

BY-LAWS
Of the
PEARL RIVER
NAURAUSHAUN
SWIM CLUB, Inc.

Original – November 1964
Amended – November 1967
Revised – December 1970
Revised – June 1988
Revised – June 2010
Revised – June 2012
Revised – June 2013
Revised – June 2018

ARTICLE I

TITLE

SECTION 1 – The title of this corporation shall be “Pearl River – Nauraushaun Swim Club, Inc.” hereafter referred to as the “Corporation” or the “Club” and its principal office shall be located in the Hamlet of Pearl River, Town of Orangetown, County of Rockland, State of New York.

ARTICLE II

ADMISSION OF MEMBERS

SECTION 1 –The Club shall have a regular membership, a senior membership, and an associate membership. Regular membership shall consist of charter members and non-charter members. The regular membership may only be issued to the head of the household. A household shall be defined as a family permanently living together, consisting of head of household, spouse, and all unmarried children who have not reached their twenty-first (21st) birthday by July 1 of the current year, and all adult dependents living in the household who are not self-supporting because of a permanent disability. All unmarried children described in the preceding sentence who have reached their twenty-first (21st) birthday by July 1 of the current year shall be eligible for associate membership. A mother, father, mother-in-law, or father-in-law not gainfully employed, living permanently with a regular member shall also be eligible for associate membership. Regular members may be eligible for senior membership, subject to the terms and conditions of Section 6 of this Article II.

SECTION 2 – Only a person who is at least twenty-one (21) years of age, a resident of the Pearl River Fire District or the Pearl River School District, and whose membership is

not detrimental to the welfare and aims of the Club, may be admitted to membership. An exception as to age may be made in the case of a person who is admitted to membership pursuant to Section 5, Article IV.

SECTION 3 – The maximum membership shall not exceed 515 regular memberships. This number may be changed from time to time, but it may not be reduced below the number of regular membership existing at the time of change. The regular membership shall have power to determine the number of memberships. If the Corporation memberships are at the determined maximum, all applications of prospective members shall be held in abeyance. A list of prospective members shall be available to any member or prospective member upon request.

SECTION 4 – The Board of Directors may appoint from its members a Membership Committee to investigate the qualifications of any applicants. This Committee shall make recommendations, favorable or unfavorable, to the Board of Directors. An affirmative vote of two-thirds of the Directors shall be required for admission.

SECTION 5 – All person admitted to membership and having paid the initial two hundred (\$200.) dollars on account of their capital investment on or before February 20, 1964, shall be charter members: their capital investment shall be four hundred (\$400.) dollars. The next two hundred twenty-five (225) applicants accepted to membership shall pay to the Club the capital investment of four hundred thirty-five (\$435.) dollars. All members shall increase their capital investment by the amount of any additional assessment or assessments paid by such members [such as the fifteen (\$15.) dollar assessment for land purchase in 1965]. An initiation fee may be established by the Board of Directors from time to time.

SECTION 6 – A regular member who is 60 years of age or over, and who has been a member of the Club (or has been a spouse of a member of the Club) for a total of 20 years, shall be eligible to elect senior membership, subject to the following terms and conditions:

- a. The maximum number of senior memberships shall be seventy-five (95). If the number of applicants exceeds this number, a waiting list shall be established. An exception is provided if a charter member of the Club requests senior membership. In such instances, the member need not wait for an opening and the number of senior members can temporarily exceed the maximum allowed by this section.
- b. An applicant for senior membership shall be require to contribute the capital investment (bond) of the regular membership of the Club, surrender the membership certificate for cancellation, and release all claims to the bond and to a distribution of the assets of the Club upon liquidation.
- c. The senior member and his or her spouse shall have the rights of senior membership for life. However, other members of their household shall not be entitled to membership or associate membership as a result of the senior membership.

1. A senior member shall be required to pay 50% of the annual dues payable by a regular member.
2. Senior members shall be entitled to full use of the Club facilities.
3. Senior members shall have the right to have guests.
4. The senior membership shall terminate upon a failure to pay required dues, or upon the death of both the senior member and spouse.

