

## **BYLAWS OF HILLSMERE POOL ASSOCIATION, INC.**

### **ARTICLE I - OFFICES**

The principal office of the corporation shall be located in Maryland, either in Annapolis or Anne Arundel County.

### **ARTICLE II - MEMBERSHIP, MEETINGS, VOTING**

#### **1. MEMBERSHIP**

a. Membership in the corporation shall be open only to residents or property owners of Hillsmere Estates or Hillsmere Shores Subdivision in Anne Arundel County, Maryland.

b. Total membership in the corporation shall not exceed 300.

c. Membership shall be divided into voting and non-voting classes. The voting class shall consist only of charter memberships and they are the only stockholders in the corporation. For the purposes of these bylaws, the term "charter memberships" includes charter memberships and memberships gained through the purchase of a membership from a charter member.

d. A membership, whether voting or non-voting, shall be recorded in the name of the head of the household and include everyone residing in the household.

e. A charter membership is entitled to one vote, which can be cast by any member of the household who is at least 18 years of age. This vote can be cast either in person or by proxy. The proxy must be in writing and signed by the member or his authorized attorney. The proxy will be filed with the secretary of the corporation before the vote.

f. Charter members shall have the right to pay their annual assessment and fees in four equal, consecutive monthly installments beginning February 15 of each year.

g. Members who have not fully paid their annual assessment by the end of the corporation's fiscal year will have their memberships repossessed by the board of directors and sold to the next eligible person.

#### **2. MEETINGS**

a. The corporation shall hold two general membership meetings per year, one in October and the other in November. The October meeting will be for election of the corporation's officers or other directors as prescribed in Article III/2 of these bylaws. During the November meeting, the corporation's treasurer or designated representative will present a financial report of the previous fiscal year and propose a budget for the current fiscal year.

b. Special meetings of the membership may be called for any reason by the corporation president or by a majority vote of the directors. A special meeting will also be held if requested by at least 10 percent of the voting membership.

c. General and special membership meetings will be held at a place designated by the directors.

d. It is preferred that the voting members be notified of the two general meetings by written notice delivered by hand or by U.S. mail, though a notice conspicuously posted within the Hillsmere subdivision seven days prior to each of the two meetings shall be considered adequate.

Special meetings, however, require written notice to the voting membership. These notices will be delivered either by hand or by U.S. mail to each voting member at least 10 days--but no more than 60 days--before the meeting. The notice shall contain the date, time, place, and purpose of the meeting. If mailed, the notice will be considered delivered on the date it is deposited in the U.S. mail with sufficient postage and the address that appears on the membership rolls of the corporation.

e. Board of directors meetings will be held in accordance with Article III/4 of these bylaws.  
f. All meetings of the board of directors or of the membership shall be governed by Robert's Rules of Order, Revised, unless those rules are inconsistent with these bylaws.

#### **3. VOTING**

a. The secretary of the corporation will ensure that a complete list of voting members and their addresses is on file and available for inspection by the members. This list will also be available for inspection during general and special membership meetings. The list will establish which members are entitled to examine the list, who can vote at meetings of the membership, and who is entitled to receive notice of the meetings.

b. Ten percent of the voting membership constitutes a quorum. If less than a quorum is present at a meeting, the meeting can be adjourned by a majority vote of the members present. However, if the meeting continues without a quorum, the members present may transact business until adjournment.

c. As stated in Article II/1/c above, only charter members can vote. Each charter membership is entitled to one vote, which can be cast by any member of the household who is at least 18 years of age. This vote can be cast either in person or by proxy. The proxy must be in writing and signed by the member or his authorized attorney. The proxy will be filed with the secretary of the corporation before the vote.

### **ARTICLE III - BOARD OF DIRECTORS**

#### **1. GENERAL POWERS**

The business and affairs of the corporation shall be managed by its board of directors according to these bylaws and the laws of the state of Maryland.

#### **2. NUMBER, QUALIFICATIONS, TENURE**

The corporation shall have 9 directors, each elected by voting members at an October general membership meeting. Each director must be a charter member and shall hold office for two years unless he or she resigns or is removed.

Included among these 9 directors shall be four corporate officers--a president, vice president, secretary, and treasurer--and the chairpersons of two standing committees: the Membership Committee and the Building and Improvement Committee.

The terms of the corporate officers and the chairpersons of the two standing committees will end October 31 of every odd numbered year. The terms of the other three directors will end October 31 of every even numbered year. Directors, including officers and standing committee chairpersons, can be reelected for any number of terms.

#### **3. DUTIES**

The duties of the board of directors are specified in Article IV of these bylaws. The specific duties of the corporate officers and the chairpersons of the two standing committees are delineated in Articles V and VI.

