

**OLD FARM SWIM AND PADDLE TENNIS CLUB, INC.**  
**BY-LAWS**

**ARTICLE I**  
**NAME & PURPOSE**

SECTION 1. The name of this organization shall be the Old Farm Swim and Paddle Tennis Club, Inc. (hereinafter referred to as the Club).

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

**ARTICLE II**  
**MEMBERSHIP**

SECTION 1. Two types of memberships may be offered: continuing (voting) and temporary (non-voting).

A. Continuing Club membership shall be derived from the family units residing in Old Farm, Walnut Woods, Old Hickory Woods and North Farm communities in Montgomery County, Maryland. In addition, continuing memberships shall be available to residents of other communities. However, when membership of the Club is at a maximum allowable pursuant to Section 6 of this Article, residents of the aforementioned four communities shall have first priority to be considered for continuing memberships when they become available. The term "family unit" means the head of household and the resident members of the family, and upon approval of the Board of Directors, any other person residing with the family as a member of the household. Continuing members have full use privileges of the Club facilities, and have full voting rights. Membership shall be evidenced by a Membership Certificate issued by the Club and covering one family unit.

B. Temporary Club membership shall be offered, at the discretion of the Board of Directors, to family units residing within and outside the communities of Old Farm, Walnut Woods, Old Hickory Woods, and North Farm. "Family unit" is defined as in Section 1 A, above. Temporary members have full use and privileges of the Club facilities during the term of their membership, but are not eligible to purchase a Membership Certificate, hold no equity in the assets of the Club, have no voting rights, cannot serve as a Director of the Club, and cannot attend membership meetings. The Board of Directors may establish a special category of temporary membership whose privileges are limited to the use of the Club's paddle tennis facilities. Temporary memberships shall automatically expire at the end of the term specified by the Board of Directors, however, upon re-application, a new term of membership may be granted by the Board. The Board may also favor re-applicants over new applicants, but is not required to do so.

SECTION 2. There will be the following types of continuing Membership Certificates offered:

- A. Charter Membership shall be available to those presently holding Charter Membership certificates. There shall be no further Charter Memberships.
- B. Regular Membership is available to residents of Old Farm, Walnut Woods and Old Hickory Woods, North Farm and other communities. However, availability of regular memberships to persons not residing in Old Farm, Walnut Woods, Old Hickory Woods or North Farm shall be subject to Section 1, Paragraph A of this Article.
- C. Sustaining Membership is available to those family units who have held a charter, regular or associate membership for a minimum of fifteen (15) years, and who certify that they have no children living at home who are eighteen (18) years of age or under. The number of such memberships shall be set by the Board of Directors.

SECTION 3. The cost of memberships shall be fixed by the Board of Directors.

SECTION 4. Any member of the Club may withdraw by written notice to the Board of Directors at any time, and there shall be no refund of the current year's dues except as may be provided otherwise by the Board.

SECTION 5. Members who joined the Club prior to December 1, 1996 and withdraw from the Club or become ineligible for the above or any other reason will sell their certificate only to the Club. The Membership Certificate of such member will be repurchased at the price of Three Hundred Dollars (\$300.00), less any delinquent dues and/or charges, notwithstanding the fact that a higher price was initially paid. All revenue from the resale of Membership Certificates will accrue only to the Club. If the Club is financially unable to repurchase any Membership Certificate out of capital surplus funds, the Club shall not be obligated to repurchase same until such time as it becomes financially able to repurchase same out of capital surplus funds. The judgment of financial ability is to be made by the Board of Directors.

SECTION 6. The maximum number of family unit memberships in the Club shall be as prescribed by applicable laws. Within said maximum, the Board of Directors shall have the power to increase or limit the number of family unit memberships as circumstances dictate.

### **ARTICLE III** **DUES AND ASSESSMENTS**

SECTION 1. The Board of Directors shall fix annual dues (including per capita appointment) for members, necessary for the expenses of the Club and proper maintenance and improvement of its property. The total amount needed to be realized from annual dues shall be determined by the Board on the basis of an annual operating budget.

