

THE FALLSTON CLUB, INC.

BYLAWS

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ARTICLE I IDENTIFICATION

Section 1: Name. The name of this organization shall be The Fallston Club, Inc., hereafter referred to as the Club.

Section 2: Incorporation. The Club shall be incorporated under the laws of the State of Maryland.

ARTICLE II GENERAL

Section I: Purpose. The Corporation is formed exclusively for social, pleasure, recreation and other non-profit purposes. Those purposes include the following:

- a. To establish, operate, and maintain swimming, tennis, and other recreational and social facilities for the benefit of its members.
- b. To undertake other projects, programs and activities not inconsistent with Section 501(c)(7) of the Internal Revenue Code of 1986 as amended or any corresponding provisions of any future United States Internal revenue law or regulations thereunder (collectively the “Code”), as amended from time to time, including the making of distributions to organizations that qualify as exempt organizations under the code, as the need to do so presents itself in the opinion of the Board of Directors.

Section 2: Terminology.

- a. Unless specifically stated in these By-Laws, the use of terms that normally suggest a specific gender such as “his” and “her”, etc., shall mean either gender.
- b. Unless otherwise stated, references to “days” shall mean calendar days; references to “years” shall mean annual year defined as June 1 through May 31.

Section 3: Notification of Members. Under these By-Laws, whenever the notification of members is required, the mailing of such notification to either the last known mailing address or the last known e-mail address shall constitute notification.

ARTICLE III MEMBERSHIP

Section 1: Membership

- a. Membership shall not be denied because of race, religion, color, gender, age, ancestry, national origin, or handicapped status.
- b. There shall be two types of memberships: Family and Individual.

- (1) A Family membership is one in which all members are permanent and legal members of the same family and residents of the same household, and as further defined by the Board.**
- (2) An Individual membership applies only to the person for whom it was purchased, and shall be further defined by the Board.**
- c. One membership certificate will be named for each recorded membership fee and held in the official records kept by the Club until it is sold under the conditions herein. (Pare certificates are not created/issued, but kept as in the protected database.) Privileges and responsibilities stated herein of Certificate Holders remain the same as all members of record. The Certificate Holder must be at least eighteen (18) years of age.**
- d. A member is any participant under a paid membership as stated in Article III, Section 1.b, and who satisfies the requirements of Article V, Section 1.**

Section 2: Limitations

- a. The number of Club memberships shall be determined by the Board of Directors on an annual basis.**
- b. Membership shall be limited to one per Individual or Family. An individual participating under a Family membership is not eligible to purchase a membership except as provided in Article V, Section 4.**

Section 3: Conditional Privileges

- a. If a member is unable to exercise his facility privileges for a year, but wishes to retain his membership privileges for subsequent years, he may, upon application to and approval by the Board of Directors or its authorized representative, pay such fees as determined by the Board. If the Conditional Facility Privileges (Section 3.b) are not purchased by another family or individual, the member is responsible for payment of the annual dues. Unless approved by the Board, this relinquishment of the annual privileges by the member cannot be used for consecutive years.**
- b. Should such an annual vacancy occur, conditional facility privileges without voting rights shall be extended to the next individual or family on the waiting list. These privileges shall become effective following payment of a registration fee, and dues.**
- c. The family or individual to whom the conditional privileges have been extended shall, at the end of the year, be repositioned at the top of the waiting list unless full membership is offered and refused. If full membership is refused, the name will be removed from the waiting list and reapplication is required.**
- d. Conditional privileges shall prevail until the last day of the current season.**

Section 4: Suspension

- a. Any individual of any membership may be suspended for one day (on a daily basis) by any member of the Board of Directors, the Club Manager or their authorized representative without recourse to a hearing for:**
 - (1) Violation of the Club's Rules and Regulations.**
 - (2) Destruction/vandalism of or damage to Club property or facilities.**
 - (3) Obscene or foul language or actions.**
 - (4) Actions on the Club property that endanger the health, safety or lives of other Club members, employees or authorized guests, or deprives/interferes with the privileges of the membership.**
- b. The President of the Board of Directors may, in his/her discretion, suspend any individual of any membership and/or a family membership for a period of time up to one week for one or more violations of Article II, Section 4a. The Board of Directors may, in its discretion, and by a majority vote of a quorum of the Board, suspend any individual of any membership and/or a family membership for a period of time greater than one week for one or more violations of Article III, Section 4a. A suspension of more than one consecutive day shall be imposed in accordance with the affected member's right to a hearing as outlined in Section 4d.**
- c. The Board of Directors may, in its discretion, and by a majority vote of a quorum of the Board, revoke any individual and/or family membership for a single violation and/or repeated violations of Article II, Section 4a that the Board reasonably concludes endangers the health, safety or lives of other Club members or their authorized guests, or deprives/interferes with the privileges of membership. The Board may also, in its discretion, take steps to bar from Club property any individual who has engaged in actions that the Board reasonably concludes has placed the health, safety or lives of other Club members or their authorized guests in jeopardy.**
- d. Any member suspended for more than one consecutive day and/or who has had their individual or family membership revoked may request, in writing a hearing before the Board of Directors within 48 hours of the suspension/revocation being implemented. At least 7 members of the Board must be present at such a hearing. At any such hearing, the Board shall have the authority, by majority vote of a quorum, to reverse, uphold, or modify the suspension/revocation of membership.**
- e. No refund of fees or dues is authorized for those members who have been suspended or had their membership revoked.**