ARTICLE III RIGHTS AND RESPONSIBILITIES

SECTION 1 – Except as provided by Section 5 of Article IV, each regular membership in good standing shall be entitled to one vote on each matter submitted to a vote of the regular members. In the absence of the head of household from any meeting, the regular member may delegate his vote to his spouse.

SECTION 2 – Each member of a household as defined in Article II, Section 1, shall be entitled to full use of the Club's facilities. The Board of Directors shall have the full power to establish rules and regulations, including the charging of fees, with respect to the use of the Club's facilities. The Board of Directors shall have full power to establish rules and regulations, including the charging of fees, with respect to the use of the Club's facilities by other persons who reside in a member's home as well as by guests.

SECTION 3 – If the Corporation is dissolve, any assets which may remain after the discharge of all liabilities shall be distributed equally among all members, regardless of length of membership.

(Senior members do not receive a distribution of assets. See Article II, Section 6 (b)).

SECTION 4 – Annual dues will be due and payable on or before April 1 of each year. Any other charges and/or assessments will be due and payable ten (10) days from the date of billing.

SECTION 5 – Each member shall abide by the rules and regulations established by the Board of Directors or other designated personnel employed by the Board of Directors.

ARTICLE IV TERMINATION OF MEMBERSHIP

SECTION 1 – Except as otherwise provided by this Article, memberships are not transferable or assignable and must be surrendered to the Club upon termination.

SECTION 2 – A member may voluntarily resign from the Club at any time by submitting a written resignation to the Secretary. Such resignation shall not relieve the member so resigning of any obligation to pay dues, assessments or charges previously imposed.

SECTION 3 – A membership shall terminate immediately upon the head of household's termination of residence in the Pearl River Fire District. Such termination of membership shall not relieve the member of any obligation to pay dues, assessments, or charges until written notice of non-residence is submitted to the Secretary.

SECTION 4 – When a member's household is dissolved due to separation or divorce, the membership shall follow the terms of separation or divorce, so long as the retainer of the membership still resides within the Pearl River Fire District. When the terms of separation or divorce do not address the membership, the membership may be transferred to such separated or divorced spouse if the head of household consents to the transfer in writing, delivers the properly endorsed membership certificate to the Secretary, and waives his or her right to the capital investment of the membership. Such separated or divorced spouse, upon written application, shall have the right to the transferred membership without the payment of an additional fee, subject to all the other terms and conditions of these By-Laws.

SECTION 5 – Death of the head of the household shall terminate that membership. The new head of the household shall have prior right to the deceased's membership without the payment of an additional fee subject to all the other terms and conditions of these By-Laws.

SECTION 6 – A member may be expelled from the Club or suspended for a period not exceeding the remainder of the calendar year for good cause shown after an appropriate hearing as directed by the Board of Directors, without undue delay, and after a two-thirds vote of those Directors present at any meeting of the Board. Reasons for expulsion or suspension shall include, but not be limited to, delinquency of dues, assessments or charges, theft of any Club property, habitual intoxication, abuse of any person or property associate with the Club either by the member or any person for whom he is responsible, and any disregard for the Club's rules and regulations which in the discretion of the Board of Directors warrants expulsion or suspension. A person entitled to use the Club's facilities under Section 2 of Article III may be similarly expelled or suspended but such expulsion or suspension shall not affect the other rights of the members whose membership permitted such person's use of the Club's facilities. The Club Manager or his Assistant in his absence, shall have the authority to deprive a member of Club privileges for the remainder of the day in accordance with the rules and regulations.

SECTION 7 – A person whose membership is terminated for any reason and is not transferred pursuant to Section 5 of this Article shall be entitle to receive from the Club the capital investment of a membership as ascertained by the Board pursuant to Section 8 of this Article less any unpaid charges, dues and assessments.

