

NORTHWEST BRANCH RECREATION, INC.
10850 Lockwood Drive
Silver Spring, MD 20901

BYLAWS – Amended October 2012
At the Annual Meeting of the Membership

ARTICLE I – IDENTIFICATION

- Section 1: **Name** – The name of the organization subject to these Bylaws shall be Northwest Branch Recreation, Inc., hereinafter referred to as the “Corporation.”
- Section 2: **Legal Structure** – The Corporation is a corporation constituted under the laws of the State of Maryland and shall conduct its activities in Montgomery County, Maryland.
- Section 3: **Use of Language in Bylaws** – Wherever in these Bylaws reference is made to the singular or the masculine gender, such reference shall apply to the plural and the female gender with equal force wherever the context requires the same.

ARTICLE II – PURPOSE

- Section 1: **Recreational Facilities** – The Corporation shall establish, operate, and maintain swimming and other recreational facilities for the benefit of its members and their immediate family members and other permanent residents in their household, and their guests, and not for financial gain or profit.
- Section 2: **Instruction** - The Corporation may also provide instruction in any recreational skills related to the enjoyment of its facilities.

ARTICLE III – MEMBERSHIP

- Section 1: **Definitions of Membership** –

A Permanent Membership – A membership becomes permanent when the membership fee has been paid in full. A permanent membership is a voting membership and includes both (a) memberships purchased in 1999 and before, which are shareholders in the Corporation, possessing a book value and entitled to a share of the Corporation’s equity, as defined in Section 9 of this ARTICLE (also referred to as "Equity Memberships" or "Equity Members"); and (b) memberships purchased in 2000 and after, which are not shareholders in the Corporation possessing a book value or entitled to a share of the Corporation’s equity, but which are nonetheless Permanent Memberships.

A Temporary Membership – is a single-season membership having no voting rights, book value, or equity, but otherwise entitled to all the rights, privileges, and obligations of permanent membership. A temporary membership may be renewable at the discretion

of the Board of Directors and may bear an annual fee above the regular dues, as provided for in ARTICLE VII, Section 3. Such membership shall not be assessable.

Definitions of Membership Categories –

A Family Membership – shall include the membership owner(s) and their children under the age of 23 residing with them on a permanent basis. Family memberships shall be offered at a discount to be determined annually by the Board of Directors to families with one head of household on active duty status for any branch of the U.S. Armed Forces who is deployed in a war zone. The discount shall apply during the year of his or her deployment.

A Senior Couple Membership – shall include only a husband and wife who are both 55 years of age or older.

A Single Membership – shall include only an individual 18 years of age or older. Single memberships shall be offered at a discount to be determined annually by the Board of Directors to members on active duty status for any branch of the U.S. Armed Forces who are deployed in a war zone. The discount would apply during the year of their deployment.

A Senior Single Membership – shall include only an individual 55 years of age or older.

Other Household Members – in connection only with a Permanent or Temporary Family Membership are subjected to an additional charge, to be determined by the Board of Directors. "Other Household Member" means an individual who resides full-time with the Permanent or Temporary Family, or who provides care giving services on a regular basis to individuals in the Member family. It does not include children of caregivers. It does include former Family Members who are older than 23 and reside or visit with their family during all or a substantial portion of the season.

Other Membership Categories – The Board of Directors reserves the right to provide reasonable accommodation for members with disabilities on a case-by-case basis.

A Membership in Good Standing – shall have paid all dues and assessments for the current year and have no outstanding, unpaid assessments or fees as defined under ARTICLE VII, Sections 3 and 4. Any deviations from the above interpretation shall be specifically authorized by the Board of Directors.

Section 2: **Conferment of Membership** – Applicants for Permanent or Temporary Membership shall be approved by the chair of the Membership Committee. Permanent members shall, upon payment of the initial membership (purchase) fee, be duly inscribed on the books of the Corporation and be assigned a membership number.

Section 3: **Maximum Membership Limit** – Membership in the Corporation shall be limited to four hundred ten (410) Permanent Memberships in good standing.

