



# REHOBOTH BAY SAILING ASSOCIATION

*... the premier sailing facility in Sussex County.*

## **BY-LAWS OF REHOBOTH BAY SAILING ASSOCIATION**

### **OFFICES**

1. (a) The location of the corporation's principal office in the State of Delaware shall be at 225 South state Street, Dover, Delaware. The corporation's resident agent in the State of Delaware shall be JOHN TERENCE JAYWORK, ESQUIRE

(b) The corporation may also have such other office or offices within or without the State of Delaware as the Board of Trustees may from time to time designate.

### **CORPORATE SEAL**

2. The corporate seal of the corporation shall be circular in form and shall have inscribed thereon the name of the corporation, the year of its incorporation, and the words "Incorporated" and "Delaware".

### **MEETINGS OF MEMBERS OF CORPORATION**

3. (a) Unless changed by the Board of Trustees as herein after provided, the annual meeting of the members of the corporation for the election of trustees shall be held near or in Rehoboth Beach, Delaware, at such location as the Board of Trustees may by resolution designate, on the Sunday immediately preceding Labor Day, at 9:00 A.M., at which meeting there shall be elected by ballot, by plurality vote, such Trustees to fill such vacancies as exist, and such other business may be transacted as may properly come before the meeting. The Trustees elected at the annual meeting of the members shall not commence their term of office

until the 1<sup>st</sup> day of November next following the annual meeting at which they were elected.

(b) Special meetings of the members may be called at any time by the Commodore or Board of Trustees. The Secretary shall mail a notice of such call to each member of the corporation at his/her last known post office address at least ten days before such meeting and such notice shall state the time and place of such meeting and the objects thereof.

(c) All meetings of the members for the election of Trustees or for any other purposes shall be held near or in Rehoboth Beach, Delaware, at such location as the Board of Trustees may by resolution designate.

(d) The board of trustees may change the time, date, and place of the annual meeting of the members for the election of Trustees from that fixed by these By-Laws, provided that notice thereof shall be given to each member in person, or mailed to his/her last known address, at least twenty days before the election is held.

(e) A complete list of members entitled to vote shall be prepared by the Secretary and shall be open to the examination of any member on request for thirty days prior thereto, and during the whole time of the election.

(f) Each member entitled to vote, shall, at every meeting of the members, be entitled to one vote, and shall vote in person, or for the sole purpose of election of Trustees at the annual meeting by absentee ballot, but not by proxy.

(g) Notice of the annual meeting of the members, which shall include an absentee ballot identifying all Trustee candidates standing for election at that annual meeting shall be mailed by the Secretary to each member of the corporation at his/her last known post office address, at least 21 days prior thereto.

(h) Any number of the members of the corporation, not less than 5, who attend an annual or special meeting of the corporation shall constitute a quorum for the doing of all business for and on behalf of the

corporation, but a lesser number of members may adjourn from time to time without further notice until a quorum is secured.

## TRUSTEES

4. (a) The property and affairs of this corporation shall be managed by a Board of Trustees who shall be selected from the membership of this corporation. The number of Trustees shall be fixed in these By-Laws at 15 elected in accordance with the provisions of the charter and By-Laws.

(b) The annual meeting of the corporation shall be held at such time and place as provided for in these By-Laws of the corporation.

(c) At each annual meeting held, pursuant to these By-Laws, five persons shall be elected as Trustees for a period of three years.

The Trustees shall elect at any meeting such replacements to the Board as may be necessary to fill unexpired terms or vacancies of the Board of Trustees; provided, however, that whenever the number of members of the Board of Trustees shall be increased, the newly created Trustees shall be elected at the annual or special meeting of the members of the corporation.

(d) The members in attendance at any annual meeting of the corporation may by majority vote elect one or more honorary Trustees to serve for a period of 10 years. An honorary Trustee shall have such privileges as may be conferred upon him/her by resolution of the Trustees but shall not be counted in computing a quorum or any of the limitations imposed on the number of Trustees by these By-Laws.

(e) All past Commodores' of the corporation shall automatically be honorary Trustees for the period of ten years immediately following the expiration of their last term of office as Commodore. Such ex-commodore honorary trustees shall have full power to vote on any matter coming before the Board of Trustees but shall not be counted in computing a quorum nor considered when applying any of the limitations imposed on the number of Trustees by these By-Laws.

