

Adelphi Recreation, Incorporated

BY-LAWS

As amended and approved at the annual meeting on November 20, 2002

ARTICLE I - NAME

The name of the corporation shall be Adelphi Recreation, Incorporated.

ARTICLE II - PURPOSE

The purpose of this non-profit corporation is to promote wholesome recreation in the community, and in performance of that purpose to acquire land and to construct, own and operate a swimming pool and other recreation facilities in the area known as Adelphi, The County of Prince George's, State of Maryland.

ARTICLE III - GOVERNMENT

Section 1. The corporation shall be managed by a Board of Directors, ten in number, including the four officers of the corporation, as set forth in Section 2 of this Article.

Section 2. The officers of the corporation shall be a president, vice-president, secretary and treasurer. Such officers shall be elected by written ballot unless otherwise moved from the floor at the regular annual meeting of the shareholders, for a period of one year, except that at the first meeting of the shareholders, the officers shall be elected to serve until the first annual meeting to be held in January, 1957.

Section 3. Directors shall be elected at annual meetings. Except as provided by Section 5 of this Article, all directors shall serve for three years. No officer shall serve for more than three consecutive years in the same position, except that an officer may serve a fourth year if no shareholder in good standing declares a willingness to run for election to that position ten days prior to the annual meeting. At the discretion of the board, directors acting as committee chairs may serve for as many as six years. Each officer and each director shall be an adult shareholder in good standing in the corporation or an adult member of the household of a shareholder in good standing. Election of officers and directors shall be by plurality vote.

Section 4. An officer's or director's term shall cease when he and all members of his household cease to be dues-paying shareholders in good standing of the corporation.

Section 5. The Board of Directors shall fill any vacancy in the Board, including those of officers, until the next general election.

Section 6. If an officer or director fails to attend three consecutive regular meetings of the Board of Directors or otherwise fails to discharge any of his duties or obligations to the Corporation, he may be removed by the Board of Directors and the vacancy filled as provided in Section 5 of this Article.

ARTICLE IV - BOARD OF DIRECTORS

Section 1. The Board of Directors shall transact all corporate business including:

- a. Approval of facilities construction and payment thereof,
- b. Making rules and regulations for the use of corporate property,
- c. Approval of applications for share ownership,
- d. Selection of a depository for corporate funds,
- e. Provision for an annual audit.
- f. Establishing annual dues and other fees

Section 2. Nothing in these by-laws shall be construed to permit the Board of Directors to borrow or pledge the credit of the corporation without the specific approval of the shareholders.

Section 3. The Board of Directors shall meet monthly beginning with February and ending with September of each year and at such other times as they may deem necessary. The President may call a special meeting of the Board of Directors at any time and shall do so on the written request of any other Director.

Section 4. A Special Meeting of the Board of Directors must be called by the President within 10 days of the receipt of written request, stating the purpose thereof, of at least 15 dues-paying shareholders in good standing

Section 5. Six voting directors shall constitute a quorum.

Section 6. The pool managers shall attend Board meetings during the pool open season in a non-voting role.

ARTICLE V. - OFFICERS

Section 1. The president shall preside at all meetings of the shareholders. He shall perform such other duties as customarily pertain to the office of President, or as he may be directed to perform by the Board. The President shall serve as the Chairman of the Board of Directors and preside over all meetings of the Board. The President shall review the annual audit and the annual bonding of the officers as provided in Article IX Sections 6 and 8.

Section 2. The vice-president shall have and exercise all the powers, authority and duties of the president during his absence or inability to act. He shall also act as assistant to the president and perform such other functions as he may be directed to perform by the Board.

Section 3. The treasurer shall have custody, held in name of the corporation, of all funds, securities, valuable papers, and other intangible assets of the corporation. He shall provide and maintain full and complete records of all income and expenses of the corporation. He shall prepare and submit at the annual meeting of the shareholders a written financial statement of the assets and liabilities of the corporation as of the last day of the current year, and the two preceding years. He shall prepare a written monthly summary of income and expenses, account balances, and payments due, for meetings of the Board of Directors. He shall ensure timely payment of bills. He shall ensure that insurance policies for the pool property, liability, and the pool directors are maintained and paid in a timely fashion. He shall prepare such tax reports as local, state and federal agencies may require and he shall perform such other duties as customarily pertain to the office of the treasurer.

