

MONTGOMERY SQUARE-COPENHAVER SWIM CLUB, INC.

BY-LAWS (REVISED JUNE 2019)

ARTICLE I

NAME AND PURPOSE

SECTION 1. The name of this organization shall be the Montgomery Square-Copenhaver Swim Club, Incorporated hereinafter referred to as the "Corporation" or "MSCSC").

SECTION 2. The purpose of this Corporation is to promote the health and general welfare of its members through the construction, ownership and operation, on a non-profit basis, of a swimming pool and other recreational facilities.

ARTICLE II

MEMBERSHIP

SECTION 1. The Corporation's membership shall consist of family units residing in the Montgomery Square and Copenhaver communities as well as those family units in neighboring communities of Montgomery County, Maryland desiring membership. A family unit shall consist of head of a household and the resident members of the family and, upon approval of the Board of Directors hereinafter referred to as the "Board"), any other person residing with the family as a member of the household. Each family unit must hold one Corporation Membership Certificate.

SECTION 2. Membership in the Corporation may be applied for by filing with the Membership Committee an application therefore, in writing, in such form as may be prescribed by the Board.

SECTION 3. The Membership Committee, to be appointed at the annual general membership meeting by the Board, shall promptly investigate applications for membership and report promptly to the Board on the eligibility and desirability of the applicant or applicants. The Board shall consider such applications at its first meeting following such report and shall vote on the admission of the applicant or applicants to membership in the Corporation. No applicants shall be admitted to membership except on vote of two-thirds (2/3) of the Directors present at such meeting, provided a quorum is present. Each applicant admitted to membership shall be advised thereof, and upon payment of the fees prescribed within 20 days shall be entitled to all privileges of his class of membership and subject to all of the liabilities thereof. Corporation members shall receive a Membership Certificate or such other evidence of membership as may be prescribed by the Board.

SECTION 4. The Board is authorized but not required to provide a limited number of seasonal passes. The seasonal passes will be non-certificate and non-voting and will be available to Residents of any neighborhood in which membership would be available. The fee for a seasonal pass shall be equivalent to the annual dues as specified in Article X of these by-laws, plus a surcharge established by the Board. The number of seasonal passes shall be determined annually by the Board of Directors and it shall be sufficiently limited in number to

allow for vacant memberships to be available for applicants for memberships. Seasonal passholders may not vote or hold office. No person or family may hold a seasonal pass for more than one (I) year. A former member of the Corporation may not purchase a seasonal pass.

SECTION 5. Members who withdraw from the Corporation for any reason must sell their certificates only to the Corporation, except as provided in Article IX, Section 3 of these Bylaws. All Membership Bonds will be bought back at the price of Three Hundred Dollars (\$300.00) (subject to the provisions of Article X, Section 4) notwithstanding the fact a higher price was initially paid. All proceeds from the resale of Membership Bonds will accrue only to the Corporation. The Board will make available surrendered memberships to eligible applicants in the order of their dates of application, until the pool reaches its maximum rated capacity. If the Corporation is financially unable to repurchase any Membership Bonds out of capital surplus funds, the Corporation shall not be obligated to repurchase same until such time as it becomes financially able to repurchase same out of capital surplus funds. This judgment of financial ability to be made by the Board. When a withdrawing member introduces a new purchaser of a bonded membership to MSCSC, MSCSC will apply funds received from the new purchaser directly to the repurchase of the withdrawing member's bond.

SECTION 6. The maximum number of participants, memberships and seasonal passes, shall be as prescribed by the Montgomery County Health Department. The Board shall have the power to increase or limit the number of participants as circumstances dictate.

SECTION 7. In the event that at any time the total number of participants including memberships and seasonal passes reaches the maximum number of participants as provided in Section 6, above, the Board of Directors will take the following actions.

- A. For the next swim season the Board will reduce the number of seasonal passes available to accommodate any persons on a waiting list for membership.
- B. If at any time the number of applicants for membership or for seasonal passes exceeds the number of vacancies available, then a waiting list shall be maintained. When vacancies occur in a class of participation then applicants for that form of participation shall be considered in order of receipt.

ARTICLE III

INACTIVE MEMBERS

SECTION 1. Any member who is unable to utilize the facilities of the Corporation due to a change of residence caused by transfer by his employer out of Montgomery County, while still retaining ownership of property in designated membership area of the Corporation, may upon written application and subject to approval of the Board, retain membership bond, pay no annual dues during time away from the area, and have no voting rights during time of inactive status.

