



June 30, 2013

Ladies and Gentlemen:

This letter is in reference to your current BBT ownership interest. In the past, the Board took the position that members were not permitted to sell their ownership interest themselves, and that the members had to wait for the Board to find purchasers. After a thorough review of the Bylaws, the Board finds that this interpretation of the Bylaws is inconsistent with the language and original intent of the Bylaws. The Board has concluded that it is in the best interest of BBT and its members to interpret the Bylaws in accordance with their terms and permit members to sell their ownership interest for whatever compensation they find agreeable. Therefore, as of June 30, 2013, it will be BBT policy that a member who desires to sell his or her ownership interest must submit a "Bond Transfer Letter" for approval by a current BBT Board Member. Members may sell their ownership interest on the open market through whatever means they desire (i.e., Craigslist, Penny Saver, Bowie Blade, etc.) The rationale for this change in policy is summarized below.

**Reason for Policy Change:**

As previously stated, the change in policy is fair to the members because:

- The former policy of requiring the Board to find purchasers for ownership interests of outgoing members has resulted in a waiting list to get out of the pool that takes approximately 5-7 years. It is unreasonable to require outgoing members to wait on a waiting list to sell their interests when nothing in the Bylaws requires that the members must rely on the Board for finding purchasers.
- This interpretation of the Bylaws is also fair to the outgoing members, because the outgoing members may determine on their own what a fair price is for their ownership interest with no interference from the Board.

**Implementation of the New Policy:**

To ensure that all members are treated fairly and equally, the policy change will be applied after the date of this letter, and not retroactively applied to past years. Here is what the Bylaws require for outgoing members:

- The Bylaws require that all members, unilaterally, even members that desire to leave the pool, remain current on their dues. Therefore, on a going forward basis, all members will have one year from the date their dues are due to sell their ownership interest or pay their dues or such ownership interest will be deemed to be revoked. See the excerpt from Article VII of the Bylaws quoted below to review the relevant provision.
- Members desiring to leave the pool will not be at risk of unintentionally losing their ownership interest, because members may always pay their dues within the one year period to ensure that they remain in good standing.
- This policy change will not be retroactively applied so members on the current waiting list to leave the pool will have until May 31, 2014, to either sell their ownership interest or pay their dues for 2013 before they will lose their ownership interest. This provides members that have been on the waiting list with a clean slate so that the policy will apply to them on a going forward basis.

### **What Do the Bylaws Say?**

Some relevant provisions and excerpts from the Bylaws are below. A complete copy of the Bylaws is available on the BBT Website, which can be found by entering: [www.bbtbowie.org](http://www.bbtbowie.org) into your web browser.

#### **1. Powers of the Board--Article II**

Article II of the Bylaws, quoted below, makes it clear that changing the interpretation of the Bylaws is squarely within the powers of the Board, and no change in the Bylaws is necessary to implement the new policy. The Board has the following powers:

"To construct, organize, equip, promote, maintain and operate a club primarily for the purpose of providing swimming and tennis facilities, light refreshments and social events for its members; together with such objects as are appropriate in the conduct of its above mentioned activities in Bowie, Prince George's County Maryland. To make and perform any contracts and to do any acts and things and exercise any powers suitable, convenient, proper or incidental for the accomplishment of any objects enumerated herein."

#### **2. Bylaws do not require the Board to Buy Back Ownership Interests --Article VII, Section 4**

Article VII, Section 4 makes it clear that an outgoing member may request that the Board purchase back the ownership interest at any price for which ownership interests are then being sold (not for a fixed monetary amount). If the outgoing member is selling their home, or if there are prospective members on a waiting list, the Bylaws direct that such individuals have the first right to buy the ownership interest. In this case, there is no waiting list of prospective members. The pool is established to accommodate 750 members, and as of today the pool has a capacity to admit new members without the need for a waiting list. Note that nothing in this section restricts outgoing members from selling their ownership interest themselves.

"A regular member desiring to terminate his membership rights shall notify the Club of that fact in writing and request the Club to purchase such rights for the amount which at that time has been specified by the Board of Directors as being the membership fee. When a regular member sells his

home, the purchaser thereof shall have the first option to purchase the membership of the seller from the Corporation, subject to the approval of the Board of Directors. Otherwise, if there is an approved prospective member on the waiting list the Club will direct him to send his membership fee to the Club. Upon receipt of the same and after the approval of his application for membership by the Board of Directors, the Club will give such sum to the retiring member subject to the provisions of these By laws and perform any other necessary acts to effect the transfer or membership. In the case of all transfers, there shall be assessed upon the terminating member a transfer fee."