#### 4. MEETINGS

a. The board of directors will hold nine regular meetings during the corporation's fiscal year. To the extent possible, these meetings shall be held monthly from March through November. The October and November meetings may be held in conjunction with the general membership meetings.

b. The corporate president shall call special meetings of the directors as he deems necessary or as requested by at least three directors.

c. Each director shall receive at least 10 days notice of each regular and special meeting of the board. However, a shorter notification period is permitted if all directors give either verbal or written consent.

d. A quorum will consist of a majority of the serving board of directors. This number could be less than seven if not all directors' positions are filled. However, for the purposes of conducting business at regular and special meetings of the board or the general membership, a majority of the directors present can approve a motion. The directors cannot vote by proxy.

#### 5. REMOVAL OF DIRECTORS

Any director, including a corporate officer, can be removed for cause by a majority vote of the directors present at a regular or special board meeting, or by a majority vote of the charter membership present at a regular or special general membership meeting. Directors can be removed without cause only by a majority vote of the charter membership present at a regular or special general membership meeting.

#### 6. RESIGNATION

A director may resign at any time by giving written notice to the corporate president or secretary. Unless specified otherwise in the notice, the resignation will be effective upon receipt. No "acceptance" of the resignation is necessary.

#### 7. VACANCIES

Any vacancy created for any reason on the board of directors (including officers) can be filled by a majority vote of the remaining directors in attendance at a regular or special meeting of the board. The new director shall hold office for the remaining term of his predecessor unless the charter membership votes otherwise at the next October general membership meeting.

#### 8. COMPENSATION

Directors will not be compensated for their work as board members. However, directors can be compensated for their work on behalf of the corporation if the work is separate from their duties as board members.

#### 9. PRESUMPTION OF ASSENT

When an action is passed by the board of directors, it is assumed that all directors voted with the majority unless the dissenting directors request, either verbally or in writing, that their negative votes be recorded in the minutes of the meeting. These requests must be made before the end of the meeting. Otherwise, the dissenting directors must send registered letters to the corporate secretary within a week of the meeting's adjournment. The right to register a dissent is open only to those directors who voted against the action.

#### 10. COMMITTEES

When necessary, the board may appoint committees in addition to the two standing committees. These additional committees will consist of at least one corporate director. These committees will serve at the pleasure of the board and fulfill purposes specified by the board.

#### 11. OBTAINING BOND AND INSURANCE

The board of directors will secure public liability, property damage, and other necessary forms of insurance in amounts deemed sufficient to protect the corporation. The board may direct that the corporation pay to have its employees and officers bonded in sufficient amounts to protect the corporation's funds and property.

#### 12. INDEMNIFICATION

The corporation will indemnify and defend any member of the board against any claim brought against him or her arising from good-faith action taken in an official capacity. "Defend" will include paying all legal costs incurred by a board member in defending against such a claim.

#### 13. LIAISON WITH HILLSMERE SHORES IMPROVEMENT ASSOCIATION

A representative appointed by the Hillsmere Shores Improvement Association, Inc., may attend board and membership meetings, but he or she will have no voting rights.

### ARTICLE IV - DUTIES OF THE BOARD OF DIRECTORS

#### 1. GENERAL DUTIES

The board of directors is ultimately responsible for the successful operation of the corporation, its facilities, and personnel under the corporation's control.

#### 2. SPECIFIC DUTIES

Specific duties of the board of directors include:

a. Submitting a proposed annual budget to the membership for approval at the general membership meeting in November. The budget, as amended by the general membership, constitutes the corporate budget for that fiscal year.

b. Reporting to the membership at the November meeting the financial transactions and major corporate activities of the previous fiscal year.

c. Authorizing the hiring of any employees of the corporation and, if necessary, determining their classification and salary schedule. This includes employing and supervising qualified personal--either directly or by means of a pool company--who will safely manage activities at the pool and its related facilities.

d. Establishing and updating rules and regulations for the management and use of the corporate property and facilities. This includes setting the fees and conditions for use of the facilities by members and their guests; determining the opening and closing dates of the pool each season and the times for daily operation; and ensuring all tests of the pool and its related facilities that are required by state and local laws and regulations are conducted in a timely and proper manner and the results are posted in a conspicuous location near the pool.

e. Directing and supervising all committees of the corporation. The board has the power to amend or even reject any rules and regulations recommended by a committee.

f. Specifying the classes of memberships and the rights, privileges, and qualifications of each class. However, only charter members as defined in Article II/1/c of these bylaws shall have voting rights.

#### ARTICLE V - DUTIES OF CORPORATE OFFICERS

As specified in Article III/2 of these bylaws, four of the 9 directors will serve as corporate officers: the president, vice president, treasurer, and secretary.

##### 1. PRESIDENT

The president is the principal executive officer of the corporation. His duties include:

- a. Supervising all business affairs of the corporation;
- b. Presiding at all meetings of the membership and/or directors;
- c. Signing deeds, mortgages, bonds, contracts, and other instruments authorized by the board, except those instruments specifically delegated by the board or these bylaws to another officer or director or agent of the corporation;
- d. Reviewing as necessary the records of the secretary and treasurer prior to the November general membership meeting;
- e. Appointing the members of all special committees and serving as a member of those committees.