- Section 4: **Transferability** – Memberships in the Corporation are non-transferable, except as set forth in Section 8 below.
- Section 5: **Recreational Privileges** – Any members in good standing shall be entitled to utilize the facilities of the Corporation, subject to the Pool Rules and Regulations which shall be posted conspicuously at all times on the Corporation bulletin board. The Board of Directors shall establish and communicate the terms and conditions upon which guests of members may use the facilities of the Corporation. Guests of members shall also be allowed to use these facilities in accordance with the Rules and Regulations, subject to payment of the appropriate guest fees as determined by the Board of Directors.
- Section 6: **Extending Privileges** - Upon written request, the Board of Directors may extend the use of the facilities, with or without fees, of the Corporation to certain local organizations or groups. The Board of Directors shall require a written agreement from the members of any such group indemnifying the Corporation, its officers, and agents against any claim of injury or damages to such members of the organization or group.
- Section 7: **Suspension or Revocation of Membership** – may be invoked for a period not exceeding ninety (90) days or the end of the current season, whichever comes first, after the member in question has been given an opportunity for a hearing.

Suspension of Membership – The hearing on the issue of suspension shall take place within fifteen (15) days of the date of the event or action which serves as the basis for suspension. Written notice of the hearing date shall be provided to the member, at least ten (10) days in advance of the hearing. Use of the Corporation’s facilities and privileges shall cease immediately from the date of the event or action which serves as the basis for suspension, for a period not to exceed fifteen (15) days pending a hearing before the Board of Directors. Suspension of membership as set forth above may occur after a two-thirds vote of the members of the Board of Directors present at a meeting of the Board of Directors.

Revocation of Membership in the Corporation may occur by a three-fourths vote of the entire membership of the Board of Directors. Use of the Corporation’s facilities and privileges shall cease immediately from the date of the event or action which serves as the basis for revocation, for a period not to exceed fifteen (15) days pending a hearing before the Board of Directors. Written notice of the hearing date shall be provided to the member, at least ten (10) days in advance of the hearing. Revocation may occur as an initial remedy or following a period of suspension, as long as a separate hearing is made available to the affected member, consistent with the above-referenced procedures for suspension.

Causes for suspending or expelling members, Causes for suspending or expelling members, their spouses, children, or other members of their households shall consist of violation of these Bylaws or the Corporation’s Rules and Regulations or any other conduct which threatens, impairs, or endangers the life, health, safety, person, or morals of other members of the Corporation. Should an Equity Member be expelled from the Corporation, his or her membership shall be deemed to be offered to the Corporation as provided for in Section 8 of this ARTICLE. Should a Permanent Member or a Temporary Member be expelled, his or her membership fee and dues shall be forfeited.

Section 8: **Sale of Membership** – Memberships sold on January 1, 2000, and thereafter will not be refundable. Section 8 and other sections of the Bylaws referring to sales of memberships continue to apply to memberships purchased in 1999 and before, known as equity memberships. Any Permanent Member desiring to sell his or her membership in the Corporation shall notify the Board of Directors and the Corporation will purchase the membership.

The full selling price of an equity membership to the Corporation shall be the book value as defined below in this Section. The Corporation will pay the full selling price to a member offering a membership for sale.

Book value is defined as the purchase price paid by the member (or the original owner, if transferred) adjusted as follows:

1. Less any unpaid fees as provided in ARTICLE VII, Section 3.
2. Less any membership continuation fees imposed as provided in ARTICLE VII, Section 6.

Equity is defined as the proportionate value of a Permanent Membership's book value to the total net worth of the Corporation. A membership's equity will be used in determining its distributive share of the Corporation's assets in the event of the latter's liquidation. It shall have no other value or afford a member any other rights in the event of voluntary or involuntary sale or transfer of the membership to the Corporation under this Section or Section 7 of this ARTICLE, or Section 6 of ARTICLE VII.

ARTICLE IV – BOARD OF DIRECTORS

Section 1: **Control** – The management of the Corporation shall be under the control of its elected Board of Directors.