(f) Any officer, director, trustee, ex-commodore or honorary

board member or trustee of the Corporation, currently serving or having served in the past, who is made a party to or threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding, by reason of his or her current or past service to the corporation, shall be entitled to indemnification from the corporation for all expenses, including attorneys fee, judgments, fines, and amounts paid in settlement, actually or reasonably incurred by him in connection with such action, suit or proceeding if he/she acted in good faith and in a manner he/she reasonably believed to be in or not opposed to the best interest of the corporation, and with respect to any criminal action or proceeding, had no reasonable cause to believe his/her conduct was unlawful; provided however, that any amounts paid in settlement of any action, suit, claim, or proceeding shall be subject to approval by the Board of Trustees before the right of indemnification shall attach.

The determination as to whether or not any person claiming indemnification under this By-Law has met the applicable standard of conduct shall be made on a case by case basis by the Board of Trustees by a majority vote of a quorum consisting of trustees who were not parties to, nor threatened to be made a party to, such action, suit or proceeding, or if such a quorum is not obtainable, by independent legal counsel in a written opinion.

Expenses incurred in defending a civil, criminal, or administrative action, suit, or proceeding may be paid by the corporation in advance of the final disposition of such action, suit, or proceeding as authorized by the Board of Trustees in the specific case upon receipt of an undertaking by or on behalf of the officer, director, trustee, ex-commodore or honorary board member or trustee, employee, or agent to repay such amount unless it shall ultimately be determined that he/she is entitled to be indemnified by the corporation.

Any trustee elected to office shall be obligated to attend meetings of the Association as scheduled and shall be subject to removal for cause if said elected trustee shall fail to attend three consecutive regular Board of Trustees Meetings. However, the Board may accept excused absence due to illness or military commitment. This provision does not apply to attendance at special meetings.

## POWERS OF TRUSTEES

5. The Board of Trustees shall have, in addition to such powers as are hereinafter expressly conferred on it, all such powers as may be exercised by the corporation, subject to the provisions of the statute, the Certificate of Incorporation and the By-Laws.

#### MEETINGS OF TRUSTEES

6. (a) The regular annual meeting of the Board of Trustees shall be held each year immediately following the annual meeting of the members of the corporation at the office of the corporation or at such other time and place as the Board of Trustees may, by resolution or other writing, fix. At this meeting, those newly elected trustees whose term of office shall commence on the 1<sup>st</sup> day of November next following, shall sit with those trustees whose terms of office will not expire on the 1<sup>st</sup> of November next following, for the sole purpose of electing a commodore, one or more vice-commodores, a secretary, and a treasurer from among their own number, whose terms of office shall commence on the 1<sup>st</sup> of November next following and continue for a period of one year or until their successors are duly elected and qualified. After the election of officers as herein set forth, the Trustees-elect shall have no further function until their terms of office commence, and the business of the corporation shall continue to be managed by the existing Board of Trustees. No notice of such meeting to the newly elected trustees shall be necessary in order to legally constitute the meeting provided that the meeting is held at such time and place as the Board of Trustees have, by resolution or by other writing, fix.

(b) Regular meetings of the Trustees shall be held at such time as may be determined from time to time by resolution of the Board of Trustees. Notice of regular meetings shall be sent by mail, telephone, telegraph, fax, internet or other electronic means to each Trustee at his/her last known address or number by the Secretary at least three days prior thereto.

(c) Special meetings of the Board of Trustees may be called by the Commodore on three days' notice in writing or on three days' notice by telegraph, fax, or telephone to each trustee and shall be called by the Commodore in like manner at the written request of two trustees.

(d) Special meetings of the trustees may be held outside the State of Delaware at such place as is indicated in the notice or waiver of notice thereof. Trustees may meet for such special meetings in person or by telephone.

(e) A majority of the trustees in office or five trustees, whichever number is smaller, shall constitute a quorum, but a smaller number may adjourn from time to time, without further notice, until a quorum is secured.