SECTION 2. A penalty for late payment may be imposed by the Board. No dues shall be refunded in the event that operations of the Club facilities are suspended for any period, unless otherwise provided by the Board.

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 automatically suspended and refused all rights and privileges of the Club. Any member who is thus suspended shall immediately be notified in writing by the Secretary of his suspension and if his indebtedness shall not be paid by July 1st of the year in question, the membership of such delinquent member may be revoked by majority vote of the Board.

SECTION 4. The Board of Directors, in addition to the annual dues, may fix special assessments which it deems necessary to assure the proper operation, maintenance and improvement of the Club property and facilities, but no special assessment shall be valid and binding on the membership unless approved by a majority of members present at an annual or special meeting of the members of the Club.

SECTION 5. The Board of Directors may, at its discretion, consider an application from a continuing member for the dues adjustment due to extenuating circumstances. Such circumstances may include, but not be limited to, long-term, but temporary, absence from the community.

## **ARTICLE V** **DIRECTORS**

SECTION 1. The number of directors which shall constitute the Board shall be twelve (12). All continuing members of the Club shall elect four (4) directors at each annual meeting, to serve a term of three (3) years. Each director shall be an adult member of a family unit holding a Certificate in the Club.

SECTION 2. Preceding each membership vote for directors, the Board of Directors shall appoint three (3) members of the Club who are not members of the Board to be judges of the election. These appointed members shall receive and count such votes and report promptly to the full membership the results of votes for directors elected by the membership. All such votes shall be by proxy or secret ballot of a form to be determined by the judges of election.

SECTION 3. Any vacancy in the Board of Directors 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 of Directors shall have the general direction and control of the affairs of the Club. In addition to the duties customarily performed by Board of Directors, 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 Club including the appointment and removal of such agents or employees as it may deem necessary, including the fixing of their duties and compensation.
- C. Fill interim vacancies in the Board of Directors.
- D. Constitute and appoint all committees necessary for the functioning of the Club.
- E. Fix the terms and conditions by which guests of members may use the facilities of the Club.
- F. Prescribe the rules and regulations for operation of the swimming pool and other recreational facilities.
- G. Designate the depository and conditions of deposit for the funds of the Club, provided that all checks, drafts and other instruments for the payment of money by the Club must bear the signature of: one of the officers of the Club for amounts up to \$1,000.00, two officers of the Club for the amounts from \$1,000.01 to \$5,000.00 and three of the officers for amounts \$5,000.01 or above. These same conditions will apply to all other financial transactions.

SECTION 5. Special meetings of the Board may be called by the President, either personally or by mail, and a quorum must be present.

SECTION 6. At all meetings of the Board, six (6) 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 specifically provided by statute or by the certificate of incorporation or by these by-laws.

SECTION 7. Any member of the Board of Directors 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 Club or a special meeting called in accordance with the by-laws.

## **ARTICLE VI** **NOTICES**

SECTION 1. Notices to directors and members shall be in writing and delivered by electronic transmission to the electronic mail address last designated by such director or member, unless such director or member has notified the Club in writing of their desire to receive all notices by first class mail addressed to said director or member at his or her address appearing on the books of the Club. Notice by electronic transmission or mail shall be deemed to be given at the time when the same shall be sent or mailed.

SECTION 2. Whenever any notice is required to be given under the provisions of the statutes or the certificate of incorporation or of these by-laws, a waiver thereof in writing by the person or

persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent thereto.

SECTION 3. The Board of Directors shall prepare and approve an electronic ballot for use by directors or members for the purpose of voting. In the event that a director or member has requested notices be sent by first class mail in accordance with Section 1 of this Article, the Board of Directors shall prepare and approve a paper ballot for use by said director(s) or member(s).

SECTION 4. If a notice shall contain a ballot or otherwise require a director or member to vote, the director or member may vote by electronic transmission in a format approved by the Board of Directors.