Section 2: **Qualification and Election** – The Board of Directors elected at the Annual Meeting of the general membership shall consist of eleven (11) Permanent Members of the Corporation. Directors shall be elected by plurality vote for three (3) year terms at the Annual Meeting of the general membership, in such a way that four (4) members are elected in one (1) year, four (4) in the next year, and three (3) in the following year. No board member shall serve more than two (2) consecutive terms of office, but may be re-elected to serve again after a one (1) year period of having been off the Board. Exception to this rule is when the Board of Directors has unfilled positions at the conclusion of the Annual Meeting; the Board with a unanimous vote may then extend by one year the term of a Board Member who has already served two (2) consecutive terms. Elected Directors shall take office immediately upon election. Board members shall receive no monetary compensation; provided, however, that Board members shall be entitled to receive a fifty percent (50%) reduction in annual dues (but not assessments) during the term of their service to the Corporation and its membership.

Section 3: **Duties:** The Board of Directors shall transact all corporate business, including, but not limited to, the construction and maintenance of facilities and the establishment of Rules

and Regulations for the use thereof; establishment of membership fees and the amount of annual dues; review and approval of all applications for membership; hiring and removal of all contracted employees; determination of the duties and compensation for all contracted employees or, alternatively, contracting with a qualified pool management firm; selection of the depository for Corporation funds; and election of officers of the Corporation.

- Section 4: **Meetings** – Regular meetings of the Board of Directors shall be held from February through November of each year. The time and place of Board meetings shall be designated by the President, who shall then inform each Director in a timely manner prior to each meeting.
- Section 5: **Special Meetings** – Special meetings may be called at any time by the President or by not less than five (5) Directors. Notice of such special meetings stating the purpose thereof shall be given to all Directors in writing and hand-delivered, if necessary, at least five (5) days prior to the date of the special meeting.
- Section 6: **Election Meeting** – The Board of Directors shall meet subsequently to the Annual Meeting of the general membership, and it shall elect the officers of the Corporation. Officers shall be elected by majority vote of the Directors present. No business of the Board of Directors shall be transacted until after officers have been elected. All officers shall be elected from the members of the Board of Directors and shall assume office immediately.
- Section 7: **Removal** – Any member of the Board may be removed from office by a vote of seven (7) members of the Board or two-thirds (2/3) of the voting members of the Corporation present at either the Annual Meeting or a special meeting of the general membership.
- Section 8: **Vacancies** – Any member of the Board who loses or gives up his or her membership in the Corporation shall automatically cease to be a member of the Board of Directors. Vacancies on the Board of Directors shall be filled by vote of the majority of the remaining Directors and any such appointee shall serve until the end of the term of the Director whose vacancy he or she filled.
- Section 9: **Quorum** – A quorum for the transaction of Corporation business by the Board of Directors shall consist of six (6) members of the Board.

ARTICLE V – OFFICERS

- Section 1: **General** – The officers of the Corporation shall be a President, a Vice President, a Treasurer, and a Secretary. All elected officials shall hold office until their successors are elected, unless sooner removed. An officer may be removed from office by a vote of seven (7) members of the Board, with or without cause.
- Section 2: **Duties of President** – The President shall preside at the meetings of the Corporation and of the Board of Directors. He or she shall appoint, and may remove, all chairmen and committee members of all standing and special committees, and shall be entitled to vote

in committee meetings. He or she shall present a written annual report to the membership at its Annual Meeting.

