

Adelphi Recreation, Inc., By-Laws

As amended and approved at the annual meeting on February 1, 2020

Article 1: The Corporation

Section 1. The name of the Corporation shall be Adelphi Recreation, Incorporated.

Section 2. The Corporation was established in 1956. The purpose of this non-profit Corporation is to promote recreation in the community through the operation of a swimming pool and other recreation facilities at 9442 Riggs Road, Hyattsville, Maryland 20783.

Section 3. The Corporation's net earnings may not inure to the benefit of any person having a personal and private interest in its activities.

Article II: Governance

Section 1. The Corporation shall be managed by a Board of Directors, nine in number, including four officers of the Corporation. The officers of the Corporation shall be a president, vice-president, secretary, and treasurer. Each officer and each director shall be an adult Full Member in good standing in the Corporation, as set forth in Article 3 Section 2(a). The Board, at its discretion, may include others in a non-voting, advisory capacity, such as a legal advisor.

- a. The president shall serve as the Chair of the Board of Directors, shall preside at all meetings of the Board, shall perform duties as customarily pertain to the office of President and those duties assigned by the Board, and shall preside over all meetings of the Voting Membership. The President shall review the annual audit provided in Article 2, Section 6. Upon completion of the term of service, the president shall serve as a non-voting member of the Board for a period of one year. This role shall not preclude being elected to said Board as a regular member as provided in Article 3.
- b. The vice-president shall have and exercise all the powers, authority, and duties of the president during instances of the president's absence or inability to act. The vice-president shall also act as assistant to the president and perform such other functions as directed by the Board.
- c. The treasurer shall have custody, held in the name of the Corporation, of all funds, securities, valuable papers, and other intangible assets of the Corporation. The treasurer shall provide and maintain full and complete records of all income and expenses of the Corporation and 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, as well as the two preceding years. The treasurer shall prepare a written monthly summary of income and expenses, account balances, and payments due, for meetings of the Board of Directors. The treasurer shall ensure timely payment of bills and shall ensure that insurance policies for the facilities, liability, and the directors are

maintained and paid in a timely fashion. The treasurer shall ensure proper preparation and filing of such tax reports as local, state and federal agencies may require and shall perform such other duties customarily pertaining to the office of the treasurer or as directed by the Board.

- d. The secretary shall prepare and maintain full minutes of all meetings of the shareholders and the Board of Directors. The secretary shall give proper notice of all meetings of the shareholders, shall conduct all correspondence of the Corporation, and shall perform such other duties customarily pertaining to the office of secretary or as directed by the Board.

Section 2. Board vacancies shall be filled by Full Members in good standing who have been nominated by the Voting Membership. When a Board seat becomes vacant, the Board shall actively solicit nominations for the vacancy from all Full Members until the vacancy is filled. Election of officers and directors shall be by plurality vote of the Voting Membership. Election of officers and directors may occur at a meeting of the Voting Membership or by online ballot as described in Article 4 Section 6. If there is a vacancy of an officer position, a current Board Member may serve in an acting capacity for up to 12 months. Active solicitation of nominations for the position shall continue during this time.

Section 3. All directors' terms shall be for three years. No officer shall serve for more than three consecutive years in the same position. At the discretion of the Board, directors not serving in an officer position may serve a second three-year term.

Section 4. A Board Member's term shall cease when that person is no longer a dues-paying Full Member in good standing. A Board Member's term shall cease if the Board of Directors determines the Board Member has failed to discharge the duties required by the position.

Section 5. Except for acts of fraud and deliberate misconduct, no Board Member shall have any liability to a member or any other individual in connection with voting or other acts as a Member of the Board.

