

The Palisades Swimming Pool Association, Inc.

BYLAWS

ARTICLE I – GENERAL PROVISIONS

SECTION 1: NAMES

The name of this organization shall be the Palisades Swimming Pool Association, Inc.

SECTION 2: PURPOSE

The purpose of this Association is to promote the health and general welfare of its members through the construction, ownership, and operation, on a non-profit basis, of swimming pools, tennis courts and other recreational facilities.

SECTION 3: CORPORATE SEAL

The corporate seal shall have inscribed thereon the name of the Association, the year of its organization, and the words, "Corporate Seal, Maryland."

ARTICLE II – MEMBERSHIP

SECTION 1: ELIGIBILITY

- a. The Association membership shall consist of individuals and family units residing in the Metropolitan Washington, DC Area. A family unit shall consist of the head of a household and the resident members of the family, as well as all children in the family under the age of 21, and upon approval by the Board of Directors, other persons permanently residing with the family as a member of the household.
- b. The Association is a membership organization that is dependent upon its members for the operation of the Association and of the Association's facilities. All Association members are expected to contribute time and energy toward enhancement of the Association and its facilities in an effort to maximize the enjoyment of all members in our community.
- c. Eligibility for membership shall be determined without discrimination because of sex, race, religion or national origin.

SECTION 2: APPLICATION

- a. Membership must be applied for in writing in such form and at such time as may be prescribed by the Board of Directors. There will be a non-refundable application fee. All applications that indicate that the applicant might not be eligible for membership shall be referred to the Board of Directors for consideration at its next regular meeting.
- b. If no membership is available, an applicant shall be placed on a waiting list. Priority on the

waiting list shall be determined by the date an application is received or by the postmark, if earlier. When a membership becomes available, it shall be offered to the next eligible person on the waiting list. Applicants who decline membership when offered, or who fail to provide payment of all fees currently due within 30 days of an offer of membership, will be removed from the waiting list and no preferences shall be given to any such person who subsequently chooses to reapply for membership.

- c. The Board of Directors shall regulate and administer the waiting list and admission of members. The President shall be available to answer any questions related to the waiting list and the admission of members.

SECTION 3: MEMBERSHIP CLASSIFICATIONS

- a. The individual members of the Association shall be classified as follows:
 - 1. Voting Member – The one person designated by a family unit owning a Certificate of Membership to vote in the affairs of the Association.
 - 2. Associate Member – All non-voting resident family members of a Voting Member's household.
 - 3. Temporary Member – An individual or family unit member of the Association that does not own a Bond.
 - 4. Inactive Member – A Voting Member or Temporary Member who elects (1) to not use the Association's facilities for the season and (2) to pay an inactivity status administrative fee in lieu of paying annual dues.

SECTION 4: MEMBERSHIP STATUS

- a. A Certificate of Membership (*i.e.*, a Bond) shall be issued by the Association to each new Voting Member upon receipt of all fees currently required.
- b. The maximum number of Voting Members is 750. The Board of Directors shall determine the number of Voting Members up to the maximum. The Board of Directors shall determine the number of Temporary Members. In no event shall the combined total of Voting Members and Temporary Members exceed 750.
- c. Each Voting Member is entitled to one vote. Associate Members and Temporary Members have no voting privileges.
- d. Each Voting Member and each Temporary Member is required to pay in full, no later than March 1 of each year, annual dues and any current assessments, as set by the Board of Directors.
- e. A Voting Member or a Temporary Member may elect to be an Inactive Member for any season upon payment of an inactive status administrative fee. Voting Members electing inactive status retain their voting rights and continue to share in the full obligations and responsibilities which accompany membership to the extent that they are obligated to pay all special assessments and/or other charges.
- f. The Board of Directors shall not create classifications of membership in addition to those already described in these Bylaws without approval of the membership by majority vote at an Annual Meeting or Special Meeting.

SECTION 5: TRANSFER OF MEMBERSHIP

- a. A Temporary Member may not transfer or rent his/her membership to anyone under any circumstances.
- b. A Voting Member may not transfer or sell his/her membership to anyone other than to the Association under any circumstances.
- c. Notwithstanding Article II, Section 5.b, above, a Voting Member renting the member's primary residence to a tenant may rent his/her membership to the tenant without regard to the waiting list. Under such circumstances, the Voting member must provide information about the tenant, including proof of tenancy, to the Association prior to the annual dues deadline. The tenant shall be a Temporary Member during the period of tenancy and shall agree in writing to pay all Temporary Member fees and meet all obligations resulting from membership.