SECTION 8 – Upon the termination of a membership, the Club shall offer said membership to the next qualified person on a waiting list to be established by the Club at a cost to be determined by the Board of Directors plus an initiation fee to be determined by the Board of Directors. The person terminating his membership shall receive from the Club the cost of his capital investment without interest or premium thereon excluding any initiation fee. If in any year the terminated memberships exceed the number of qualified applications on the waiting list, payment to the terminating members shall be on a “first-out, first-paid” basis. The date of receipt of termination of membership by the Club shall determine the order of withdrawal. Nothing herein shall, however, require the Club to pay any terminating member until the resale of such membership to a new member.

ARTICLE V NUMBER OF DIRECTORS

SECTION 1 – All powers of the Corporation except those specifically granted or reserved to the membership by law or by these By-Laws shall be vested in the Board of Directors which shall be composed of not less than five (5) nor more than twelve (12) Directors. The number of Directors shall be determined from time to time by resolution of the Board. The affairs of the Corporation shall be managed by the Board of Directors. All Directors must be Club members. The immediate past President shall be a member of the Board of Directors for a period of one year after the expiration of his term as President; in no case shall the Board of Directors exceed the number of twelve (12).

SECTION 2 – The terms of one-third of the original Directors shall end at the conclusion of the 1965 annual meeting of the members. The terms of another one-third shall end at the conclusion 1966 meeting; the terms of the remaining one-third shall end at the conclusion of the 1967 meeting. All Directors shall be elected for a term of three (3) years.

SECTION 3 – In the election of Directors, each regular member shall have as many votes as there are vacancies to be filled. A member may cast one vote and no more than for each candidate he wishes to support. In no event shall there be cumulative voting. Upon closing of nominations, ballots shall be distributed and collected by a committee of three tellers which committee shall be appointed by the Board of Directors. The candidates receiving the largest number of votes are thereby elected to the vacancies.

SECTION 4 – A director may be removed from office by a two-thirds (2/3) vote of the Board of Directors for a cause which shall include but not be limited to habitual absence from meetings without satisfactory excuse and continued neglect of duty. A director may also be removed for cause by a two-thirds (2/3) vote of those present at any meeting of the membership. The membership shall be given prior written notification that this matter will come before the meeting.

SECTION 5 - Any vacancy which occurs before the end of a Director's term may be filled by a two-thirds (2/3) vote of the remaining Directors. A Director so appointed shall

serve until the next annual meeting, at which time a successor shall be elected by the membership to fill the unexpired term.

ARTICLE VI ANNUAL MEETING

SECTION 1 – All meetings of the members shall be held within the Pearl River Fire District.

SECTION 2 – An annual meeting of the membership shall be held at 8:30 p.m. on the third Monday of November, or any other day selected by a two-thirds (2/3) vote of Board of Directors, for the purpose of electing directors and for the transaction of any other business which may properly come before the meeting.

In the event that a quorum is not met at the Annual Meeting, a mail ballot may be utilized with approval of a two-thirds (2/3) vote of the Board of Directors for any action required by the Board to manage the affairs of the Corporation.

At the annual meeting of the membership, the procedure will be as follows:

- a. Secretary's report.
- b. Treasurer's report.
- c. Committee reports.
- d. Unfinished and new business.
- e. President's report.
- f. Budget for the following season.
- g. Introduction of Chairman of Nominating Committee who shall conduct the elections for members of the Board of Directors.

SECTION 3 – Notice of all meetings of the membership shall be served by the Secretary or his or her designee not less than ten (10) days nor more than twenty (20) days prior to the day of the meeting. This notice shall state the place, date and hour of the meeting and shall contain a brief description of the matters which will be submitted to the members. Notice may be made via e-mail to the address provided by each member and which is used by the Club to forward invoices to the member. Notice may also be made via United States mail addressed to the head of household at the last address appearing on the records of the Corporation.

SECTION 4 – At any meeting of the membership votes ~~may~~ be cast in person ~~or via absentee ballot submitted via US Mail or electronically~~ except as provided for in Article VI Section 2.

Deleted: must

SECTION 5 – Ten percent (10%) of the ~~votes cast~~ shall constitute a quorum at any meeting.