Section 6. The Board of Directors shall transact all corporate business including:

- a. Management of membership-related issues, to include establishment and modification of rules and regulations for the use of corporate property and hearing and review of member-submitted problems and complaints;
- b. Establishment of membership categories, dues, fees, and maximum number of memberships made available each year. Approval of applications for membership;
- c. Maintenance and improvement of the facilities and assurance of effective operations;
- d. Administration of an annual meeting of the Voting Membership and special meetings of the Voting Membership (see Article 4, Section 3);
- e. Establishment and dissolution of committees as necessary to assist in the efficient

management of the Corporation and to support functions that serve the membership, such as member communications, swim team, and recreational activities. The Board may authorize any committee to establish such teams, clubs, or other similar enterprises to serve members as the Board determines to be appropriate, and to charge such fees to the participants of such team, clubs, or enterprise as are reasonably necessary to support its activities. Such fees shall be considered operating revenues of such team, club, or other enterprise and shall be in addition to any membership dues payable to the Corporation pursuant to Article 3, Section 2 and shall not be considered “corporate assets” for purposes of Article 5, Section 1. The Board, in consultation with members of each relevant committee, shall establish such financial controls over the management of the operating revenues of such team, club, or other enterprise as they deem necessary or appropriate;

- f. Assurance of financial health of the Corporation, to include selection of a depository for corporate funds, commission and management of funds, and oversight over an annual financial audit (see Article 2, Section 6(g)); and
- g. The Board shall ensure an annual financial audit is completed, to include a report of findings presented to the Voting Membership. The audit may be conducted by a committee of three or more Full Members, who are in good standing and not Board members, or by a professional auditing entity not affiliated with ARI.

Section 7. 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 Voting Membership.

Section 8. The Board of Directors shall meet a minimum of six times per year, or more frequently as it deems necessary to fulfill its required duties. The President or a Board officer may call a special meeting of the Board of Directors. The President must call a meeting if at least 15 Full Members in good standing request a meeting in writing. The request must include the topic(s) to be discussed, and the meeting must be called within 10 days of receipt of the request.

Section 9. Six voting Board Members shall constitute a quorum for meetings of the Board of Directors. A valid Board action requires majority vote of Board Members present at a duly held Board Meeting.

Section 10. The Board of Directors can take action without meeting. Any action which may be properly taken by the Board of Directors assembled in a meeting may also be taken without a meeting if a consent in writing setting forth the action so taken is signed or sent via electronic submission by all of the Directors entitled to vote with respect to the action. Such consent shall have the same force and effect as a vote of the Directors assembled and shall be filed with the minutes. Actions may only be properly taken through electronic submission when all Directors consent to the proposed action.

Article 3: Membership

Section 1. Full access to the facilities requires a membership. The Corporation shall not discriminate in the issuance of memberships, in accordance with Internal Revenue Service guidelines for 501(c)(7) organizations.

Section 2. The Board may offer Voting Memberships and Non-Voting Memberships upon approval of a membership application and payment of fees.

- a. Voting Memberships confer the right to use the facility in accordance with the rules and regulations, the right to exercise the option to remain a member each year by paying the required dues, the right to one vote per Voting Membership at membership meetings, and other rights and responsibilities listed in Article 3 Section 10. The purchaser of a Voting Membership and adult members of the purchaser's household are Full Members.
- b. Non-Voting Memberships confer the right to use the facility in accordance with the rules and regulations and confer the same responsibilities as Full Members as specified in Section 10(e) and Section 10(f). Non-Voting Memberships confer no voting rights. Non-Voting Memberships shall be valid no more than one season, defined as Opening Day to Closing Day of the facilities, and have no right of renewal.

Section 3. The purchaser of a Voting Membership or a Non-Voting Membership must report all members of the household to the Corporation upon payment of dues. Only *bona fide* members of the household reported to the Corporation may have access to the facilities. Members of the household shall be construed to mean individuals who share the same legal address and are:

- a. Spouses or domestic partners (maximum of two adult Full Members per Voting Membership);
- b. Minor dependents defined as those not yet 21 years of age by the Opening Day of the facilities; or
- c. Full-time dependent students not yet 24 years of age by the Opening Day of the facilities.

