

MONTGOMERY MUTUAL, INC.

AD HOC RULES COMMITTEE

Terms of Reference

I. PURPOSE

To advise and assist the Board of Directors (the "Board") and other appropriate committees of the Cooperative on matters related to review, development, and enforcement of the policies, rules, and regulations of the Cooperative, and other matters as are referred to the Committee from time to time.

II. RESPONSIBILITIES

The primary responsibility of the Rules Committee is to advise and assist the Board of Directors and, as directed by the Board, assist other committees, in developing policies, rules and regulations related to issues of community safety, security, and the use of the common elements of the Cooperative.

In fulfilling its responsibility, the Rules Committee may perform at the Board's request or direction, functions which include, but are not necessarily limited to, the following:

1. Review existing policies, rules and regulations and propose appropriate deletions, modifications, or additions.
2. Index and categorize on one master list all rules and regulations and maintain the list in an up-to-date manner.
3. Propose rules, programs, policies and procedures to maintain and improve the safety and security of the Cooperative, its residents, their personal property, and the common elements of the Cooperative.
4. Advise the Board of any changes needed in existing rules and regulations to assure that all Cooperative policies are up to date and in conformance with the latest edition of the Maryland Cooperative Housing Corporation Act and current federal, state, and local laws and regulations regarding retirement communities.
5. Conduct hearings to obtain comments from residents and Members on proposed rules, regulations, policies, enforcement procedures, and other issues of concern to the Board and the Committee.
6. The Committee shall have the power to propose sanctions for violations of the rules and regulations of the Cooperative.
7. Perform other functions as directed by the Board.

III. MANNER OF ORGANIZATION and OPERATION

A. Membership

The Committee shall consist of the Chairperson and Vice Chairperson and a minimum of seven (7) other Montgomery Mutual residents who are not in default of any obligations to the Mutual and who are knowledgeable in those areas defined as Committee responsibilities.

Upon recommendation of the Chairperson, appointment of Committee members shall be made by the President with the concurrence of the Board of Directors.

At least one member of the Committee shall be a member of the Board of Directors.

Vacancies in the membership shall be filled, upon recommendation of the Chairperson, by appointment made by the President with concurrence of the Board.

After the Committee is formed, prospective Committee members shall attend at least two consecutive committee meetings prior to their appointment to the Committee.

B. Tenure

Once approved by the Board of Directors, the Committee members, Chairperson, and Vice Chairperson will serve a term of three (3) years, ending on December 31, or until their successors are appointed and confirmed, which ever may happen first. Appointments may be renewed for additional terms as approved by the Board.

Any unexcused absences of Committee members from three (3) successive regular meetings shall constitute grounds for removal from the Committee. A member may be removed by the Board on its own volition or upon request of the Chairperson. Resignation from the Committee is to be made in writing to the Chairperson.

C. Chairperson and Vice Chairperson

The President, with concurrence of the Board, shall appoint the Chairman and Vice Chairperson of the Committee.

Following the first year of the Committee's service, the person appointed as Chairperson will have served on the Committee for at least one (1) year.

The Chairperson and Vice Chairperson shall serve at the discretion of the Board.

The Committee may recommend to the Board President the removal of the Chairperson or Vice Chairperson.

Vacancy of the Chairperson shall be filled by the Vice Chairperson until an appointment is made by the President, with concurrence of the Board, for the remainder of the term.

Vacancy of the Vice Chairperson shall be filled by a Committee member appointed by the President, with the concurrence of the Board, for the remainder of the term.

Functions of the Chairperson include, but are not limited to, the following:

- Schedules and presides at meetings
- Prepares, in conjunction with the Property Manager and any Board Liaison, the meeting agendas
- Arranges for minutes of the meetings to be kept and for copies to be distributed to Committee members and members of the Board. Minutes of meetings shall be included in the agenda packet distributed to Board members prior to monthly Board meetings
- Prepares, in conjunction with the Property Manager, a list of any items or projects approved by the Committee and Committee recommendations to the Board.
- Attends monthly Board meetings and reports to the Board matters to be acted on by the Board, recommendations of the Committee, other matters related to the Cooperative's policies, rules, and regulations, and other matters referred to or coming to the attention of the Committee
- Ensures that all Committee and prospective Committee members are familiar with the Committee Terms of Reference.

The Vice Chairperson will assist the Chairperson in the activities of the Committee and will conduct the business of the Committee in the absence of the Chairperson.

D. Secretary

The Chairperson will designate a secretary for the Committee who shall be responsible for keeping a Committee membership roster, recording minutes of all Committee meetings, names of Committee members attending each meeting and those absent, any Committee recommendations to the Board, and in general, maintaining written documentation of Committee communications, decisions and activities.

E. Conflict of Interest

Any Committee member with a real or perceived personal or financial conflict of interest related to any aspect of the Committee's work should state it and recuse him/herself from discussion, recommendation, decision, or vote related to it. If any member's undisclosed conflict of interest is later determined, he/she may be subject to removal from the Committee.

E. Meetings

1. Regular meetings of the Committee will be held monthly. Special meetings may be called by from time to time by the Committee Chairman or upon the request of twenty-five percent (25%) of the Committee members.
2. A majority of the Committee membership constitutes a quorum necessary to conduct business. All decisions of the Committee will be based on a majority of those present.
3. The Committee shall operate in accord with the agenda prepared by the Chairperson which shall guide the manner of the meeting.