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SECTION 6 – Special meetings of the membership may be called at any time by the President, by a majority of the Board of Directors, or by the written request of not less than twenty-five percent (25%) of the regular membership. No business other than that described in the notice required by Section 3 of this Article shall come before a special meeting.

SECTION 7 – Except as otherwise provided by law or by these By-Laws, all matters voted upon by the membership shall be decided by the majority vote of those present in person.

ARTICLE VII MEETINGS OF THE BOARD OF DIRECTORS

SECTION 1 – All meetings of the Board of Directors shall be held within the Pearl River Fire District.

SECTION 2 – The organizational meeting of the Board of Directors shall be held not later than forty-five (45) days after the annual meeting of the membership.

SECTION 3 – At each regular meeting, the Board of Directors shall fix, by resolution, the time and place of the next regular meeting. The Secretary shall notify, by mail, each Director five (5) days in advance of the meetings.

SECTION 4 – Special meetings of the Board of Directors may be called at any time by the President or by any four (4) Directors. Notice of such special meeting, setting forth the purpose of such a meeting, must be given not later than two (2) days before the meeting, either in person, by telephone, or by mail. No business other than that communicated by the notice shall be considered at a special meeting unless unanimously agreed to by the Directors present. In the event an emergency arises, an extraordinary special meeting may be called, as stated heretofore in this section, by telephone or in person at the earliest convenience for a quorum to be present.

SECTION 5 – A quorum shall consist of a majority of the existing number of Directors.

ARTICLE VIII COMMITTEES OF THE BOARD OF DIRECTORS

SECTION 1 – By not later than the first regular meeting of the Board of Directors, the President with the approval of the Board of Directors shall appoint from its members, persons to serve on any committee, which is required by the By-Laws. The President may appoint the Chairman of each committee.

SECTION 2 – The Board of Directors may at any time approve other Committees to which authority in the management of the Corporation may be delegated. Members of such Committees need not be Directors but there shall be at least one Director among the members of such Committees. The designation of such Committees and the delegation of

authority thereto, shall not operate to relieve the Board of Directors, or any individual Director, of any responsibility imposed upon it, or him, by law.

SECTION 3 – The Board of Directors may at any time discontinue any Committee established under Section 2 of this Article. The Board of Directors may also effect any change in the membership of any Committee. All Committee assignments shall terminate no later than the next regular meeting of the Board of Directors after the organizational meeting.

SECTION 4 – Meetings of Committees shall be governed, whenever applicable, by the same rules which apply to meetings of the full Board of Directors.

SECTION 5 – There shall be a Finance Committee composed of three (3) members of the Board of Directors which shall approve all payrolls and all proposed expenditures under One hundred dollars (\$100.) All proposed expenditures over One thousand dollars (\$1,000) must be approved by a majority of the Board of Directors.

SECTION 6 – No later than sixty (60) days prior to the annual meeting of the membership the President shall appoint a nominating Committee consisting of a Chairman and two other members from the membership to select candidates for prospective members of the Board of Directors. The Chairman of the Nominating Committee shall preside over that part of the annual meeting concerned with the election of Directors to the Board. Nominations may be made from the floor for membership on the Board of Directors at the annual meeting.

ARTICLE IX OFFICERS

SECTION 1 – The Board of Directors shall elect from its members a President, Vice President, Secretary and Treasurer at its organizational meeting. The terms of office shall be for one year or until their successors are elected and shall qualify. No person shall be elected President or Vice President of the Corporation unless he has served at least one year as a Director.

SECTION 2 – The Board of Directors shall have the power to remove any officer by a two-thirds (2/3) vote of all Directors. Written notice shall be sent to all Directors of charges. The officer so charged shall thereafter within ten (10) days be entitled at his request to a hearing before the full Board of Directors at which time he may be represented by a person of his choice. The Board of Directors shall elect to any vacant office a successor from among the incumbent Directors and who, in accordance with Article IX, Section 1, shall serve for a period not extending beyond the next organizational meeting of the Board of Directors.