Section 4. The secretary shall prepare and maintain full minutes of all meetings of the shareholders and the Board of Directors. He shall give proper notice of all meetings of the shareholders. He shall conduct all correspondence of the corporation. He shall perform such other duties as customarily pertain to the office of secretary.

Section 5. The Outgoing president shall, upon the expiration of his term, become a non-voting member of the Board of Directors for a period of one year. This role shall not preclude his being elected to said Board as a regular member as provided in Article 3.

ARTICLE VI - STANDING COMMITTEES

Section 1. Directors shall be elected as chairs of standing committees with the following duties and be responsible for submitting appropriate plans and recommendations to the Board of Directors and for carrying out and administering the decisions of the Board. All individuals serving on a standing committee must be from a shareholder's household which is in good standing with the corporation. The membership in each committee will expire at the annual meeting of the shareholders.

- a. Recreation Committee: to promote the recreation and general welfare of the community, and to coordinate use of facilities by residents of the community.
- b. Operations Committee: to
 1. Be responsible for daily operation of the facilities during the pool season.
 2. Hire pool manager and front desk staff, verify that employees have submitted proof of all required certifications, review employee timesheets and certify correctness, ensure efficient staff scheduling.
 3. Prepare regulations for use of grounds and facilities. Determine who may use the grounds and facilities and under what conditions, provided that neither shareholders nor members of their households may be denied the use of the facilities under appropriate rules except for failure to comply with regulations or pay dues or fees, or for unacceptable conduct thereat. Use of Adelphi Recreation Incorporated facilities by nonmembers is subject to approval by a majority vote of the Board of Directors.
 4. Review complaints and concerns of employees and members and refer to Board of Directors as necessary.
- c. Engineering, Construction, and Maintenance Committee: to plan for and supervise the construction, technical operation and repair of all corporate facilities.
- d. Membership Committee: to
 1. Receive and review all applications to become shareholders. Compile and maintain a database with membership names, addresses, membership status, and other contact information. Maintain transfer books of membership shares. Maintain and report to Board statistics on numbers of members in various membership categories.
 2. Propose and develop marketing plans to solicit new shareholders among residents of the community.
 3. Advise new residents of the purpose of the corporation, its functions and the methods of obtaining shares therein.
 4. Recommend changes in membership dues and fees.
 5. Deal with membership issues and receive requests for fee waivers and other special circumstances.
- e. By-Laws and Finance Committee: to
 1. Study and recommend changes in the By-Laws and rules of the corporation.
 2. Prepare the annual budget for submission to and approval by the Board of Directors and to make recommendations with reference to financial matters of the corporation.
- f. Swim Team Committee: to

1. Promote good sportsmanship and competitive spirit among young people interested in swim competition.
2. Maintain Swim Team records and coordinate the activities of the Swim Team, including those of the coach, meet manager, and Princeton League representative.

Section 2. The president shall appoint such other standing and temporary committees as he shall deem necessary or expedient for the welfare of the corporation or the community. It shall be within his discretion to determine whether members in good standing of a young people's organization may serve on such committees.

ARTICLE VII - SHAREHOLDERS

Section 1. The total number of shares shall not exceed 850. Of the total 850 shareholders, no more than 100 may be converted and held as "Associate Membership." To qualify for "Associate Membership," a shareholder must have held regular membership in Adelphi Recreation, Inc. for a period of fifteen years. "Associate Membership" entitles only the shareholder(s) to pool privileges. The annual dues for Associate Membership shall be 50 percent of the established annual dues set for regular membership by the Board of Directors. In addition, shares may be bought by individuals as "Singles Membership". The annual dues for this category shall be 60% of the established annual dues set for regular membership by the Board of Directors.