### **3. Outgoing Members That Have Been on the Waiting List and Haven't Paid Their Dues Currently Have no Ownership Interest in the Pool--Article 11.**

The Bylaws clearly state that all members on the outgoing waiting list forfeiting their ownership interests, because they are not members in good standing. However to be fair, the Board is allotting such members the same amount of time to sell their ownership interest as any member who has paid their dues for 2013.

"In the event of dissolution or liquidation of the Corporation, after the payment of all debts and the liquidation of all liabilities there shall be a pro rate distribution of the assets of the Corporation to the regular members, subject to the set off of all debts and obligations owed by any such regular member to the Corporation.

Regular members are defined in Article IV of the Bylaws as members that have paid their dues. So according to a literal interpretation of the Bylaws, if the pool were dissolve, the members that are not in good standing (i.e., the members on the outgoing waitlist that have not paid their dues), would not be treated as having an ownership interest in the pool. Notwithstanding that fact, the Board is willing to give the members on the waiting list the same right to sell their ownership interest as members who are currently in good standing.

### **4. Process for Members Are Delinquent in Paying Their Dues—Article VII**

Article VII of the Bylaws provides that late payment of dues will result in termination of a member's ownership interest:

"A condition to continued membership in the Club is prompt payment of the annual assessment levied by the Board. In the event a member fails to timely pay his annual assessment, his membership in the Club shall be subject to termination pursuant to the provisions of Section 7 of this Article. . . In the event of expulsion because of a failure by the member to pay his annual assessment, the membership fee of that member less a proportionate amount of said annual assessment shall be refunded to the member."

Nowhere do the Bylaws state that members that desire to leave the pool are excused from the requirement to pay their dues on time.

The Board is here to serve the interest of its members and ensure the continued operation of the pool. If you have any questions, please feel free to contact any of us.

Sincerely,  
*Your 2013 BBT Board Members*  
[www.bbtbowie.org](http://www.bbtbowie.org)



## In Summary

As of June 30, 2013 – The bond transfer fee is \$50. In order for any bond transaction to be valid, both the seller and the buyer must be present and sign a “Bond Transfer Letter”, as witnessed by a current BBT Board Member. If both parties cannot be present, then the “Bond Transfer Letter” must be notarized. Then the signed letter and the bond transfer fee of \$50 must be mailed to Attn: BBT Bookkeeper at PO Box 486, Bowie, MD 20718. Please read and understand the BBT By Laws found at [www.bbtbowie.org](http://www.bbtbowie.org). In summary, here are your responsibilities:

**ARE YOU LEAVING BBT?** - If you are an outgoing BBT bond-holder who has already notified the bookkeeper that you wish to give up your membership, then you have already been on the “Waiting-to-Sell” List. Please be advised that you are now responsible for selling your own bond (ownership stake) on the open market. You may determine what your own fair price is. You have until May 31, 2014, to find a buyer. If you do not find a buyer by May 31, 2014, then you must resume paying your annual dues until you can find a buyer. You are still responsible for paying your annual dues for every subsequent year until you find a buyer for your bond. Please refer to the BBT By Laws.

**ARE YOU A CURRENT, ACTIVE MEMBER OF BBT?** - If you are a current, active BBT bond-holder who is not ready to sell your bond at this time, please be advised that you will be responsible for selling your own bond (ownership stake) on the open market whenever you do decide to leave. You may determine what your own fair price is at that time. In the given year that you would like to give up your membership, you must find a buyer BEFORE the predetermined date that the annual dues are due for that year. If you do not find a buyer before that predetermined date, then you are still responsible for paying your annual dues for that year and every subsequent year until you find a buyer. Please refer to the BBT By Laws.

**ARE YOU AN ANNUAL MEMBER OF BBT?** – Are you a new Annual Member who has not yet purchased a bond (ownership stake)? Please feel free to purchase a bond on the open market. BBT only allows you to be an Annual Member on a trial basis for ONE YEAR before buying your bond. You are not permitted to be an Annual Member more than once, during consecutive or non-consecutive years. Please be advised that you will be responsible for selling your own bond on the open market whenever you decide to leave BBT. You may determine what your own fair selling price is. In the given year that you would like to give up your membership, you must find a buyer BEFORE the predetermined date that the annual dues are due for that year. If you do not find a buyer before that predetermined date, then you are still responsible for paying your annual dues for that year and every subsequent year until you find a buyer. Please refer to the BBT By Laws.

As of June 30, 2013 - All membership transactions must be sent to: Attn: BBT Bookkeeper at PO Box 486, Bowie, MD 20718. No membership monies, dues, bond transfer fees or transactions will be accepted at the front desk or by any pool staff. Membership checks or money left at the front desk will not be processed and may result in late fees being charged. Thank you for your cooperation in this matter!