Other persons may be granted provisional inclusion as a household member at the Board's discretion and on payment of a fee to be determined yearly by the Board of Directors.

Section 4. The facilities of the Corporation shall be available to guests of each Full Member and Non-Voting member upon payment of guest fees as fixed by the Board. The Board may limit or restrict the ability of Members to bring guests or other non-members to the facilities, providing that such restrictions must be uniformly applied.

Section 5. All households in good standing that held a share of ARI as of January 1, 2020, hold "Bonded Memberships" of the Corporation. All Bonded Memberships in good standing are also Voting Memberships of the Corporation.

Section 6. After January 1, 2020, prospective members may apply to purchase non-refundable and non-transferable Voting Memberships. The number of Memberships offered will be determined by the Board. Voting Memberships are valid as long as the Voting Membership remains in good standing (see Article 3 Section 8) and has not been permanently barred for cause (see Article 3 Section 12).

Section 7. Each year, the Board shall determine membership dues. Annual dues may not be increased more than 25% in any year unless approved by a majority of Voting Memberships at a membership meeting or by duly executed online polling (See Article 4, Section 6).

Section 8. Dues for each Voting Membership and any debts to the Corporation must be paid in full by May 1 of each year for a Voting Membership to remain in good standing. Full Members that have not paid dues or an Absentee fee as specified in Article 3 Section 9 by May 1 each year are no longer in good standing and forfeit their Voting Memberships. Bonded Members who have not paid dues or an Absentee fee as specified in Article 3 Section 9 by May 1 each year are no longer in good standing and forfeit their Voting Memberships and their shares.

Section 9. Full Members in good standing may elect to be Absentee for a single, non-consecutive season, as defined in Article 3, Section 2(b) on written request to the Membership Chair and on payment of an Absentee fee. The Absentee fee is set by the Board. Full Members are not assessed dues while in Absentee status. Members of a household may not access the facilities while in Absentee status as a member or as a guest. Full Members regain all rights and responsibilities at the end of the Absentee period, provided they remain in good standing.

Section 10. Full Members in good standing have the following rights and responsibilities:

- a. Right to use the facility in accordance with the rules and regulations;
- b. Right to exercise the option to remain a member each year by paying the required dues;
- c. Right to one vote per Voting Membership at membership meetings;
- d. Right to run for election to the Board of Directors and right to serve on committees;
- e. Responsibility to uphold the rules and regulations of the Corporation;
- f. Responsibility to protect the facility, support community, and promote optimal operations of the facilities;
- g. Right to call a special meeting of the Board as specified in Article 2 Section 8 or of the Membership as specified in Article 4, Section 3; and
- h. Right to appeal a decision of the Board permanently barring access to the facilities as described in Article 3, Section 14).

Section 11. A Bonded Member in good standing may offer to sell a share to the Corporation at any time by contacting the Secretary in writing. Shares have a value of \$200 and are not transferable. If the Board determines that the Corporation cannot responsibly repurchase the share at the time of the offer, Bonded Members may choose to resign. Resignations must be written and signed by the Bonded Member of record, and sent to the Secretary at the Corporation's legal address. Any Bonded Member with a resignation postmarked after May 1 of the current calendar year will be assessed the full dues for the season. A Bonded Member is not eligible for repayment of a share if there are dues outstanding. A Bonded Member who has resigned and has no debt to the Corporation will remain on a waitlist until the Board determines that funds are available to repurchase the share and pays the resigned Bonded Member. Resigned memberships may be reactivated at the discretion of the Board, after receipt of a written dated request to the Membership Chair and payment of current dues.

Section 12. The Board of Directors may bar and/or revoke a Voting Membership or Non-Voting Membership for cause. Reasons for barring or revocation include but are not limited to failure to pay dues by May 1, destruction of Corporation property, and grossly inappropriate behavior.