ARTICLE IV USE OF FACILITIES BY NONMEMBERS

Section 1: Definition. A Club-using nonmember is defined as anyone not meeting the definition of “member” as in Article III, Section 1d.

Section 2: Guests. Guest passes must be provided by or purchased by a Club member. The number of times that a non-member can be admitted to the Club as a guest in one season will be determined by the Board of Directors on an annual basis.

Section 3: Suspension of Privileges. The Board may rescind the guest privileges of members who permit their guests to behave as outlined in Article III, Section 4a.

Section 4: Leasing. With the approval of the Board of Directors or its authorized representative, all or part of the Club’s facilities may be leased to outside groups.

Section 5: Conditions.

- a. The use of the Club’s facilities by non-members shall not cause unreasonable interference with the use of the facilities by its members.
- b. All rules and regulations of the Club shall be applicable for the non-members using the facilities.
- c. The fee charged non-members shall be approved by the Board of Directors on an annual basis.
- d. At least one member of a leasing group must be a member of the Club who will be responsible for the actions of guests.
- e. The leasing person (or group) is responsible for damages to Club property caused by himself or his guests.

ARTICLE V DUES AND FEES

Section 1: Annual Dues

- a. Annual dues shall be as required to support the programs, maintenance and capital improvements of the Club. Dues shall be payable by April 1 of each year, and any dues not paid by this date shall be subject to a late payment charge of 5% of the amount due. Any membership for which dues have not been paid by April 30 shall revert to a conditional privilege membership for one year and be offered as such to the next applicant(s) on the waiting list and shall be subject to an additional 10% charge on the amount due. Appropriate fees will be assessed the member. If the dues are not paid in full by the next year’s deadline, the membership shall be considered cancelled and be offered to the next applicant on the waiting list.

- b. No refunds of dues or fees shall be made in the event of any necessary suspension of the operation of the Club's facilities.

Section 2: Fees. Following a recommendation by the Board of Directors and approval of the membership, assessments may be levied against all stockholders.

Section 3: Withdrawal of Membership

- a. Members wishing to withdraw from the Club without paying annual dues must notify the Club in writing prior to April 1 or be liable for a penalty amounting to 25% of the annual dues.
- b. Upon receipt of withdrawal notification, the Club will sell the membership to the next eligible applicant on the waiting list. A refund of all monies due minus any debts to the Club will be made to the previous member of record following the sale of the membership.

Section 4: Stock Conversion

- a. Transfer of the stock membership shall only be accomplished through the Club in writing and containing the approval of all involved.
- b. A transfer fee as determined by the Board is required to transfer all memberships. A Family membership can be transferred to another member under the original Family membership, or a Family can be converted to an Individual membership for one who is presently a member of the Family membership. An Individual membership may be converted to a Family membership that includes the stockholder of the Individual membership.

Section 5: Refunds. Any adjustment or refund not specifically addressed in these By-Laws requires the approval of the Board of Directors or its authorized representative.

Section 6: Indebtedness. The Club Manager is responsible for notifying, in writing, stockholders of any indebtedness, other than dues. Failure to satisfy the indebtedness by the 10th day after this notification shall result in notification of impending suspension action. Nonpayment of the indebtedness within 10 days of this notification shall result in automatic suspension. Any member suspended shall be notified in writing by certified mail by the Club Manager. If the indebtedness is not paid in full within 10 days after the mailing of this notice, membership shall be revoked.

Section 7: Dissolution of the Club.

- a. If dissolution of the Club becomes necessary, all stockholders of record on June 1 of the year in which the proposed dissolution is announced shall be notified by mail. If dissolution is proposed for other than reasons of bankruptcy, written approval by at least two-thirds (2/3) of the stockholders is required. The Club shall be sold for not less than the appraised value (see 7b below) and, after the refund of stock costs, the payment of all debts, expenses of sale and other Club

obligations, any remaining funds shall be distributed as determined by the Board and approved by the membership.