##### 2. VICE PRESIDENT

The vice president's duties include:

- a. Assuming the duties of the president in his absence. When acting on behalf of the president, the vice president has the same powers and restrictions of the president;
- b. Maintaining a record of disciplinary proceedings conducted by the board;
- c. Performing other functions assigned by the president or the directors.

##### 3. SECRETARY

The secretary's duties include:

- a. Keeping minutes of general and special meetings of the membership and the directors. These minutes will be typed and presented at the next meeting for approval by the directors;
- b. Ensuring all notices for meetings are given in accordance with provisions in these bylaws;
- c. Maintaining file copies of all corporate records, including bylaws, pool rules and regulations, membership lists (broken down by charter members and non-charter members), adopted budgets, and minutes of special and regular meetings of the membership and the directors;
- d. Performing other functions assigned by the president or the directors.

##### 4. TREASURER

The treasurer's duties include:

- a. Custody of all corporate funds and securities;
- b. Collecting money owed to the corporation and depositing it in the corporate account in a bank or other such institution selected by the directors;
- c. Paying the corporate bills;
- d. Maintaining the membership books of the corporation, including a register that lists the mailing address of each member;

e. Performing other functions assigned by the president or the directors.

#### ARTICLE VI - DUTIES OF THE STANDING COMMITTEES

As stated in Article III/2 of these bylaws, the corporation will have two standing committees: the Membership Committee and the Building and Improvement Committee.

The chairperson of each of these committees will be one of the 9 directors of the corporation. The chairpersons will enlist people from among the charter membership (including other directors) to serve on their committees.

##### 1. MEMBERSHIP COMMITTEE

The duties of the Membership Committee include:

- a. Maintaining a list of prospective members. The list will consist of their names, addresses, dates of application, and any other information deemed necessary by the committee;
- b. Notifying the prospective members of openings and securing the appropriate signatures and payments;
- c. Recommending necessary changes to the rules governing membership in the corporation.

##### 2. BUILDING AND IMPROVEMENT COMMITTEE

The duties of the Building and Improvement Committee include:

- a. Planning all major additions and changes to any property owned or leased by the corporation and submitting these plans, along with estimates of cost, to the board for approval;
- b. Supervising the implementation of the plans approved by the board and reporting the results to the board;
- c. Approving expenditures listed in the annual budget or authorized by the board for additions and changes to the property owned or leased by the corporation.

#### ARTICLE VII - CONTRACTS, LOANS, CHECKS, AND DEPOSITS

##### 1. CONTRACTS

The directors may authorize a corporate officer or one of his agents to enter into a contract to execute or deliver any instrument on behalf of the corporation. This authority may be as general or as limited as deemed appropriate by the directors.

##### 2. LOANS, DEBTS

Only a resolution by the directors may authorize the corporation to lend money or incur debt.

##### 3. CHECKS

Checks, drafts and other orders of payment will be signed by the corporation officer or his agent in a manner approved by resolution of the directors.

##### 4. DEPOSITS

Corporate funds not earmarked for specific payments will be deposited in the corporate account in a bank or other such institution selected by the directors.

#### ARTICLE VIII - BUDGET AND ACCOUNTING

The board of directors shall segregate the corporate funds into a Replacement Reserve and an Operating Fund and report on each as prescribed below.

##### 1. REPLACEMENT RESERVE

A reserve shall be established for major repairs and replacements of swimming pool property, both real and personal. Major repairs and replacements shall be defined as those expenditures that would normally be considered capital assets under generally accepted accounting practices. However, should the Replacement Reserve exceed \$20,000, the board of directors may allocate those excess funds for expenditures and improvements that would not generally be considered capital assets.

This replacement reserve shall receive a minimum of \$300 per year from annual fees charged to the membership. In addition, 50 percent of the initiation fees of all classes of membership, other than charter memberships, shall be deposited into this fund. At the discretion of the board, additional funds may be allocated to this reserve.

##### 2. OPERATING FUND

This fund shall be the depository of all funds of the corporation not enumerated in Article VIII/1 of these bylaws and shall be used for annual operating costs of the pool, including the cost of insurance and professional services. If there is a surplus at the end of the fiscal year, the board may direct that some or all of the surplus go into the replacement reserve or be used as a credit toward the annual assessment charged to the membership the following year.

##### 3. FISCAL YEAR

The corporation's fiscal year begins November 1. Financial expenditures by the corporation between the start of its fiscal year and the approval of the budget for that fiscal year shall not exceed a total of \$300 without approval of the corporation president.

#### ARTICLE IX - AMENDMENTS

Additions or changes to these bylaws require approval of the charter members at a special or general membership meeting. A positive vote is required by the majority of charter members present at the meeting.

The charter members must be given at least 10 days notice of the meeting and be told that one of the purposes of the meeting is to vote on bylaws changes and additions. Copies of the proposed changes and additions must be made available to charter members from the time of the notice until the vote