SECTION 2. The Board shall have the discretionary authority to extend the privilege of inactive membership to additional categories of members. The Board shall be empowered to

establish such additional criteria for inactive membership as may in its judgment be appropriate.

ARTICLE IV **MEETINGS OF MEMBERS**

SECTION 1. All meetings of members shall be held in Montgomery County, Maryland. At least ten (10) days' notice shall be given to the members, at their last known address as shown by Corporation records, stating the time and place fixed for the meeting by the Board.

SECTION 2. Annual Meetings of the Corporation shall be held within 60 days after pool closing, at which time the members shall elect directors in accordance with the provisions of Article V herein, and transact such other business as may properly be brought before the meeting.

SECTION 3. Except as otherwise provided, special meetings of the members, for any purpose or purposes, may be called by the Board or by request of at least 10 percent of the membership presented in writing to the Secretary. Such request shall state the purpose or purposes of the proposed meeting, after receipt of which the Secretary shall call a special meeting requested within thirty (30) days. Written notice of a special meeting of the members, stating the time, place and purpose thereof, shall be given to all members entitled to vote at least ten (10) days before the date fixed for the meeting. Business transacted at any special meeting shall be limited to the purposes stated in the notice.

SECTION 4. Except as otherwise provided, the voting members, in good standing (see Article XI, Section I) present in person, shall constitute a quorum at all meetings of the Corporation for the transaction of business. A voting member shall be any adult in a family unit holding a Membership Bond and each family membership shall be entitled to one vote at Corporation meetings which may be cast by the adult member or his or her written proxy. Such written proxies are valid for no more than thirty (30) days. Notwithstanding the foregoing, at no time shall a quorum be less than the number required for a quorum at any meeting of the Board.

SECTION 5. Except as otherwise provided, when a quorum is present at any meeting, the vote of the majority of the voting members present in person or represented by proxy shall decide any question brought before such meeting.

DIRECTORS

SECTION 1. The number of Directors which shall constitute the whole Board shall be twelve (12). Directors shall be elected for a term of three (3) years. The members of the Corporation shall elect at the Annual Meeting among the membership of the Corporation new directors to fill any vacancies on the Board. Each director shall hold office until the election of his or her successor. Each director shall be an adult member of a family unit holding a Certificate in the Corporation. The President shall vote only to break tie.

SECTION 2. Preceding each membership vote for directors, the membership present at such meeting shall determine whether the election shall be conducted by voice vote or by secret ballot. The Board shall have a ballot prepared and available for use at such meeting if the membership shall choose to vote by secret ballot which ballot shall contain the names of all nominations made pursuant to Article VII as well as space for write in votes.

SECTION 3. Any vacancy in the Board shall be filled by vote of a plurality of the remaining directors, but the director so chosen shall hold office only until a successor is elected at the next annual meeting of the members, to complete the unexpired term (unless such term expires at the time of such meeting).

SECTION 4. The Board shall have the general direction and control of the affairs of the Corporation. In addition to the duties customarily performed by the Board, the Board shall:

- A. Elect officers as provided in Article VIII herein;
- B. Transact all business necessary and proper for the efficient management of the Corporation including the appointment and removal of such agents or employees as it may deem necessary, including the fixing of their duties and compensation;
- C. Act upon applications for membership;
- D. Fill interim vacancies in the Board;
- E. Constitute and appoint all committees necessary for the functioning of the Corporation;
- F. Fix the terms and conditions by which guests of members may use the facilities of the Corporation;
- G. Prescribe the rules and regulations for operation of the swimming pool and other recreational facilities;
- H. Designate the depository and conditions of deposit for the funds of the Corporation, provided that all checks, drafts and other instruments for the payment of money by the Corporation must bear the signature of: one of the officers of the Corporation for amounts up to \$5000.00; two of the officers for amounts over \$5,000.00. These same conditions will apply to all other financial transactions;
- I. Determine annually, in the fall, the price of regular and associate membership;
- J. Determine annually before May 1st the number of seasonal passes available and the surcharge for such passes; and
- K. Determine annually the form of payment for membership and seasonal passes and provide all necessary procedures for reviewing and recording such payments.