- Section 3: **Duties of Vice President** – The Vice President shall have and exercise all the powers, authority, and duties of the President during his or her absence or inability to act. He or she shall assist the President in performing assigned duties and responsibilities determined by the President and the other officers.
- Section 4: **Duties of Treasurer** – The Treasurer shall receive and have custody of all funds and securities of the Corporation; he or she shall keep clear and adequate records of the financial transactions of the Corporation and its membership. He or she shall perform all acts incident to the position of Treasurer, subject to the control of the Board of Directors. He or she shall keep the Board apprised of all new members and those who are delinquent, and make sure other treasury reports as the Board shall request are prepared, including a written annual financial report for distribution to the membership along with the mailed notice for the Annual Meeting. At the discretion of the Board of Directors, a bookkeeper may be appointed to assist the Treasurer in accomplishing these tasks. Such an appointee will be deemed an independent contractor and may be paid in accordance with an agreement between such appointee and the Board.
- Section 5: **Duties of Secretary** – The Secretary shall keep the minutes of all meetings of the Board of Directors, of the membership, and any other meetings which the Secretary is designated by the President to attend. He or she shall maintain a roster of current members and Board of Directors and shall be responsible for sending notices of all meetings. In general, he or she shall perform all the duties incident to the office of Secretary.
- Section 6: **Bonding** – The Treasurer shall be bonded at the expense of the Corporation, and in such an amount and with a bonding company specified by the Board of Directors.
- Section 7: **Indemnification** – Each member who acts as a Director or officer of the Corporation shall be indemnified by the Corporation against expenses actually and necessarily incurred by him or her in connection with the defense of any action, suit, or proceeding in which he is made a party by reason of his being or having been a Director or officer of the Corporation, except in relation to matters as to which he shall be adjudged in such action, suit, or proceeding to be liable for gross negligence or willful misconduct in the performance of his or her duties.

The right of indemnification provided herein shall apply to each Director and officer referred to above, whether he or she is such Director or officer at the time such costs or expenses are imposed or incurred and, in the event of his or her death, shall extend to his or her legal representative.

ARTICLE VI – MEETINGS OF THE CORPORATION

- Section 1: **Annual Meeting** – The Annual Meeting of the membership shall be held between August 15 and December 31, at such time and place as the Board of Directors shall designate, for the purpose of electing Directors, receiving the written reports of the

President and the Treasurer, passing upon a budget and capital improvements program, and transacting such other business as properly may come before the meeting.

- Section 2: **Special Meeting** – The President may call a special meeting of the membership at any reasonable time, and he or she shall call such special meetings with the written request of thirty-five (35) members, provided each of the members is eligible to vote on the proposed budget and any Bylaws amendments.
- Section 3: **Notices** – At least seven (7) days before the date of any Annual Meeting or special meeting of the membership, the Secretary shall cause written notice specifying the purpose of the meeting thereof to be delivered or mailed to each member of the Corporation. The notice for the Annual Meeting shall include the names of any candidates for election known at the time of the notice, as well as any proposals for changes to the bylaws.
- Section 4: **Quorum** – At any special or Annual Meeting, five (5) percent of the Permanent Memberships in good standing shall constitute a quorum for business. If no quorum is present, an adjournment shall be taken to a date not fewer than ten (10) nor more than thirty (30) days thereafter, and the Members in good standing present at any such later meeting shall constitute a quorum, provided that the meeting has a quorum of the Board of Directors and at least five (5) non-Board members in good standing are present. Such a meeting shall be official and its resolutions binding. The same notice shall be given for the later meeting as is prescribed in these Bylaws for the original meeting. The Board of Directors may not waive quorum requirements but will declare a meeting unofficial and its resolutions non-binding.
- Section 5: **Rules of Procedure** – Unless otherwise provided for by law, by the Articles of Incorporation, or by these Bylaws, rules of procedure governing meetings of members of the Corporation or of the Board of Directors shall be those of Robert’s Rules of Order, as revised from time to time.

ARTICLE VII – PROPERTY AND FINANCES

- Section 1: **Annual Budget** – An annual budget setting forth anticipated revenue and proposed expenditures for each fiscal year shall be prepared by the Finance Committee and presented to the Board of Directors for approval, not later than ten (10) days prior to the Annual Meeting. The annual budget shall be divided into an operational cost section (operating budget) and a capital improvement section (capital budget).

The Operating Budget will be comprised of those expenses accruing directly from the cost associated with maintaining the pools and grounds, taxes, insurance, and interest on mortgage. It also will include those expenses associated with the administrative functions of the Corporation.