To qualify for a "Singles Membership", a person must be 18 years of age or older at the time of share purchase. Single membership entitles only the shareholder to pool privileges. Shares may also be purchased by senior couples under the following conditions. The annual dues for this category shall be 75% of the established annual dues for regular members as set forth by the Board of Directors. To qualify for a "Senior Couple Membership", at least one person living at the same address must be 65 years of age or older on or before May 10 of the current calendar year. This membership entitles only the shareholder to pool privileges.

Section 2. The subscribers of record as of March 31, 1956 shall be the charter shareholders. Charter membership is open to any person residing in the State of Maryland who, prior to April 1, 1956, pledges in writing to purchase a share in the corporation. Purchase may be made on payment of:

- a. \$200 per share on demand of the Board of Directors, subject to a premium of \$2.50 per month beginning April 1, 1956 to continue through the month of purchase if payment is not made by the demand date, or
- b. The price set by the Board of Directors at the time of purchase; whichever is lower.

Section 3. After March 31, 1956, residents of the State of Maryland shall be eligible for membership. Applications, together with a tender of the price of the share, as then set by the Board of Directors shall be transmitted to the Board for its approval. On and after April 1, 1956, shares shall be sold by the corporation at a price not less than that paid by the charter members. The cost of a share may be paid initially to the corporation, or it may be divided into three equal payments to be paid over a three year period, plus a yearly service fee to be established by the Board of Directors. Each payment shall be payable at the same time as the dues payments as prescribed under Article X, Section 4. Shareholders agreeing to this payment schedule will also be subject to the full service charge under Article VII, Section 7. No voting privileges or refunds will be granted until the last payment is made to the corporation.

Section 4. The price of shares shall be exclusive of any tax which may be levied on them.

Section 5. Any shareholder desiring to sell his share in the corporation shall first offer such share to the corporation. The selling price shall be the price paid by the shareholder for such share, exclusive of any tax which may have been levied on it, less a pro-rata deduction for any accumulated losses from annual operations (after an appropriate provision for depreciation) or for any other loss resulting in a decrease in the net asset value of the corporation and recorded on its books in accordance with accepted accounting principles. In the event the corporation chooses not to purchase the share, the corporation may upon request of the shareholder offer the share for sale and may sell it with settlement to the selling shareholder on the same basis as set forth above for sales to the corporation. A shareholder

who resigns after November 30, 2002, by the procedure described in Article VII Section 6, shall be assessed a service charge of \$50 when the Corporation sells that share.

Section 6. Resignations must be written and signed by the shareholder(s) of record. Resignations must be mailed to the Corporation's legal address. Any resignation postmarked after May 10 of the current calendar year will be assessed the full dues for that season. A shareholder who has submitted a resignation by May 10 of the current year shall no longer be assessed dues and may no longer use the corporation facilities as a member. A shareholder who has submitted a resignation becomes an inactive member. An inactive membership may be reactivated at the discretion of the Board, after receipt of a written dated request to the Membership chair.

Section 7. A service charge of 15% of the purchase price shall be assessed against any share purchased by a shareholder after February 1, 1959 in the event the shareholder withdraws from the Corporation within two years of the date of acceptance of his membership by the Board of Directors.

Section 8. Only members with fully paid shares are full owners of the pool, and each fully paid share in good standing is entitled to only one vote. To be a member in good standing, a member must have paid all past and current dues. Only members in good standing are eligible to vote, to serve on a standing committee, to serve as an officer, or to serve as a director of the corporation.

Section 9. Any shareholder or seasonal member or member of a shareholder's household or of a seasonal household may, for cause, and after opportunity for a hearing, be barred from the facilities for not more than three months, by a two-thirds vote of the directors present at a meeting of the Board of Directors, or barred permanently by a three-fourths vote of the entire membership of said Board. Causes for barring shall consist of violations of these by-laws, violations of the rules or regulations of the corporation, and conduct unbecoming a lady or gentleman. Should a shareholder be barred permanently his share or shares shall be deemed to be offered to the corporation as provided in Section 6, of this Article.