(f) The Board of Trustees may conduct the business of the corporation, with the exception of amending these By-Laws or as is elsewhere prohibited in these By-Laws, by mail, fax, internet or other electronic means; however, an affirmative vote of the majority of the Board of Trustees shall be necessary in every case.

#### EXECUTIVE AND OTHER COMMITTEES

7. (a) Unless otherwise determined by the Board of Trustees, the Executive Committee shall consist of the duly elected commodore, the one or more vice-commodores, the treasurer, and the secretary. Further, the Board of Trustees may, by resolution or resolutions passed by the affirmative vote of a majority of the Board, present and voting, designate one or more other committees, each to consist of two or more of the members or members of the family of a member of the corporation.

b) The Executive Committee shall not have authority to make, alter, or amend the By-Laws, but shall exercise all other powers of the Board of Trustees between the meetings of said Board, except the power to fill vacancies in its own membership, which vacancies shall be filled by the Board of Trustees.

(c) The Executive Committee and such other committees shall meet in person or by telephone at stated times or on notice to all by any of their own number. They shall fix their own rules of procedure. A majority of the committee membership shall constitute a quorum and the affirmative vote of a majority of the committee present and voting shall be necessary in every case. Further, the Executive Committee and such other committees may conduct business by mail, fax, internet or other electronic means; however, an affirmative vote of the majority of the

Executive Committee or any such other committee shall be necessary in every case.

(d) The Executive Committee and such other committees shall keep regular minutes of their proceedings and report the same to the Board of Trustees.

(e) Such other committees shall have and may exercise the powers of the Board of Trustees to the extent provided in such resolution or resolutions.

## OFFICERS OF THE CORPORATION

8. (a) The officers of the corporation shall be the Commodore, the one or more Vice- Commodores, the Secretary, the Treasurer, and such other officers as may vary from time to time be chosen by the Board of Trustees and shall serve for a term of one year unless re-elected.

(b) The offices of the corporation shall be elected immediately following the annual meeting, or at such other time and place as the Board of Trustees may, by resolution or such other writing, fix, and who shall commence their term of office on the 1<sup>st</sup> of November next following their election. Officers shall hold office for a period of one year or until the successors are chosen and qualify in their stead. Any officer chosen or appointed by the Board of Trustees may be removed either with or without cause at any time by the affirmative vote of two-thirds of the whole Board of Trustees. If the office of any officer or officers becomes vacant for any reason, the vacancy shall be filled by the affirmative vote of a majority of the whole Board of Trustees, and the person selected to fill such vacancy shall hold office for the unexpired term of his/her predecessor.

## DUTIES OF THE COMMODORE

9. The Commodore shall be the chief executive officer of the corporation; he/she shall preside at all meetings of the trustees; he/she shall have general and active management of the business of the corporation; shall see that all orders and contracts and agreements authorized by the Board are properly executed. He/she shall have general supervision and direction of all the officers and employees of the

corporation, and shall see that their duties are properly performed. He/she shall submit a report of the operations of the corporation for the fiscal year to the trustees as soon as convenient after the close of each year, and to the members of the corporation at their annual meeting, and from time to time shall report to the trustees all matters within his/her knowledge which the interests of the corporation may require to be brought to their notice. He/she shall be an ex-officio member of all committees and shall have the general powers and duties of supervision and management usually vested in the office of a president of a corporation.

#### VICE- COMMODORE(S)

10. The Vice-Commodore(s) shall be vested with such powers and shall perform such duties as may be assigned by the Commodore or prescribed by the Board of Trustees. He/she shall execute all contracts and agreements authorized by the Board in the absence of the Commodore.

#### SECRETARY

11. The Secretary, or his/her designated appointee, shall attend all meetings of the corporation, the Board of Trustees, the Executive Committee and standing committees. He/she shall act as Secretary thereof and shall record all of the proceedings of such meetings in a book to be kept for that purpose. He/she shall give proper notice of meetings of members and Trustees, and shall perform such other duties as shall be assigned to him by the Commodore or the Board of Trustees. He/she shall keep in safe custody the seal of the corporation; and, when authorized by the Board, affix the seal to any instrument requiring the same.