The Capital Budget will include only those expense items directly associated with major repairs and improvements to the pools, buildings, and grounds; and finance charges, trust, and other indebtedness resulting from any major repairs and improvements.

The Annual Budget, as approved by the Board of Directors, shall be delivered to the membership together with the Notice for the Annual Meeting; and the Annual budget shall be submitted to the membership at the Annual Meeting for adoption.

Section 2: **Non-Budgeted Expenditures** – The total non-budgeted expenditures of disbursements shall not exceed ten (10) percent of the approved Operating and Capital Budgets individually, nor shall any single item or category in excess of \$6,000, not covered under the approved Budget, be added to the Budget without the approval of the membership of the Corporation at a special meeting. However, by a two-thirds (2/3) vote of the Board of Directors, necessary and emergency repairs may be made to the pools, power plant, bathhouse or filtering plant without first securing the approval of the membership. Purchase of memberships shall be considered non-budgeted expenses, which shall be fully covered by offsetting membership sales (either permanent or temporary) during the fiscal year.

The Board of Directors may vote to advance funds for this purpose, not to exceed \$6,000 or the amount necessary, to purchase ten (10) memberships at their full value, provided such advance is paid back from offsetting sale of memberships. Additional memberships may be purchased only through additional revenue from membership sales.

Section 3: **Annual Dues** – The annual dues and fees shall be fixed by the Board of Directors and shall be payable by May 1st of each year. Such annual dues shall in general be fixed on a family basis, but the Board of Directors may fix dues with respect to members within a family unit. The annual dues shall be composed of two elements: Operating Fee and Capital Fee.

Operating Fees shall be set by the Board of Directors based on the estimated Operating Budget and the number of anticipated active members for that year. Operating Fees will cover only the operating cost of the pools and grounds as stated in the Operating Budget.

Capital Fees shall be determined by the Board of Directors based on the estimated Capital Budget and the total number of Permanent Memberships. All memberships will be charged the annual Capital Fee. Any equity membership not paying this fee will be considered in arrears and will have its book value correspondingly decreased. When the book value reaches zero, the membership will be automatically voided. Annual notices for dues and assessments will advise all members of their status, and all members will be given a minimum of ninety (90) days notice prior to their memberships being voided. The Board of Directors may reinstate such a membership if all fees in arrears are paid within fifteen (15) days of being voided.

Temporary Fees will be assessed annually to temporary members, as determined by the Board of Directors, in addition to the regular dues, as a condition of membership.

Section 4: **Special Assessments** – Special assessments may be recommended by the Board of Directors but shall require the approval of the majority of the membership of the Corporation at an Annual Meeting or a special meeting before they can be levied.

Section 5: **Refunds** – There shall be no refunds of annual dues, fees, or special assessments unless specifically approved by the Board of Directors.

- Section 6: **Delinquency** – The facilities of the Corporation shall not be available to members until the current year’s dues, any payments due in arrears, and special assessments, if any, have been paid in full as required in Sections 3 and 4 above. In the event that any member’s current dues and special assessments are not paid by the date set by the Corporation for payment, the Corporation may assess a membership continuation fee to such member of One Hundred Dollars (\$100) annually for the purpose of enabling it to maintain its Membership in good standing. Further, with respect to delinquent Equity Memberships, where the Corporation has not received written notification of intent to sell the membership, the Corporation may deduct \$100 annually from an Equity Member’s equity during each year in which dues, any payments due in arrears, and special assessments remain unpaid. When such Equity Member’s equity has been thereby depleted, the Corporation shall consider such failure to pay dues and/or assessments as the member’s desire to sell his or her membership in accordance with Section 8 of ARTICLE III and may then transfer the membership, at no cost, to the Corporation. The Corporation will give such Equity Member written notice prior to the transfer of the membership to the Corporation.
- Section 7: **Sale of Property** – The Corporation shall not dispose of any real property unless authorized first by a two-thirds (2/3) vote of the Board of Directors at a regular meeting and, secondly, ratified by two-thirds (2/3) vote of the members present and voting at an Annual or special meeting, provided that the general membership meeting notice shall contain full details of the proposed sale.
- Section 8: **Books and Records** – Corporate books and records shall be open to inspection by members at all reasonable times. Such inspections shall take place at the customary place of keeping of said books and records.
- Section 9: **Audit** – An Audit Committee may, if deemed necessary, retain the assistance of an outside firm or professional accountant and have its fees paid for by the Corporation provided that such a request is in writing and approved by the Board of Directors. A written report of the Audit Committee shall be presented at the Annual Meeting of the memberships.