SECTION 5. The Board shall meet at least once during each month of April through September, at such place as shall be determined by the Board.

SECTION 6. Special meetings of the Board may be called by the President on seven (7) days' notice to each director, either personally or by mail.

SECTION 7. Except as otherwise provided, at all meetings of the Board a majority of the directors shall constitute a quorum for the transaction of business, the action of a majority of the directors present at any meeting quorum shall be the action of the Board.

SECTION 8. Any member of the Board may be removed from office by a majority vote of

the members present in person or represented by proxy, at either the Annual Meeting of the Corporation or a special meeting called in accordance with these Bylaws.

NOTICES

SECTION 1. Notices to Directors and members shall be in writing and delivered personally, mailed, or emailed to the directors or members at their addresses appearing on the books of the Corporation. Notice by mail shall be deemed to be given at the time when the same shall be mailed.

SECTION 2. Whenever any notice is required to be given by statute, Certificate of Incorporation or these By-laws, a waiver thereof in writing, signed by the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed to be adequate notice.

NOMINATIONS

SECTION 1. Nominations may be made from the floor at the Annual Meeting.

SECTION 2. Consent of all nominees to accept office shall be obtained in advance of their nomination.

ARTICLE VIII

OFFICERS

SECTION 1. The officers of the Corporation shall be chosen by the Board and shall be a President, Vice-President, Secretary, and a Treasurer. The Board may choose additional Vice-Presidents, and one or two Assistant Secretaries and Assistant Treasurers. No person may simultaneously hold more than one office.

SECTION 2. The Board at the Annual Meeting of the Corporation membership, will choose from among the Directors a President, one or more Vice-Presidents, a Secretary, and a Treasurer, all of whom shall serve without compensation for one year or until their successors are elected and qualify.

SECTION 3. The Board may appoint and remove such other agents or employees as they shall deem necessary who shall hold their positions for such terms and shall exercise such powers and perform such duties as may be directed by the Board.

SECTION 4. Any officer elected or appointed by the Board may be removed at any time by the affirmative vote of a majority of the whole Board. The Board shall fill any vacancy occurring among the officers.

SECTION 5. The President shall be the Chief Executive Officer of the Corporation; shall preside at all meetings of the members and the Board; shall be an ex-officio member of all committees; shall generally supervise the affairs and property of the Corporation; shall, subject to the approval of the Board, appoint all committees other than committees of directors; and

shall see to it that all orders and resolutions of the Board are carried into effect. The President shall (in accordance with Article V, Section 4, Paragraph H) and upon resolution of the Board, execute bonds, notes, mortgages and other contracts requiring a seal, under the Seal of the Corporation, except where required or permitted by law to be otherwise signed and executed and except where the execution and signing thereof shall be expressly delegated by the Board to some other officer or agent of the Corporation.

SECTION 6. The Vice-Presidents in the order of their seniority shall in the absence or disability of the President perform the duties and exercise the power of the President, and shall perform such other duties as the Board shall prescribe.

SECTION 7. The Secretary shall attend all sessions of the Board and all meetings of the members and record all votes and the minutes of all proceedings in a book to be kept for that purpose and shall perform like duties for the standing committees when required. The Secretary shall give, or cause to be given, notice of all meetings of the members and special meetings of the Board, and shall perform such other duties as may be prescribed by the Board or the President. The Secretary shall keep in safe custody the seal of the Corporation and, when authorized by the Board, affix the same which is to be attested by the signature of the Secretary or the Treasurer.

SECTION 8. The Assistant Secretary shall, in the absence or disability of the Secretary, perform the duties and exercise the powers of the Secretary.

SECTION 9. The Treasurer shall have custody of the Corporation's funds and securities and shall keep full and accurate accounts or receipts and disbursements in books belonging to the Corporation and shall deposit all monies and other valuable effects in the name and to the credit of the Corporation in such depositories as may be designated by the Board. The Treasurer shall disburse the funds of the Corporation as may be ordered by the Board in accordance with Article V, Section 4, Paragraph H, taking proper vouchers for such disbursements, and shall render to the President and the Board, at its regular meetings, or when the Board so requires, an accounting of all transactions as Treasurer and of the financial condition of the Corporation. The Treasurer and any designated Assistant and employees who have the custody or control of any funds of the Corporation shall give the Corporation bonds in such sum and with such surety or sureties as shall be satisfactory to the Board for the faithful performance of the duties of their offices and for restoration to the Corporation, in case of death, resignation, retirement, or removal from office, of all books, papers, vouchers, money and other property, of whatever kind, in their possession or under their control belonging to the Corporation. The premiums for such bonds shall be paid by the Corporation. The Treasurer's account shall be audited at least once each year by a certified public accountant to be determined by the Board.