#### TREASURER

12. (a) The Treasurer shall be responsible for keeping full and accurate accounts of receipts and disbursements in books belonging to the corporation, and he/she or his/her designated appointee shall deposit all money and other valuable effects in the name and to the credit of the corporation in such depositories as may be designated by the Board of Trustees.

(b) He/she shall disburse the funds of the corporation as may be ordered by the Board, or whenever they may require it, and he/she shall, upon request of the Board of Trustees, render an account of all his/her transactions as Treasurer and of the financial condition of the corporation. He/she shall perform such other duties as assigned by the Commodore or as the Board of Trustees may from time to time prescribe or require.

### BOOKS AND RECORDS

13. (a) The books, accounts and records of the corporation, except as otherwise required by the laws of the State of Delaware, shall be kept within the State of Delaware.

(b) The books, accounts and records of the corporation shall be open to the inspection by any trustee or member of the corporation within 15 business days of the request at such time or times during regular business hours as such trustee or member may desire and it shall not be necessary for any such trustee or member to state any reason why he/she desires such inspection.

### SIGNING OF WRITTEN INSTRUMENTS

14. All deeds, contracts or other instruments of writing of the corporation requiring the corporation seal to be affixed thereto shall be signed, executed, attested and delivered by such officers of the corporation as may from time to time be fixed and prescribed by such resolution of the Board of Trustees authorizing the execution and delivery of such documents.

### NOTICES

15. Notice required to be given under the provisions of these By-Laws to any trustee, officer or members shall not be construed to mean personal notice and, unless other means are explicitly authorized in these By-Laws, may be given in writing by depositing the same in a post office or letter box, in a postpaid sealed wrapper, addressed to such member, officer or trustee at such address as appears on the books of the corporation, and such notice' shall be deemed to be given at the time

when the same shall be mailed. Any member, officer or trustee may waive, in writing, any notice required to be given under these By-Laws, whether before or after the time stated herein.

## AMENDMENTS OF BY-LAWS

16. These By-Laws may be amended, altered, repealed or added to by the Board of Trustees. Any member of the Board can offer a motion to amend, alter, repeal or add to the By-Laws at any meeting of the Board of Trustees. Such a motion is to be presented in written form and clearly identify that portion or portions of the By-Laws that is proposed to be amended, altered, repealed, or added to. If such motion is duly seconded, it shall be tabled definitely without further debate for a minimum of 30 days and distributed in written form to all members of the Board for action at the next meeting of the Board of Trustees thereafter occurring or at a special meeting called for that purpose. Approval will be by an affirmative vote of a majority of the Trustees present and voting. These By-Laws also may be amended by a two-thirds vote of the members in attendance at the annual meeting of the corporation provided that notice of such proposed amendment is contained in the notice of the meeting mailed to the membership in accord with section 3(g) of these By-Laws.

## MEMBERSHIP

17. Membership in this corporation shall be governed by the following rules;

(a) Membership in this corporation shall be open to all persons who profess an interest in sailing or tennis, as a sport or hobby, who pay the required membership dues and fees, and who are approved as follows: Regular, Sustaining, Life, Associate, Racing Associate, and Junior Seasonal memberships (initial or transferred) by the Board of Trustees; Trial memberships by the Club Manager or any member of the Board. However, pending final action by the Board, an applicant for membership shall have full use of the club facilities with all privileges of the class of membership applied for upon submission of a completed membership application and accompanying fees.

(b) There shall be seven classes of members: Life, Sustaining,

Regular, Associate, Racing Associate, Junior Seasonal, and Trial members. All active members, except Associate, Racing Associate, Junior Seasonal, and Trial members shall have one vote at the annual meeting of the association.

(c) Membership shall not exceed a total of 20 Life, 50 Sustaining, 150 Regular or, 25 Associate members (plus one additional Associate for each inactive Life or Sustaining member as of May 15<sup>th</sup> of each year), and 10 Racing Associates. There is no limitation on the number of Junior Seasonal or Trial members. A Trial Member can hold such membership for a period not exceeding 30 days cumulative in any calendar year.

(d) A person shall be eligible for Regular Membership upon the payment of a non-redeemable initiation fee in the amount specified annually by the Board of Trustees.