## **ARTICLE VII** **NOMINATIONS**

SECTION 1. There shall be a Nominating Committee to be composed of five (5) members of the Club. Three (3) members shall be elected at the annual meeting of the membership; two (2) shall be elected by the Board of Directors, from among the directors whose terms of office shall not expire at the ensuing annual meeting of the membership. Vacancies occurring among the three (3) members chosen by the membership shall be filled by the remaining members. A vacancy occurring among the two (2) members chosen by the directors shall be filled by the directors.

SECTION 2. The Nominating Committee shall nominate persons (from among the membership) for vacancies on the Board of Directors, three (3) persons for membership on the Nominating Committee, and persons for any other position for which the by-laws may authorize election by the membership of the Club. The Nominating Committee shall choose a single nominee for each position to be filled, except that if the Nominating Committee cannot agree on a single nominee for any given position, it may present two (2) nominees for such position to the membership. In the event there is an excess number of nominees for positions of the same class and time period; e.g., three nominees to fill **two** three-year vacancies on the Board of Directors, the membership shall fill each position by majority vote, using runoff elections if necessary.

SECTION 3. Additional nominations from among the active membership of candidates for election may be made by a letter signed by fifteen (15) active members, and delivered to the Secretary at least fifteen (15) days before the annual meeting. These nominations shall be included in the annual meeting notice.

SECTION 4. Nominations may be made from the floor at the annual meeting.

SECTION 5. Consent of all nominees to accept office shall be obtained in advance of their nomination.

## **ARTICLE VIII** **OFFICERS**

SECTION 1. The officers of the Club shall be chosen by the Board of Directors and shall be a President, a Vice-President, a Secretary and a Treasurer. The Board of Directors may choose additional Vice-Presidents, and one or more Assistant Secretaries and Assistant Treasurers. Two or more offices may not be held by the same person.

SECTION 2. The Board of Directors at its first meeting, after each annual meeting of members shall choose from among the directors a President, one or more Vice-Presidents, a Secretary and a Treasurer, all of whom shall serve for one (1) year.

SECTION 3. The Board may appoint and remove such other agents, clerks, servants or employees as it shall deem necessary who shall hold their offices or their positions or employment for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board.

SECTION 4. The officers of the Club elected at the first meeting of the Board following any annual meeting shall hold office until the close of the first meeting of the Board following the next annual meeting of the members, or until their successors have been duly elected. Any officer elected or appointed by the Board may, however, be removed at any time by the affirmative vote of a majority of the whole Board of Directors. If the office of any officer becomes vacant for any reason, the vacancy shall be filled by the Board of Directors.

SECTION 5. The President shall be the chief executive officer of the Club; shall preside at all meetings of the members and directors; shall be an ex-officio member of all committees of directors and of all standing committees; shall generally supervise the affairs and property of the Club; shall, subject to the approval of the Board of Directors, appoint all committees other than committees of directors; and shall see to it that all bonds, notes, mortgages and other contracts requiring the seal, under the seal of the Club, 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 of Directors to some other officer or agent of the Club.

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 of Directors 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. He shall give, or cause to be given, notice of all meetings of the members and special meetings of the Board of Directors, and shall perform such other duties as may be prescribed by the Board of Directors or the President, under whose supervision he shall be. He shall keep in safe custody the seal of the Club and, when authorized by the Board, affix the same to be attested by his signature or by the signature of 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 Club funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Club, and shall deposit all monies and other valuable effects in the name and to the credit of the Club in such depositories as may be designated by the Board of Directors. He shall disburse the funds of the Club as may be ordered by the Board of Directors in accordance with Article V, Section 3, Paragraph G, taking proper vouchers for such disbursements, and shall render to the President and the Board of Directors, at its regular meetings, or when the Board of Directors so requires, an accounting of all his transactions as Treasurer and of the financial condition of the Club. The Treasurer and any designated Assistant and employees who have the custody or control of any funds of the Club shall give the Club bonds in such sum and with such surety or sureties as shall be satisfactory to the Board of Directors for the faithful performance of the duties of their offices and for restoration to the Club, 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 Club. The premiums for such bonds shall be paid by the Club. The Treasurer's account shall be reviewed at least once each year by a certified public accountant to be determined by the Board of Directors.