Section 13. Any Full Member or Non-Voting Member 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. Full Members and Non-Voting Members may be barred permanently by a three-fourths vote of the entire membership of the Board. Causes for barring shall consist of, but are not limited to, violations of these bylaws, violations of the rules or regulations of the Corporation, and grossly inappropriate behavior. Full and Non-Voting Members barred permanently forfeit their Membership and are not entitled to a refund of their dues or any share.

Section 14. Full Members wishing to appeal a decision of the Board to permanently bar them from the facilities may request a decision of the Voting Membership at the next Membership meeting. The Board's decision may be overturned by a two-thirds vote of the Full Members present at that meeting.

Section 15. In the event of dissolution of the Corporation, any proceeds will be divided evenly amongst the Voting Memberships in good standing at the time of dissolution.

Article 4: Meetings of the Voting Membership

Section 1. An Annual Meeting of the Voting Membership shall be held no sooner than one month following the close of the facilities for the season and no later than three months before the opening of the facilities for the season at a time and place determined by the Board of Directors.

Section 2. At an Annual Meeting, 10 percent of the Voting Membership shall constitute a quorum. A passing vote requires an affirmative vote of the majority, with some exception when amending the by-laws (See Article 6, Section 1). If no quorum is reached, no in-person vote can be taken or assessed as valid at the meeting, but any non-voting business of the meeting may be conducted.

Section 3. The President may call a Special Meeting of the Voting Membership. The President must call a Special Meeting of the Voting Membership upon receipt of written request of not fewer than 10 percent of the Voting Membership.

Section 4. At a Special Meeting, 10 percent of the Voting Membership shall constitute a quorum. A passing vote requires an affirmative vote of the majority, with some exception when amending the by-laws (See Article 6, Section 1). If no quorum is reached, no in-person vote can be taken or assessed as valid at the meeting, but any non-voting business of the meeting may be conducted.

Section 5. The Secretary of the Board of Directors shall notify the Voting Membership of any upcoming, scheduled Annual or Special Meeting at least 21 days prior to the date of the meeting and must indicate the topic(s) to be discussed.

Section 6. Full Members shall vote in person at an Annual or Special Meeting. Each Voting Membership is permitted one vote, regardless of the number of Full Members in the household. Use of an online ballot for voting conducted outside of an Annual or Special Meeting is permissible for Membership votes; however, results of an online ballot shall only be considered valid if a majority of Voting Memberships in good standing have responded to the poll. Any online polling platform selected shall ensure unbiased presentation of options and anonymous voting.

Article 5: Property and Finances

Section 1. Any obligation or expenditure of the corporate assets in excess of \$750 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 Voting Memberships 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 whose deposits are insured by FDIC or invested in obligations of the United States Government. Funds of the Corporation may not be loaned to or invested with any officer, director, or Full Member of the Corporation or to or with any other person, agency or government instrumentality.

Section 4. The Board of Directors shall designate in writing qualified depositories for Corporation funds. Funds shall be deposited promptly; provided, however, that receipts in the aggregate of \$1,000 or less need not be deposited more often than once each week.

Section 5. All disbursements of funds of the Corporation shall be reviewed by two officers. The Board of Directors may by resolution provide for the establishment and replenishment of a petty cash fund for any committee and name a person responsible for the fund. Such funds shall not exceed \$250.

Article 6: Amending the By-Laws

Section 1. These by-laws may be amended by an affirmative vote of two-thirds of the Voting Membership in good standing present at a duly held Annual or Special Meeting. The by-laws may also be amended by the affirmative vote of the majority of the Voting Membership if written notice of the proposed amendment(s) has been served on the entire Voting Membership at least 21 days prior to an Annual or Special Meeting. The by-laws may also be amended by an affirmative vote of the majority of the Voting Membership when the vote is taken with online balloting, as described in Article 4, Section 6, if written notice of the proposed amendment(s) has been served on the entire Voting Membership at least 21 days in advance of the opening of the online ballot.