SECTION 6: SALE OF VOTING MEMBERSHIP; OFFER OF VOTING MEMBERSHIP

- a. A Voting Member may not transfer or sell his/her Bond to anyone other than to the Association.
- b. A Voting Member wishing to sell his/her Bond shall notify the Board of Directors in writing and the Association shall repurchase the Bond for the purchase price originally paid by the Voting Member provided that the Association is financially able to make such purchase.
- c. The Bond shall be offered for purchase by the Board of Directors at the current Bond price to the current Temporary Member who has been a Temporary Member for the longest period of time or to any Temporary Member who has been elected to serve on the Board of Directors.
- d. Any Temporary Member who declines to purchase a Bond when offered one by the Association, or who fails to respond with payment of all fees currently required within 30 days of notification of an offer by the Association, may no longer remain a Temporary Member.
- e. Notwithstanding Article II, Section 6.c, above, a Voting Member who sells his/her primary residence may designate the buyer of the member's home as the person to whom the Board of Directors shall offer the membership and the Bond at the current Bond price. Nothing in this section shall be construed as exempting prospective members from the requirements of submitting a membership application for approval or from any other eligibility requirements, as set forth in these Bylaws.

SECTION 7: SUSPENSIONS AND TERMINATION

- a. Any member may, for cause and after having been given an opportunity for a hearing, be suspended for a period of not exceeding three (3) months by a two-thirds (2/3) vote of the Directors present at any meeting of the Board of Directors, or expelled permanently by a two-thirds (2/3) vote of the entire membership of the Board. Cause for suspension or expulsion shall, in general, consist of conduct unbecoming a member. For any Voting Member who is expelled permanently, the Association shall repurchase the member's Bond for the purchase price originally paid by the Voting Member. There shall be no refund of any paid annual dues to any Voting Member or Temporary Member who is suspended or expelled permanently.
- b. The Board of Directors may delegate to a Board Member, or to a responsible employee or agent of the Association, the power to suspend without hearing the privilege of using the facilities of the

Association for the violation of Association Rules and Regulations, provided such suspension does not exceed seven (7) days. A written report of such suspension containing reasons therefore shall be submitted to the President within twenty-four (24) hours. A copy of such report shall be furnished to the suspended member unless such member is a minor, in which case a copy of the report shall be furnished to the adult member.

- c. The Board of Directors shall have the authority to cancel the membership of any Voting Member (in which case the Association shall repurchase the member's Bond for the purchase price originally paid by the Voting Member) or the membership of any Temporary Member when a member has been delinquent for three (3) consecutive seasons. A delinquent member shall be defined as a member who has neither replied to correspondence nor paid annual dues or assessments. This provision shall not apply to a member whose employment or educational pursuits require an absence from the area of more than three (3) years, but whose intention is to return.

SECTION 8: RESPONSIBILITIES

- a. All active members of the Association shall have access to the facilities of the Association subject to Association Rules and Regulations, which shall be posted prominently at all times on the Association's premises and shall be available from the Board upon request and on the Association's website.
- b. The Association shall be reimbursed by a member for any property of the Association broken or damaged by the member or by the guest of a member. No person shall take any property belonging to the Association.
- c. The Association assumes no responsibility, and members or their guests have no claim against the Association, for the property of members or guests which may be brought into or left in the Association's buildings or grounds.
- d. The Association is not an insurer of the safety of the members or their guests and shall not be liable for personal injury or property damage other than that which may be imposed by law. Members are hereby notified by adoption and publication of these Bylaws, and are on notice to inform their guests, of these facts. The Association shall carry personal liability and property damage insurance, which shall be set by the Board of Directors at a reasonable amount.

SECTION 9: CHANGES IN FAMILY STATUS

- a. In the event of the death of a Voting Member the surviving spouse shall automatically become the Voting Member; but if there is no surviving spouse, the Board of Directors may confer the status of Voting Member upon another Associate Member in the household of the deceased or may make such other disposition of the voting membership as shall be in the best interests of the Association.
- b. In the event of divorce or separation, member-spouses shall agree to the disposition of the membership and jointly notify the Association in writing. In the event one spouse retains the membership, the other spouse shall have the right to decide, within 30 days after notice to the Association, to become a member with the same membership status as the original membership (*i.e.*, Voting Member or Temporary Member) without regard to the waiting list. However, the spouse will be required to purchase a Bond and/or pay any annual dues and assessments, as applicable.

- c. Children of Voting Members of the Association who reside in the Metropolitan Washington, DC Area and who no longer reside within the members' households may be placed automatically at the top of the waiting list by paying the application fee.