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** **CERTIFICATE OF MEMBERSHIP**

SECTION 1. Every continuing member family unit in the Club shall be entitled to have a certificate signed by, or in the name of, the Club by the President or a Vice-President and the Treasurer or an Assistant Treasurer, or the Secretary or an Assistant Secretary of the Club, certifying the number of the certificate owned by them in the Club.

SECTION 2. The Board of Directors may direct a new certificate or certificates to be issued in place of any certificate or certificates theretofore issued by the Club alleged to have been lost or destroyed. When authorizing such issue of a new certificate or certificates, the Board of Directors 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 the same in such manner as it shall require and/or to give the Club a bond in such sum as it may direct as indemnity against any claim that may be made against the Club with respect to the certificate alleged to have been lost or destroyed.

## **ARTICLE X** **GENERAL PROVISIONS**

SECTION 1. A "member in good standing" is one whose dues, including late charges, assessments and any other charges are paid in full and who has not violated any operating rules of the Club.

SECTION 2. Any member may, for cause and after having been given reasonable notice in writing and opportunity for a hearing before the Board of Directors, be suspended for a period not exceeding three weeks by a two-thirds vote of the members of the Board of Directors present at any meeting thereof or following such hearing his membership be revoked by a vote of no less than seven (7) members of the Board. Cause for suspension or expulsion shall, in general, consist of willful violation of these by-laws or of the rules of the Club or of unbecoming conduct. Suspension and expulsion may be applied to a family unit or to any member thereof. No dues shall be refunded in the event of expulsion of a family unit. The party expelled may appeal a decision of the Board at a meeting of the members.

SECTION 3. The Board of Directors may delegate to a committee, or to a responsible employee of the Club, the power to deny recreational privileges to any member of a family unit for violation of Club rules and regulations for a period not to exceed forty-eight (48) hours.

SECTION 4.

- A. All members of the Club shall be accorded the facilities of the Club subject to the rules and regulations which shall be adopted by the Board of Directors and posted at all times in the Club bathhouse.
- B. The Board of Directors shall have the full power to deny the use of Club facilities to any non-member.
- C. Any property of the Club broken or damaged by a member or his or her guest shall promptly be paid for by such member, unless otherwise provided by the Board.

SECTION 5. The board of Directors 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 Club.

SECTION 6. The fiscal year of the Club shall be fixed by resolution of the Board of Directors. A review will be made at the end of each fiscal year by a CPA chosen by the Board of Directors.

SECTION 7. The corporate seal shall have inscribed thereon the name of the Club, 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 8. 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 reimbursement of any reasonable expense incurred in the proper conduct of its business. The Board may also provide for reimbursement of similar expenses incurred in connection with the holding of meetings of special or standing committees.



SECTION 9. Each person who acts as a director or officer of the Club shall be indemnified by the Club against loss including expense actually and necessarily incurred by him in connection with any action, suit or proceeding in which he is made a party by reason of his being or having been a director for officer of the Club, except in relation to matters as to which he shall be adjudged in such action, suit or proceeding to have acted outside the scope of his authority. The Club shall maintain at all times a suitable policy of public liability insurance naming the said officers and directors as additional insured's so as to further effectuate these purposes.

SECTION 10. In the event of dissolution of the Club, after the discharge of all liabilities, any assets remaining shall first be applied to retire existing memberships as provided in Article II, Section 5. 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 continuing memberships are retired in full in accordance with the by-laws shall be distributed in equal shares to all continuing members.

## **ARTICLE XI** **BY-LAWS**

SECTION 1. The by-laws may be altered or repealed by affirmative vote of two-thirds of all votes cast by members, whether in person at any annual or special meeting or by ballots received at or before said meeting from members responding to a ballot request.

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

### **OLD FARM SWIM AND PADDLE TENNIS CLUB, INC.**

### **REVISED AND EFFECTIVE AS OF NOVEMBER 17, 2010**

## **HISTORICAL NOTES**

**Amendment November 17, 2010** - The following amendments to the By-Laws were approved by a majority of members responding to a mail ballot request by a vote of 53 – 1 at the Annual meeting held on November 17, 2010.

### ARTICLE VI NOTICES

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