Section 10. Starting May 11 of each year, a limited number of "Seasonal Memberships" shall be offered at the discretion of the Board to individuals or a family. The rate will be set by the Board of Directors and shall be higher than the regular dues. For each "Seasonal Membership" household, any dependent 21 years or older (full time student excluded) will be assessed an additional fee to be determined by the Board of Directors. Purchasers of Seasonal Memberships shall not be entitled to voting privileges under Article VII, Section 8, but shall be subject to the provisions of Article VII, Section 9, and Article X, Section 2 and 6. Seasonal Memberships are not renewable and not transferable. No portion of the cost of a Seasonal Membership is refundable nor applicable to a future regular membership. This amount of these seasonal memberships is payable in full.

ARTICLE VIII - SHAREHOLDERS MEETINGS

Section 1. The Annual meeting of the shareholders shall be held in November of each year at such time and place as the Board of Directors shall designate.

Section 2. A special meeting of the shareholders may be called by the president and shall be called by him on the written request of not fewer than 10 percent of the holders of dues-paying shares at the time of request.

Section 3. At least 7 days before the date of any annual or special meeting of the shareholders, the secretary shall cause written notice thereof to be delivered or mailed to each shareholder at the address appearing for such shareholder on the records of the corporation.

Section 4. At any special meeting, the holders of 10 percent of the dues-paying shares shall constitute a quorum.

Section 5. Seven days prior to any annual or special meeting, the transfer books of the corporation shall be closed and

the list of shareholders eligible to vote shall be made up. Each shareholder may vote in person only.

ARTICLE IX - PROPERTY AND FINANCES

Section 1. Any obligation or expenditure of the corporate assets in excess of \$500. requires the prior approval of the Board.

Section 2. Real property may not be conveyed or assigned except after approval of a majority of the dues-paying shareholders present and voting at a meeting specially called for the purpose.

Section 3. The funds of the corporation shall be deposited only in financial institutions operating in accordance with the laws of the State of Maryland and whose deposits are insured by either FDIC or FSLIC.

Section 4. All funds of the corporation shall be deposited in such qualified depository or depositories as the Board of Directors may from time to time by written resolution designate, and shall be so deposited within 72 hours of their receipt; *provided, however,* that receipts in the aggregate of \$100 or less need not be deposited more often than once each week.

Section 5. All disbursements of funds of the corporation shall be made by check signed by any two of the following officers, one of whom is bonded: treasurer, vice-president, and president; *provided, however,* that the Board of Directors may by resolution provide for the establishment and replenishment of a petty cash fund of not exceeding \$100 for postage and for defraying expense items of the corporation in amounts of \$50 or less.

Section 6. The Board of Directors will secure the faithful performance of at least two of the officers listed in Section 5 above, one of whom shall be the treasurer, by means of an adequate fidelity bond.

Section 7. Other than directed in Section 6 of Article VII, the funds of the corporation may be invested only in obligations of the United States Government or up to the insured amount in savings and loan associations insured by an agency of the United States Government. They may not be loaned to or invested with any officer, director or shareholder of the corporation or to or with any other person, agency or government instrumentality.

Section 8. The accounts of the corporation shall be audited annually by a method to be specified by the Board of Directors. The written and signed report of this audit is to be reviewed by the Board within 60 days after the audit is completed and copies presented to shareholders present at the annual meeting.

ARTICLE X - DUES AND FEES

Section 1. Subject to the provisions of Section 4 of this Article, facilities of the corporation shall be available to each shareholder and to members of his household upon payment of annual dues as fixed by the Board of Directors and the payment of any Federal excise tax which may be levied. Members of the shareholder(s) household shall be construed to mean individuals who share the same legal address as the shareholder(s) and are:

a. the spouse of a shareholder where the share is held individually.

b. minor dependents of the shareholder defined as those not yet 21 years of age by May 10 of the current calendar year.

c. full time dependent students over 21 years of age.

All persons maintaining the same legal address as the shareholder, but not included in the above categories may, upon request of the shareholder, be granted a provisional inclusion as a household member at a fee to be determined yearly by the Board of Directors. The facilities of the Corporation shall be available to guests of each shareholder upon payment of guest fees as fixed by the Board and payment of any federal excise tax.

Section 2. Dues and fees shall be sufficient to provide for the necessary operating expenses of the corporation and the proper maintenance and improvement of the facilities.