SECTION 10. The Assistant Treasurer shall, in the absence or disability of the Treasurer, perform the duties and exercise the powers of the Treasurer.

ARTICLE IX
CERTIFICATES OF MEMBERSHIP

SECTION 1. Membership bonds are not transferable, except under the following circumstances: Subject to MSCSC's written approval, which shall not be unreasonably withheld, withdrawing members may transfer their bond directly to persons to whom they sell their homes, provided that at least thirty (30) days prior to such transfer they notify MSCSC in writing of their intention to do so. MSCSC shall have ten (10) days from its receipt of such notification to approve or disapprove the transfer.

SECTION 2. The Board may direct a new certificate or certificates to be issued in place of any certificate or certificates heretofore issued by the Corporation alleged to have been lost or destroyed, upon the making of an affidavit of that fact by the person claiming the certificate to be lost or destroyed. When authorizing such issue of a new certificate or certificates, the Board may, in its discretion and as a condition precedent to the issuance thereof, require the owner of such lost or destroyed certificate or certificates, or his representative, to advertise same in such manner as it shall require and/or give the Corporation a bond in such sum as it may direct as indemnity against any claim that may be made against the Corporation with respect to the certificate alleged to have been lost or destroyed.

SECTION 3. Upon surrender to the Corporation of a certificate duly endorsed or accompanied by proper evidence of succession, assignment/or authority to transfer, the Corporation shall issue a new certificate to the person entitled thereto, shall cancel the old certificate and shall record the transaction upon its books.

ARTICLE X
DUES

SECTION 1. The Board shall recommend annual dues (including per capita appointment) for members necessary for the expenses of the Corporation and proper maintenance and Improvement of its property. The total amount to be realized from annual dues shall be determined on the basis of an annual operating budget, as approved by two thirds (2/3) vote of the Board.

SECTION 2. All dues shall be payable on or before the fifteenth day of April each year, unless otherwise determined by the Board. No dues shall be refunded in the event that operations of the Corporation facilities are suspended for any period, unless otherwise provided by the Board. The Board shall adopt a late fee for annual dues paid after the due date.

SECTION 3. Any member delinquent in the payment of dues or charges for forty-five (45) days following mailing of a statement from the Treasurer as to such indebtedness, is suspended and refused all rights and privileges of the Corporation. Any member who is thus suspended shall be notified in writing by the Secretary of his suspension and if his indebtedness shall not be paid within twenty (20) days of mailing of such notice, the membership of such delinquent member may be revoked by majority vote of the Board, with appropriate refund, if any, being made at that time.

SECTION 4. Any member who elects to withdraw from the Corporation on or after the opening date of the pool in any particular year and whose dues are delinquent at the time shall

have such unpaid dues deducted from the refundable portion of such member's bond. Any such election to withdraw between the applicable due date for the annual dues and the pool opening date will result in the deduction of the late fee from the refundable portion of such member's bond.

ARTICLE XI

GENERAL PROVISIONS

SECTION 1. A "member in good standing" shall be one (1) whose dues are paid, and (2) who have not been suspended or revoked.

SECTION 2. Any member of the Corporation may withdraw by written notice to the Board at any time subject to the provisions of Article II, and there shall be no refund of the current year's dues except as may be provided otherwise by the Board.

SECTION 3. The Board, a committee delegated by it, or a responsible employee of the Corporation, with Board delegated authority may deny recreational privileges to any member of a family unit for unbecoming conduct, or for violation of Corporation rules and regulations for a period not to exceed seventy-two (72) hours.

A report of such suspension, containing reasons therefore, shall be submitted to the President or other Director of the Corporation within forty-eight (48) hours. Two such suspensions may result in a suspension of membership for the party and the party's family for the remainder of the pool season, and three such suspensions may result in a permanent revocation of membership for the party and the party's family. Suspension for the remainder of the pool season and permanent membership revocation shall be reviewable by the Board of Directors and the membership as set forth in Section 4 of this Article. No annual dues shall be refunded in the event of any suspension or revocation of membership."

