

of a private club, although the record is not clear as to the amount charged for the membership at that time. In the brief filed by the complainant's attorney, it is alleged that until the 1964 season, membership fees were only \$1.00, and this allegation is not denied. However, following passage of Ordinance No. 103 in February, 1964, and prior to the application for membership by the complainant in June, 1964, certain changes in policy were made, viz., admission rates were raised to include an initiation fee of \$120.00, as well as a seasonal fee for a family of three of \$78.00; a group of fifty persons were appointed to the Board of Directors and they agreed to guarantee the solvency of the pool's operations; and membership applications were required to be filled out at the pool, and were accepted or rejected by the Board of Directors. The contention has been made that if Meadowbrook were a private club, it would be entitled to a tax exemption as a non-profit organization. However, a commission staff report of July 23, 1964, alleges that Meadowbrook was not operating on a non-profit basis. On March 31, 1965, a new corporation, Meadowbrook Swimming Club, Inc., was organized and an application was made, on May 13, 1965, for tax exempt status as a non-profit corporation.

The purpose clause of the new corporation is "to organize and operate a private club for the benefit of the membership and without any motive for profit." The by-laws of the new corporation require that a candidate must be elected by the Board of Directors after first being nominated by a member and seconded by another member. The candidate must also be personally known to at least four members of the Board of Directors. A copy of a lease, dated May 17, 1965, is in the file showing that the pool formerly operated by Meadowbrook has been leased by Meadowbrook to Meadowbrook Swimming Club, Inc. By the terms of the lease, all life-guards are supplied by the lessor, and the lessor further agrees to provide for "cleaning, maintenance and administrative work, such as signing in guests; answering the telephone, etc., operate the snack bar * * *." The lessor also agrees to make all repairs to the property, to pay for liability insurance protecting both the lessor and the lessee and to pay all costs of utilities. The term of the lease is for one year, but the lessee "shall be entitled to the privilege of a renewal of this lease subject to the same terms, conditions and covenants as herein expressed for additional terms from year to year * * *."

Although demands were made upon Meadowbrook, by the Commission, to furnish copies of its by-laws and other