The corporation shall assess each shareholder an annual facility maintenance fee, payable on May 10, in addition to the annual dues. For associate members and single members, the annual facility maintenance fee shall be half the fee assessed regular shareholders. Senior members, as defined in Article VII Section 1, shall be exempt from the annual facility maintenance fee. The facility maintenance fees (full and reduced) shall be set annually by the Board. The facility maintenance fee shall not exceed 20% of the annual dues for a shareholder. That portion of facility maintenance fees remaining unspent at the end of the operating season shall be set aside in reserve to cover the cost of future maintenance and improvement of the Adelphi Recreation property.

Adult members of the shareholder's family may perform volunteer work in lieu of the following year's annual facility maintenance fee on maintenance projects approved by the Board of Directors. Directors, or their designated representative, will record shareholder hours of work on maintenance projects. The Board of Directors shall determine yearly how many hours of maintenance work are required of a shareholder in lieu of the fee. The maximum credit to any shareholder in one year shall be 100% of the annual facility maintenance fee. Volunteer maintenance work shall in no way entitle any shareholder to a credit exceeding 100% of the annual maintenance fee, nor to any cash payment.

The Board shall waive the facility maintenance fee payable on May 10 of the following year for those shareholders who perform volunteer maintenance projects in lieu of the facility maintenance fee. Directors, or their designated representative, will record shareholder hours of work on approved maintenance projects. Shareholders who volunteer are personally responsible to assure that they work sufficient hours on maintenance projects approved by the Board to earn credit for the facility maintenance fee. Shareholders not completing sufficient maintenance hours shall be assessed any unpaid facility fee in addition to the following year's facility maintenance fee, both fees payable on May 10 of the following year in addition to annual dues.

Section 3. Annual dues for a family shall not be increased by more than 25% any year.

Section 4. The corporation's operating budget is based upon the number of current dues-paying members in good standing. All members will be assessed annual dues unless they have requested in writing to have their share placed on the resignation list, by submitting a written resignation postmarked on or before May 10 of the current calendar year. Any shareholder failing to pay dues by May 10 or other indebtedness (including dues of new members joining after May 10) before the 10th day of the month following the month in which a statement of his indebtedness shall have been sent to him, shall be assessed a service charge of an amount to be determined by the Board of Directors. Such shareholder and all members of his household shall be barred from the use of the facilities until such dues or other indebtedness, including service charge, are paid. The Board of Directors at its discretion may waive annual dues and/or the service charge under extenuating circumstances, upon written request of the shareholder.

Section 5. If a shareholder is barred from the facilities of the corporation for any cause, all indebtedness to the corporation shall be a lien upon, and charged against his share, and the share may be retired by the corporation to liquidate such indebtedness.

Section 6. The shareholder and the seasonal member shall be responsible for the payment of all charges and liabilities imposed upon or incurred by, members of his household to whom the privileges of the corporation shall have been extended, and for all charges and liabilities imposed upon, or incurred by, guests sponsored by him or by a member of his household.

Section 7. All fees and other charges mentioned herein are exclusive of any taxes levied by Federal, State and other governmental bodies and agencies.

ARTICLE XI - GENERAL

Section 1. Copies of the organization papers of the corporation, its by-laws, and any amendments thereto, and the transfer books of the corporation, shall be preserved in a place of safekeeping by the Board of Directors. Returns of

elections and proceedings of all meetings of the directors and shareholders shall be recorded by the Secretary in the minute books. The minutes of all meetings shall be approved by the Board of Directors and maintained by the secretary.

Section 2. Each year, the Board of Directors shall provide a financial and operating report of the year ended October 31 to the shareholders at the annual meeting of the shareholders.

Section 3. Alcoholic beverages shall be dispensed or consumed on the premises of the corporation at Board-approved functions only.

ARTICLE XII - AMENDMENT TO BY-LAWS

Section 1. These bylaws may be amended by the affirmative vote of two-thirds of the dues-paying shareholders in good standing present at a duly held meeting, or by a majority vote if written notice of the proposed amendment has been served on all shareholders at least ten days prior to the meeting.