SECTION 4. Any party or family member whose membership has been suspended for the remainder of the pool season or whose membership has been permanently revoked may petition the Board to review that suspension or revocation. That party shall be given reasonable notice of the reasons for the suspension or revocation and the opportunity for an informal hearing before the Board. Following the hearing, a majority of the entire Board may, in its discretion, confirm, modify or revoke the suspension or revocation of membership. The party suspended or whose membership has been revoked may appeal a decision by the Board of Directors at a special meeting of the membership which may cancel or modify that membership revocation provided at least one-third (1/3) of all active members are in attendance at that meeting and two-thirds (2/3) of those in attendance vote in favor of a motion to cancel the membership revocation or otherwise vote in favor of a motion specifying the specific terms of any modified revocation. The expelled party may request the President to call such a special meeting providing the expelled party has advanced the costs of the special meeting.

SECTION 5. All members of the Corporation shall be accorded the facilities of the Corporation subject to the rules and regulations which shall be adopted by the Board and posted at all times at the Corporation bath house.

- A. The Board shall have the full power to deny the use of the Corporation facilities to any non-member.
- B. Any property of the Corporation broken or damaged by a member or his guest shall promptly be paid for by such member, unless otherwise provided by the Board.
- C. The Corporation assumes no responsibility, and members or their guests can have no claims against the Corporation, for the property of members or any guest which may be brought into the Corporation grounds.
- D. The Corporation assumes no responsibility, and members or their guests can have no claim against the Corporation, for any accident or injury to any person or their property.

SECTION 6. The Board shall present at each Annual Meeting and when called for by a vote of the members at any special meeting of the members, a full and clear statement of the business and financial condition of the Corporation.

SECTION 7. The fiscal year of the Corporation shall be fixed by resolution of the Board. A full audit will be made at the end of each fiscal year by a C.P.A. chosen by the Board.

SECTION 8. The Corporate seal shall have inscribed thereon the name of the Corporation, the year of its organization, and the words, "Corporate Seal, Maryland". The seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.

SECTION 9. Directors shall not receive any salary or other compensation for their services, but no member of the Board may be required to bear any of the expenses of the holding of meetings, and the Board may, by resolution, provide for any reasonable expenses incurred in the property conduct of its business. The Board may also provide for similar expenses incurred in connection with the holding of meetings for special or standing committees.

SECTION 10. Every person who acts as a director or officer of the Corporation shall be indemnified by the Corporation against any judgment obtained against him as well as expenses actually and necessarily incurred by such person in connection with the defense of any action, suit, or proceeding in which such person is made a party by reason of such person being or having been a director or officer of the Corporation, except in relation to matters to which such person shall be adjudged in such action, suit, or proceeding to have acted in bad faith and outside the scope of such person's authority or to have acted in a grossly negligent manner or with willful misconduct.

SECTION 11. The Corporation shall maintain a liability insurance policy with a company authorized to transact business in the State of Maryland. In the event said insurance policy provides a greater degree of protection to officers and directors, for example, to the extent of covering acts of gross negligence and willful misconduct, nothing in paragraph 10.A above shall be construed as prohibiting such additional protection and indemnification to said officers and directors, or as relieving the insurance company of the duty to provide the full normal coverage of its policy to said officers and directors.

SECTION 12. No special assessments shall be levied without a majority vote of the members present at an Annual Meeting or a special meeting called for this purpose.

SECTION 13. In the event of dissolution of the Corporation, after the discharge of all liabilities, any assets remaining shall first be applied to retire existing voting memberships as provided in Article II, Section S. If assets are insufficient to retire all memberships, then such assets shall be distributed in payments reduced proportionately and equally among members, at which time all memberships shall be considered retired. Any assets remaining after all memberships are retired in full in accordance with the by-laws shall be distributed in equal shares to all voting memberships.

ARTICLE XI
BY-LAWS

SECTION 1. These bylaws may be altered or repealed, by affirmative vote of two-thirds (2/3) of the members present at any special meeting called for such purpose.

SECTION 2. Any question as to the proper interpretation of the provisions of these bylaws shall be resolved by majority vote of the Board.

MONTGOMERY SQUARE-COPENHAVER SWIM CLUB, INC.