(e) A person shall be eligible for a Sustaining Membership, upon payment of a membership fee in the amount specified annually by the Board of Trustees, which shall be transferable as hereafter set forth.

f) A person shall be eligible for a Life Membership upon payment of a \$650 membership fee, which shall be transferable as hereafter set forth. The names of the life members shall be permanently displayed in the clubhouse. No life memberships shall be accepted after September 1, 1969.

g) A person shall be eligible for an Associate Membership upon payment of an annual fee in the amount specified annually by the Board of Trustees, and as such shall be entitled to all privileges of that class of membership except that of voting and holding office. Associate memberships shall be from January 1 through December 31. A Junior Seasonal Membership may be extended to a person under 22 years of age for a fee in the amount specified annually by the Board of Trustees. A Junior Seasonal member may not vote, hold office, or charge to the Club's account.

(h) A person shall be eligible for an Associate Racing membership upon payment of an annual fee in the amount specified annually by the Board of Trustees and as such shall be entitled to the

same privileges of an associate member except he/she shall have the following restrictions; sponsorship by both the club sailing chairman and a Racing Fleet Captain and a firm commitment to actively participate in the RBSA club Racing Fleet races.

(i) A Racing Associate shall be eligible, as appropriate, for a Regular membership after being a Racing Associate for one year and proving his/her firm commitment to participating in the Club Fleet races, as determined by both the Club Sailing Chairman and respective Fleet Captain, and upon payment of the Regular membership non-redeemable initiation fee.

(j) A life member or a sustaining member may transfer his/her membership to a previously approved applicant for membership. The new member who purchases an outstanding membership shall be required to pay only the annual dues. A transfer fee in an amount specified annually by the Board of Trustees for life members and one half such amount for sustaining members shall be paid at the time of transfer by the recipient of the membership. However, the corporation shall have the right to purchase any membership at the time of transfer by paying to the member the original fee paid for the class of membership being transferred.

(k) A sustaining or life member may become inactive upon written application to the membership committee if he's not in arrears as to any dues, charges or fees. He/she may again become active upon written application accompanied by the current annual dues. An inactive membership may be transferred to a new member, but an inactive member shall not have any privileges of voting or use of the facilities of the corporation.

(l) Prior to January 1, 2001, any sustaining or life member who, failing to apply for inactive status, has not paid their dues and any amounts past due by May 30, shall be deemed to have applied for inactive status for that calendar year. That member and all persons entitled to use the facilities of the corporation under that membership shall not have any privileges of voting or use the facilities of the corporation during that calendar year. Any sustaining or life member who, for three consecutive years, is deemed, under the provisions of this subparagraph, to have elected inactive status and who has not contacted the corporation

concerning the status of his/her membership, shall be notified by certified mail to his/her last known address, return receipt requested, that unless he/she contacts the corporation concerning his/her intentions within 30 days from the posting of the notice, his/her membership in the corporation shall be automatically canceled. If any sustaining or life member so notified fails to contact the corporation within the 30 days as herein provided, his/her membership shall automatically be canceled on the 31st day after the posting of the notice without further action by the Board of Trustees.

Effective January 1, 2001, any sustaining or life member who, failing to apply for inactive status for that year and who has not paid their dues and any amounts past due by May 30, shall be notified by certified mail to his/her last known address, return receipt requested, that unless he/she contacts the corporation concerning his/her intentions within 60 days from the posting of the notice, his/her membership in the corporation shall be automatically canceled. If any sustaining or life member so notified fails to contact the corporation within the 60 days as herein provided, his/her membership shall automatically be canceled on the 61st day after the posting of the notice without further action by the Board of Trustees.

(m) A regular member in good standing may convert his/her membership to a sustaining membership upon paying the difference in the initiation fee between the two types of membership, providing the quota of sustaining memberships as set in the By-Laws has not been filled.

(n) Federal excise tax or other taxes chargeable because of membership in the corporation shall be borne by the member.

(o) All memberships, with the exception of Trial memberships, and all transfers of memberships are subject to prior approval of the Board of Trustees.

(p) The annual dues for sustaining and regular members shall be in the amount specified annually by the Board of Trustees and shall be one half that amount per year for life members.