SECTION 3 – The President shall be the chief executive officer of the Corporation. He shall preside at all meetings of the membership and the Board of Directors. He shall be an ex-officio member of all Committees approved by the Board of Directors. He shall

supervise and control the business and affairs of the Corporation and he shall see that all orders and resolutions of the Board of Directors are executed. The President shall have all powers vested in his office by these By-Laws, by law, or by custom, and he shall perform all duties ordinarily incident to his office.

SECTION 4 – The Vice President, in the absence or in the event of the disability of the President, shall act in his place. The Vice President shall perform any other duties which may be assigned to him by the President or Board of Directors.

SECTION 5 - The Secretary, in the absence or in the event of the disability of the President or Vice President, shall act in their place and shall keep the corporate books and minutes of proceedings at all meetings of the membership and Board of Directors. He shall have custody of the corporate seal, of all correspondence, and of all corporate records, except those properly in the custody of another corporate officer. The Secretary shall perform all duties assigned to him by these By-Laws, by law, by the President, by the Board of Directors, or by custom.

SECTION 6 – The Treasurer shall have custody of and be responsible for all corporate funds and securities. He shall deposit all receipts and disburse funds in accordance with the provisions of Article XI. He shall maintain a system approved by a Certified Public Accountant selected by the Board of Directors (but who is not a Board member). He shall submit financial reports to the Board of Directors at each regular meeting and, when requested at special or extra-ordinary special meetings. He shall submit the corporate records to the Certified Public Accountant prior to each annual meeting to permit a report of the annual audit at the annual meeting of members. The Treasurer shall be responsible for the billing, collection, and corporate records of the membership. He shall maintain records to determine the number of members in good standing and submit the current totals at each meeting of the Board of Directors and Membership Committee. He shall report to the Board of Directors the names of any who are delinquent in their fiscal obligation. The Treasurer shall perform any other duties which may be assigned to him by these By-Laws, by law, by the President, by the Board of Directors, or by custom.

ARTICLE X DUES AND ASSESSMENTS

SECTION 1 – Dues and assessments shall be classified either as annual dues for operation, maintenance and improvement, or as capital assessments.

SECTION 2 – Annual dues shall be determined by the Board of Directors. Notice of the amount of these dues shall be sent to the regular members on or before April 15th of each calendar year and dues shall be payable not later than thirty days after such notice shall have been given.

SECTION 3 – The annual dues shall be based upon the operating expense budget for the coming year which budget may include, but is not limited to, amortization and interest payments on mortgages.

SECTION 4 – A new member who is admitted after the assessment of the annual dues for operations under Section 2 of Article X but before the end of the swimming season for that year, shall pay a proportionate amount of such dues, computed on a method to be determined by the Board of Directors.

SECTION 5 – If the annual dues are not sufficient to meet the year's actual operating expenses, the Board of Directors may impose on members a supplemental charge to cover the deficiency.

SECTION 6 – Capital assessments may include amounts assessed to provide funds for the improvement or enlargement of the Club's facilities, to discharge indebtedness incurred for the improvement or enlargement of the Club's facilities, and for such other purposes as the Board may determine by appropriate resolution. All capital assessments shall be imposed equally on all members.

SECTION 7 – Capital assessments to provide funds for the improvement or enlargement of the Club's facilities may be imposed at the annual meeting of the membership or at a special meeting of the membership duly called for that purpose, at which a quorum is present and acting throughout, upon the two-thirds (2/3) vote of such members entitled to vote thereon.

SECTION 8 – Capital assessments to discharge indebtedness incurred for the improvement or enlargement of the Club's facilities may be imposed by the Board of Directors, alone. However, no indebtedness may be incurred for the improvement or enlargement of the Club's facilities without the approval by a majority of the membership in good standing present at any duly held meeting of the members.

SECTION 9 – All payments required to be made to the Club by the membership under the authority of this or any other Article of these By-Laws are exclusive of any taxes which are now, or may be imposed on such payments by Federal, State or local laws. Any such taxes shall be paid by the membership immediately upon their accrual and shall be in addition to any other required payments.