ARTICLE III – BOARD OF DIRECTORS

SECTION 1: COMPOSITION

- a. The Board of Directors shall consist of up to seventeen (17) members.
- b. The Principal Officers are the President, Vice President, Secretary, and Treasurer, all of whom shall serve on the Board's Executive Committee. The same person shall not simultaneously hold two or more of the Principal Officer positions.
- c. The Board shall consist only of active Voting Members and Associate Members.

SECTION 2: TERM OF OFFICE

All Directors, including Principal Officers, shall be elected for a term of one (1) year.

SECTION 3: VACANCY

Any vacancy on the Board shall be filled within 30 days by vote of a majority of the remaining Directors, but the interim Director so chosen shall hold office only until the next Annual Meeting of the Association.

SECTION 4: GENERAL FUNCTIONS

The Board of Directors shall be responsible for the general direction and control of the affairs, property and management of the Association, including, but not limited to:

- a. Appointing and removing agents or employees and fixing their duties and compensation.
- b. Acting upon applications for membership.
- c. Fixing the terms and conditions by which guests of members may use the facilities of the Association.
- d. Appointing committees, as the Board deems necessary for the functioning of the Association.
- e. Prescribing Association Rules and Regulations for use and operation of the facilities and fixing and imposing penalties for violations.
- f. Designating the depository and the conditions of deposit and disbursement of the funds of the Association, provided that all checks, drafts, and other instruments directly or indirectly obligating the Association for payment of money must be signed as follows:
 - 1. For amounts up to and including \$1,600, by the Treasurer (or, in the Treasurer's absence, by another Principal Officer).
 - 2. For amounts over \$1,600, by the Treasurer (or, in the Treasurer's absence, by another

Principal Officer) and by one other Principal Officer.

- g. Presenting at the 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 Association.

SECTION 5: SPECIFIC FUNCTIONS OF PRINCIPAL OFFICERS AND DIRECTORS

- a. The President shall be the Chief Executive Officer of the Association; shall preside at all meetings of the members and Directors; shall be an ex-officio member of all committees of Directors and members; shall generally supervise the affairs and property of the Association; shall subject to majority approval of the Board of Directors, appoint all committees other than committees appointed directly by the Board of Directors, and shall see to it that all orders and resolutions of the Board are carried into effect; shall execute bonds, notes, mortgages, and other contracts except where the execution and signing thereof shall be expressly delegated by the Board of Directors to some other Principal Officer or agent of the Association.
- b. The Vice President shall, in the absence or disability of the President, perform the duties and exercise the powers of the President and shall perform such other duties as the President and the Board of Directors shall prescribe.
- c. The Secretary shall record all votes and the minutes of all proceeding; shall give or cause to be given notice of all meetings of the members and Special Meetings of the Board of Directors or the President; shall keep in safe custody the seal of the Association and, when authorized by the Board, fix the same to be attested by the Secretary's signature; and shall issue and publish notices as required to keep the Association's membership informed of all programs.
- d. The Treasurer shall have custody of the Association's funds and securities and shall keep full and accurate accounts of receipts and disbursements and shall deposit all monies and other valuable effects in the name and to the credit of the Association in such depositories as may be designated by the Board of Directors; shall disburse the funds of the Association as may be ordered by the Board of Directors, taking proper vouchers for such disbursements and shall render to the Board of Directors an accounting of all the transactions as Treasurer and of the financial condition of the Association.

The Treasurer shall:

1. Receive, review and consolidate into the Annual Association Budget, the individual budgets of all programs and committees, expense budgets related to Capital Improvement Plans and Programs, and the President's Administrative Budget;
2. Prepare such capital budgets and financial plans as are required to implement the Association's Capital Improvement Plans and Programs;
3. Prepare the consolidated Annual Association Budget for submission to, and approval by the Board of Directors and subsequent approval by the general membership and shall supervise the financial transactions of the Association;
4. Employ and supervise the necessary bookkeepers, accountants, banks, savings and loans, etc., as required to conduct the financial affairs of the Association after approval by the Board of Directors.
5. Engage a qualified independent accountant or auditor to conduct a financial review or

financial audit at least once every five (5) years.