(q) A membership, other than a Junior Seasonal, shall entitle the member and his or her spouse and unmarried children 25 years of age or

under to use the facilities of the corporation subject to such rules, regulations, fees and charges as the Board of Trustees or Executive Committee, with the approval of the Board of Trustees, may from time to time set forth. For the purposes of these By-Laws, a spouse is defined as the husband or wife of a marriage recognized by the State of Delaware and a child is defined as the offspring or legally adopted child of either spouse or a child for whom either spouse serves as guardian.

(r) A membership, other than Junior, shall entitle the member and his or her spouse to bring guests to the club provided that the member accompanies his/her guests at all times and assumes responsibility for their guests' actions and behavior while they are at the club. Guests shall not enjoy any of the privileges of membership. The number of guests that members may have and accompany at the club at any one time without incurring a club usage fee shall be specified by the Board of Trustees but in no event shall exceed nine.

(s) The "member" in a family membership shall be considered to be the individual who signed the membership application. At any time, the designated "member" in a family can be changed by written notice of the member to the secretary specifying that his or her spouse shall be the new designated "member". In the event of a divorce, the membership shall be considered belonging to the last person so designated as member. In the event of the death of a member, the surviving spouse shall become the "member".

(t) The son or daughter of a member upon reaching their 18th birthday but not later than completion of their 25th year shall be eligible for a regular membership upon payment of one-half (1/2) the regular non-redeemable initiation fee. The annual dues for such a member shall be the same as that of any other regular member. This provision is not restricted by 17(c) of these By-Laws.

(u) Membership shall be on an annual basis from January 1 to December 31 of each year. If dues for the current year and any amounts past due are not paid in full by May 15, the member shall be suspended from all membership privileges and so notified by posting of name in clubhouse or mailing of notice to last known address. If the dues are not paid by May 30 they shall be automatically dropped from the membership Roster.

(v) A member may be expelled or suspended from membership in the corporation by affirmative action of three-quarters (3/4) of the Board of Trustees present and voting for conduct unbecoming a member of the corporation or conduct deemed detrimental to the corporation or the sport of sailing or tennis. In a situation where the Executive Committee deems such conduct by a member requires more immediate action, the member may be suspended by an affirmative vote of three-quarters (3/4) of the Executive Committee.

## RULES AND REGULATIONS

18. The Board of Trustees or the Executive Committee, with the approval of the Board of Trustees, may establish and promulgate rules, regulations and fees for the activities of the club and the use of the facilities of the club.

19. The racing program of the corporation shall be limited to such sailing classes as the Board of Trustees may from time to time establish. No class shall be established unless there is a sufficient number of members who own sailing craft in the class to be established to justify a full racing program.

20. No member of the corporation under any class of membership and whether on active or inactive status, nor any person entitled to the use of the facilities of the corporation under that membership, will be permitted to be a salaried employee of the corporation either on a full-time or part-time basis unless the Board of Trustees has first determined in advance that it would be in the best interest of the corporation.

21. Only when the Board of Trustees has first determined in advance that it would be in the best interest of the corporation, shall the corporation do business with any member of the corporation, or any person entitled to the use of the facilities of the corporation under any membership, in which the individual would receive directly any compensation whatsoever from the corporation for service rendered to or on behalf of the corporation, or realize a net profit on any item sold to the corporation. Such prior approval by the Board of Trustees will be required for each occurrence. This provision shall not be construed to prevent the corporation from reimbursing any member for documented out-of-pocket-expenses, including but not limited to the cost of materials

and freight expended by any person included within a membership on behalf of the corporation.

Any trustee or officer of this corporation shall be entitled to reimbursement by the corporation for actual out-of-pocket expenses in connection with the performance of his/her official duties as an officer or trustee of the corporation but no officer or trustee shall receive any compensation whatsoever for the performance of his/her official duties as an officer or trustee of the corporation.

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By-Laws general revisions and updates approved by the Board of Trustees on March 20, 1999.

Section 20 revision approved by the Board of Trustees on October 31, 1999.

Sections 1-4 revisions approved by the Board of Trustees on August 4, 2002 (to become effective for the 2003 election of Trustees).

Section 17 (n) revised changing the incorrect word “charitable” which made no sense to “chargeable.” Approved by the Board of Trustees on April 9, 2006.