ARTICLE VIII – COMMITTEES

- Section 1: **Standing Committees** – The Corporation shall have the following standing committees with duties as stated. The members of these committees shall serve until their successors are appointed by the President.
- Section 2: **Membership Committee** – The Membership Committee shall conduct all necessary promotions approved by the Board in soliciting new members. It shall maintain the current membership rolls of the Corporation and clear all membership transfers and sales. It shall also maintain the prospective sellers’ waiting list and recommend to the Board whose membership will be purchased by the Corporation.
- Section 3: **Pools and Grounds Committee** – To the extent delegated by the Board of Directors, the Pools and Grounds Committee shall exercise supervision of the pools and grounds; shall attend to the improvements and maintenance of the pools, buildings, recreational

areas, operating equipment and grounds; and shall prepare and recommend for approval by the Board of Directors all rules for the operation of the pools and recreational facilities.

- Section 4: **Finance Committee** – The Finance Committee shall prepare the annual budget for submission to and approval by the Board of Directors and shall make recommendations and suggestions to the Board with reference to finances and financial matters of the Corporation, including the investment of funds and an annual audit.
- Section 5: **Additional Committees/Task Forces** – The Board of Directors or the President may provide for such additional committees as they deem necessary and consistent with these Bylaws and may assign duties to all additional committees.

ARTICLE IX – NOTICES AND VOTING

- Section 1: **Notice** – All notices mentioned in these Bylaws shall be delivered to the member entitled thereto as shown on the books of the Corporation. Each member is responsible for providing a current, updated address both for U.S. mail and for e-mail, if available, to the Corporation.
- Section 2: **Nominations** – The number of vacancies to be filled on the Board shall be announced to the memberships at least 2 weeks prior to the Annual Meeting to enable parties interested in running for those positions to come forward to nominate themselves. In addition to any nominees who make themselves known to the Board in time to have their names included in the notice of the Annual Meeting, nominations may be made from the floor at the Annual Meeting, provided each nomination is seconded and that the nominee expresses at the meeting or by a written notice a willingness to serve.
- Section 3: **Voting** – Only one (1) vote shall be permitted for each Permanent Membership of the Corporation, and only members in good standing shall be eligible to vote. In voting for Directors of the Board, each voting member must vote for as many candidates as there are vacancies on the Board. Voting for the Board shall be by secret ballot, unless there be only a single nominee per vacancy.

Voting on all other business shall be either by secret ballot or by numerical count of hands, at the discretion of the President. There shall be no voting by proxy.

ARTICLE X – INTERPRETATION, ADOPTION, AND AMENDMENT OF BYLAWS

- Section 1: **Interpretation** – Any questions concerning the interpretation of these Bylaws shall be resolved by the Board of Directors at a duly constituted meeting of the Board of Directors.
- Section 2: **Adoption and/or Amendments** – Proposals for amendment of these Bylaws must be sponsored by at least ten (10) members and shall be submitted in writing to the Secretary who shall then present such proposals at the next meeting of the Board of Directors. The proposals and the recommendations of the Board shall thereafter be placed on the agenda of the next Annual or special meeting of the membership, provided that such

proposal is set forth in the notice of such meeting. Approval by two-thirds (2/3) of the members in attendance and voting shall be required in order to adopt any amendment. The Bylaws shall not be amended in any other manner. The approved amendments will become effective on the day following said Annual Membership Meeting.