SECTION 10 – No dues or part thereof shall be refunded in the event that pool operations are required to be suspended for any period.

ARTICLE XI PROCEDURES FOR HANDLING RECEIPTS AND DISBURSEMENTS

SECTION 1 – Depositories of the Club and respective balances shall be resolved by the Board of Directors at any of its meetings. The Board of Directors may by resolution replace, add or cancel depositories at interim meetings. Only one depository shall be used at any one time for receipts and expenditures of the Club except that a separate payroll account shall be maintained. Such accounts shall be known as the "Pearl River –

Nauraushaun Swim Club, Inc.” account and the “Pearl River – Nauraushaun Swim Club Payroll Account”.

SECTION 2 – Investments may be made when approved at a meeting of the Board of Directors.

SECTION 3 – All payments by the membership must be directed immediately to the Treasurer.

SECTION 4 – All funds received must be deposited in the “Pearl River – Nauraushaun Swim Club, Inc.” account within a reasonable time. Benefits derived from interest bearing deposits or securities must be reported by the Treasurer at the next meeting of the Board of Directors.

SECTION 5 – Vouchers must be approved by the Finance Committee of the Board of Directors as required by Article VIII, Section 5, prior to payment of all expenditures, except as designated in Section 6 of Article XI. The vouchers must first indicate approval and/or receipt of services and/or material by the responsible officer whose authority had first been established by the Board of Directors.

SECTION 6 – A petty cash fund in the amount of Fifty (\$50.) dollars may be maintained by the Club Manager for small expenditures which require immediate cash payments. All payments therefrom must be enumerated on a voucher for replacement of the expended cash. The Treasurer shall have interim authority, subject to subsequent approval of the vouchers at the next meeting of the Board of Directors, for replacement of up to Fifty (\$50.) dollars of petty cash expenditures.

SECTION 7 – All checks and withdrawals from any depository must be signed by two of the following: President, Vice President, Treasurer or Secretary except that a separate payroll account shall be maintained which such checks may be signed by any one of the foregoing officers.

SECTION 8 – All expenditures including the replacement of petty cash shall be made by check from the “Pearl River – Nauraushaun Swim Club, Inc.” account. The canceled checks and supporting vouchers therefore shall be retained with the corporate records.

ARTICLE XII FISCAL YEAR

SECTION 1 - The fiscal year of the Corporation shall be fixed from time to time by resolution of the Board of Directors.

ARTICLE XIII SEAL

SECTION 1 – The Board of Directors have prescribed the form of a corporate seal which includes the words “Pearl River – Naurashaun Swim Club, Inc.” This seal shall be affixed to any document of the Corporation whenever required by these By-Laws, by law, by the Board of Directors or by custom.

ARTICLE XIV
AMENDMENTS

SECTION 1 – These By-Laws may be amended only by a two-thirds (2/3) vote of the regular members in good standing present in person at any duly held meeting of the membership, provided notice of the proposed amendment shall be given to the regular members together with a copy of any proposed amendment.

ARTICLE XV
PARLIAMENTARY PROCEDURE

SECTION 1 – Roberts Rules of Order shall be ruling authority in settling all points not specifically covered in these By-Laws.

ARTICLE XVI
INDEMNIFICATION OF DIRECTORS AND OFFICERS

SECTION 1 – Subject to the provisions of Section 3, Directors and Officers shall not be liable to the Swim Club or its members for damages for breach of any duty in such capacity.

SECTION 2 – Subject to the provisions of Section 3, the Swim Club shall indemnify any Director or Officer to the maximum extent permissible under Not-For-Profit Corporation Law Section 722, or permissible under any other provision of law.

SECTION 3 – Sections 1 and 2 shall not apply in the event that a judgment or other final adjudication adverse to the Director or Officer establishes that his or her acts or omissions were committed in bad faith or were the result of active and deliberate dishonesty and were material to the cause of action so adjudicated, or that he or she personally gained a financial profit or other advantage to which he or she was not legally entitled, or that his or her acts violated the duties imposed on Directors by Not-For-Profit Corporation law Section 719.