6. Enforce the Association Rules and Regulations and appropriate public authorities (including, but not limited to, the applicable provisions of wage and hour laws, worker's compensation statutes, social security laws, income tax laws, disclosure statutes) related to the conduct of the Association's financial affairs.
- e. One or more Directors shall be primarily responsible for facilities and shall be responsible for coordinating all work performed in connection with the facilities of the Association including construction, repair and maintenance. This will include recommending to the Board for approval the necessary architects, engineers, contractors, supplier, etc. This will include purchasing the supplies necessary to maintain the grounds and landscaping and preparing an Annual Maintenance Program and Budget for presentation to the Board.
- f. One or more Directors shall be primarily responsible for membership and shall:
 1. Maintain the official list of members and the files of current addresses;
 2. Maintain the membership waiting list;
 3. Offer new temporary and voting memberships as they become available in accordance with the Bylaws;
 4. Prepare appropriate membership forms and define methodology for communicating with members on routine matters;
 5. Prepare reports on membership status for the Board, as needed.
- g. One or more Directors shall be primarily responsible for programs and shall:
 1. Have general responsibility, subject to Board approval, for administering and implementing the various programs in which the Association engages, including but not limited to, social, Swim Team, Dive Team and tennis;
 2. Provide general supervision of the key operating staff which will include the Pool Manager, Assistant Pool Manager, Swim Coaches, Diving Coaches, Tennis Professionals and others;
 3. Prepare and submit to the Board an annual budget which will include budgets for each of the programs.
- h. Other Directors shall undertake tasks so designated by the Board to further the aims of the Association. All Directors, including Principal Officers, are in all ways equal to other Directors and have full voting rights in all matters.

SECTION 6: REMOVAL

Any Director may be removed from office by a majority vote of the members present at either the Annual Meeting of the Association or a Special Meeting called in accordance with these Bylaws.

SECTION 7: REIMBURSEMENT

Directors shall receive no salary or other compensation for their services except for reasonable

guest privileges and other non-compensatory privileges as determined appropriate by the Board of Directors, but no Director may be required to bear any of the expenses of meetings or other expenses made on behalf of the Association, and the Board may by resolution provide for reimbursement of any reasonable expense incurred in the proper conduct of its business.

SECTION 8: INDEMINIFICATION

- a. Each person who acts as a Director, Principal Officer or agent of the Association shall be indemnified by the Association against expenses actually and necessarily incurred by him/her in connection with the defense of any action, suit or proceeding which he/she is made a party by reason of his/her being or having been a Director, Principal Officer of the Association or agent, except in relation to matters as to which he/she shall be adjudged in such action, suit, or proceedings to have acted outside the scope of his/her authority or to be liable for gross negligence or willful misconduct in the performance of his/her duties.
- b. The right of indemnification provided herein shall inure to each Director, Principal Officer or agent whether or not he/she is such Director, Principal Officer or agent at the time such costs or expenses are imposed or incurred, and, in the event of his/her death, shall extend to his/her legal representatives.

ARTICLE IV – COMMITTEES

Committees may be established by the Board as needed and may include, but are not limited to, the following:

- a. Audit committee.
- b. Social Committee.
- c. Swim Team Committee.
- d. Dive Team Committee.
- e. Tennis Committee.

ARTICLE V – FISCAL AFFAIRS

SECTION 1: FISCAL YEAR

The Fiscal Year of the Association, which may be changed by resolution of the Board of Directors, shall begin November 1 and end October 31.

SECTION 2: BUDGET

- a. An annual budget setting forth anticipated revenue and proposed expenditures for the Fiscal Year shall be prepared by the Treasurer, approved by the Board of Directors, and presented by the Board of Directors for approval by the membership at the Annual Meeting each year.
- b. The annual budget shall be distributed electronically, or otherwise, to the Voting Members at least two weeks prior to the Annual Meeting. The annual budget shall also be available from the Board upon request and shall be posted on the Association's website.

SECTION 3: DUES AND ASSESSMENTS

The annual dues and any assessments shall be set by the Board of Directors and shall be payable in full no later than March 1 of each year. The annual dues and any assessments may be levied in the same statement and shall be distributed electronically, or otherwise. The Board shall also have the discretion to set and collect late fees, if any. No special assessments shall be levied without approval by a majority vote of the members present at an Annual Meeting or a Special Meeting called for this purpose.

SECTION 4: DEFAULT

- a. A member whose annual dues and/or assessments are not received in full, along with any applicable late fees, within 60 days from the due date shall be in default and shall automatically be placed into inactive status. A member may also be automatically placed into inactive status for the season when the member's annual dues and/or assessments are not received in full by the due date if the Association's membership is already full.
- b. Default in the payment of annual dues and/or assessments for two succeeding years, or for three years within a period of six years, shall be cause for expulsion of the member.

SECTION 5: DONATIONS

The Board of Directors is authorized to accept any donations which may be tendered to the Association.

