directors.

Section 3. Deposits. All funds of the corporation shall be deposited within two weeks to the credit of the corporation in such banks, trust companies, or other depositories as the Board of Directors may select. In the event funds are deposited by a Director other than the Treasurer, said Director shall notify the Treasurer of the deposit and provide the Treasurer with any and all documentation relating to the deposit.

Section 4. Gifts. The Board of Directors may accept on behalf of HEAT any contribution, gift, bequest, or devise for the general purpose or for any special purpose of the corporation.

ARTICLE VIII  
AMENDMENT OF BYLAWS AND DISSOLUTION OF THE  
CORPORATION

Section 1. Amendment of Bylaws. These Bylaws may be amended at any Annual or Special membership meeting by a two-thirds (2/3) vote of the members present, provided notice of the amendment has been given to the members via electronic mail at least seven (7) business days prior to such meeting. Membership at the meeting shall represent a quorum.

Section 2. Dissolution. HEAT may be dissolved upon a two-thirds majority vote of all members present at an Annual or Special membership meeting. Members of HEAT must be informed of this meeting by electronic mail or posting on the website no less than seven (7) business days or no more than fifty (50) days prior to such meeting. Notification of Intent to Dissolve will be given with the posting of the meeting. The membership present at the meeting shall represent a quorum for voting purposes. The Board of Directors may dissolve HEAT without vote of the membership if the corporation is no longer financially sound or unable to meet its financial obligations. Upon so doing the Board of Directors will notify each family unit of HEAT, by mailing, of its intent 30 days prior to such action. Upon dissolution, the net assets of HEAT shall not inure to the benefit of any private individual, unincorporated organization or corporation, including any member, officer or director of HEAT but shall be distributed to a non-profit organization exclusively for educational or charitable purposes as designated by the Board of Directors at the time of the dissolution.

ARTICLE IX  
INDEMNIFICATION

Section 1. Indemnity. Each person who is or was or had agreed to become a director or officer of HEAT, or each such person who is or was serving or had agreed to serve at the request of the Board of Directors or an officer of the corporation as an employee or agent of the corporation, shall be indemnified by the corporation to the full extent permitted by the Non Profit Corporation Act of the State of Texas or any other applicable laws as presently or hereafter in effect. Without limiting the generality or effect of the foregoing, the corporation may enter into one or more agreements with any person, which provide for indemnification greater or different than that provided in this Article. No amendment or repeal of Article IX, Section 3 shall apply to or have any effect on the right to indemnify permitted or authorized there under for or with respect to claims asserted before or after such amendment or repeal arising from acts or omissions occurring in whole or in part before the effective date of such

amendment or repeal. HEAT may, to the full extent permitted by law, purchase and maintain insurance on behalf of any Indemnified Person against any liability that could be asserted against the indemnified person.

Section 2. Exclusion. The indemnification provided by this Article, shall not apply to any Indemnified Party whose otherwise indemnified conduct is finally determined to have been in bad faith, self dealing, gross negligence, wanton and willful disregard of applicable laws, or who is convicted of a crime (including felony, misdemeanor and lesser crimes) involving laws specifically designed to protect minors.

Section 3. Indemnified Person. Indemnified Person shall mean any person who is or was a member of the Board of Directors or other member, employee or agent of HEAT and is or was serving at the direct request of another indemnified Person on behalf of HEAT.

## ARTICLE X BOOKS AND RECORDS

HEAT shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of the Membership Meetings and Board of Directors meetings. A register of the names and addresses of the Members and the Voting Power shall be in the custody of the Board Secretary, or as directed by the Board of Directors. All books and records of the corporation may be inspected by any member or his agent or attorney for any proper purpose at any reasonable time.