SECTION 6: DISSOLUTION

In the event of the dissolution of the Association in any manner or for any cause, and in no other event, and upon the effective date of such dissolution, proceeds of the sale of the property of the Association after the payment of all its just debts and obligations subject to set-off of all dues from the members, shall be distributed prorated to the entire voting membership of record on the date of dissolution.

ARTICLE VI – MEETINGS

SECTION 1: ANNUAL MEETINGS

- a. The Annual Meeting of the Association shall be held during the month of January at such place and time as the Board of Directors may determine.
- b. The Annual Meeting shall be for the purpose of electing Principal Officers and other Directors, voting on the annual budget, and for transacting other business as indicated in the notice and brought up at the meeting.
- c. Notice of the Annual Meeting shall be distributed electronically, or otherwise, to the Voting Members at least two weeks in advance. The notice shall include the names of candidates for Principal Officer and Director positions.

SECTION 2: SPECIAL MEETINGS

- a. Special Meetings of the Association may be called by the Board of Directors. Also, the Secretary, upon receiving the written request of at least ten percent (10%) of the voting

membership stating the purpose therefore, shall call a Special Meeting within thirty (30) days.

- b. Notice of Special Meetings shall be distributed electronically, or otherwise, to the Voting Members at least one week in advance. The notice shall state the purpose for which the Special Meeting is called and no other business shall be transacted.

SECTION 3: BOARD MEETINGS

- a. The Board of Directors shall meet at least ten (10) times annually, with meetings generally taking place once a month from February through November. A meeting of the Board may be cancelled, however, upon a motion of the President and approval of at least three-fourths (3/4) of the Board members.
- b. Additional meetings of the Board of Directors may be called by the President and shall also be called by the Secretary upon the request of five (5) or more members of the Board.
- c. Notice of the regular monthly and additional Board meetings shall be given to each Director at least seven (7) days before the date of the meeting provided that such notice may be waived by agreement of at least three-fourths (3/4) of the Board members.
- d. The Board may conduct Association business, including making of motions and taking of votes, by telephone or electronic means at times other than scheduled Board meetings.

SECTION 4: QUORUMS

- a. Twenty-five (25) of the Voting Members shall constitute a quorum for the transaction of business at any meeting of the membership of the Association. If less than a quorum is in attendance at the Annual Meeting, a Special Meeting may be immediately convened if notice of such Special Meeting was included in the notice of the Annual Meeting. Voting Members present at such a Special Meeting shall constitute a quorum.
- b. At all meetings of the Board, a majority of the Directors shall constitute a quorum for the transaction of business, and the action of a majority of the Directors present at any meeting at which there is a quorum shall be the action of the Board of Directors, except as may be otherwise specially provided by statute, or by the Certificate of Incorporation, or by these Bylaws.

SECTION 5: NOTICE OF MEETINGS

Whenever in these Bylaws notice to Voting Members is required, the distribution of such notices electronically, or otherwise, to the last known e-mail or physical address on record with the Association of each member shall constitute notice.

SECTION 6: CONDUCT OF MEETINGS

The conduct of all meetings of the membership, the Board of Directors, and all committees shall be consistent with Robert's Rules of Order.

ARTICLE VII – ELECTIONS

SECTION 1: NOMINATING PROCESS

- a. One (1) candidate for each of the four (4) Principal Officers positions and for any other vacant

Director position shall be nominated at the Annual Meeting.

- b. The Board shall ensure that all candidates are qualified and willing to serve.
- c. The Board shall report its slate of nominees to the Secretary by December 15, if possible, for election at the next Annual Meeting.
- d. Nominations may be made from the floor at the Annual Meeting for any office to be filled. Nominations require two seconds to be official. The nominee must be present and express her/his willingness to serve.

SECTION 2: ELECTORIAL PROCEDURES

- a. Elections shall take place at the Annual Meeting.
- b. Those candidates who receive a majority of the votes cast for that office shall be declared the winners.
- c. In the event no candidate for one of the offices receives a majority of the votes cast for that office, a second vote shall be held between the two candidates receiving the highest number of votes for that office. Voting shall continue until one candidate receives a majority of the votes cast.

ARTICLE VIII – BYLAWS

SECTION 1: AMENDMENT

These Bylaws maybe altered or repealed by affirmative vote of two-thirds (2/3) of Voting Members present at the Annual Meeting, or at a Special Meeting called for this purpose, so long as the proposed alteration or repeal is contained in the notice of such meeting.

SECTION 2: INTERPRETATION

Any question as to the proper interpretation of the provisions of these Bylaws shall be resolved by majority vote of the Board of Directors.

(As Amended during Annual Meeting, 1992)

(As Amended during Annual Meeting, 2003)

(As Amended during Annual Meeting, 2013)