- b. Appraisal of the Club's assets will be accomplished by a minimum of two (2) independent appraisers, and an average of these appraisals will be used as the appraised value.

ARTICLE VI CLUB MEETINGS

Section 1: Types of Meetings.

- a. Formal meetings shall be announced and stockholders notified, at least 21 days prior to the meeting, and shall be accompanied by an agenda.
- b. Informal meetings shall be announced at least 14 days prior to the meeting.

Section 2: Annual Membership Meeting.

- a. The Club shall conduct one formal Annual Membership Meeting.
- b. The Annual Membership Meeting shall include the election of Board members, the presentation and approval of the budget, and such other business as is pertinent to the successful operation of the Club.
- c. Except for Club staff (as approved by the Board), only valid stockholders and their families or one authorized representative shall be permitted to attend the Annual Membership Meeting.
- d. An authorized representative other than a family member of the stockholder must present written authorization from the stockholder during registration for the meeting.

Section 3: Formal Meetings. Formal Club meetings may be called by the President, a majority of the Board of Directors or by a petition bearing the signatures of at least 10% of the total number of stockholders or their authorized representatives.

Section 4: Quorum. For all formal Club meetings, those stockholders or their authorized representatives present and all proxy votes received prior to the call for a vote on any issue, shall constitute a quorum.

Section 5: Voting. Each membership shall be entitled to one vote. This can be in the person of a stockholder or their authorized representative, or by written proxy vote received prior to the call for a vote on any issue.

Section 6: Eligible Voter List. Any current active membership at the start of the meeting.

Section 7: Majority Vote. Unless otherwise specified, all references to “approval” or “consent” shall infer “as a result of a majority vote including proxy votes.”

Section 8: Agenda. At Formal Club Meetings, only those items listed on the Agenda as voting issues and mailed to the membership in advance shall be considered for motion. After all agenda items have been addressed, new business may be brought up for discussion only.

ARTICLE VII QUALIFICATIONS OF OFFICERS AND MEMBERS OF THE BOARD

Section 1: Eligibility. Eligibility for election or appointment to the Board shall be limited to Club members who are at least twenty-one (21) years of age.

Section 2: Limitations. No Club member shall be eligible to hold more than one office at a time nor shall any two of these positions be filled at the same time by members under the same membership.

Section 3: Terms. No members of the Board of Directors shall be elected to serve more than five consecutive elected terms.

ARTICLE VIII BOARD OF DIRECTORS AND DUTIES

Section 1: Board of Directors.

- a. The Club shall be managed by a Board of Directors, hereafter referred to as the Board. The Board shall contain twelve (12) members.
- b. The twelve members shall be elected for a two-year term at the Annual Membership Meeting and their terms shall be so arranged that one-half expire annually.
- c. All elected Board Member’s terms are effective January 1 following the Annual Membership Meeting.
- d. The officers shall be elected by the newly elected Board of Directors at a meeting following the Annual Membership meeting but before January 1, or as a vacancy occurs.
- e. Interim Board vacancies shall be filled by appointment of the President subject to approval by the Board. Appointees will serve the remaining term of the vacancy.

Section 2: Salaries. No member of the Board of Directors shall be paid for services to the Club. Board members may be reimbursed for any reasonable and proper expenses incurred on behalf of the Club. Board members are annually entitled to a preferred parking space, free guests, and 1 free party booking while a member of the board. Board Members are entitled to complimentary dues beginning in their second term (third year) on the board.

Section 3: Financial Statements. The financial statements of the Club will be compiled annually and made available to Club members upon request.

Section 4: Credit. Except for a line of credit and except in emergency situations in order to maintain the functioning of the Club, the Board is not permitted to borrow or pledge the credit of the Club beyond the limits of the approved budget without specific approval of the membership at a formal meeting.

Section 5: Removal From Office.

- a. Any member of the Board of Directors may be removed from office by a majority vote (including proxy votes) of the stockholders at a formal meeting.
- b. Any member of the Board of Directors who misses three (3) Board meetings in one calendar year will be considered to have resigned from the Board, unless an exception is voted by the Board.

Section 6: Meetings.

- a. Meetings of the Board of Directors shall be scheduled at least quarterly.
- b. Special meetings may be called by the President or by four Board members at such time and place as they may designate.
- c. Forty-eight (48) hours' notice of all meetings shall be provided to each Board member.
- d. A simple majority of the Board members shall constitute a quorum at any of its meetings.
- e. All Board of Directors' meetings are open to any stockholder.

Section 7: Voting. Each Board member shall have one (1) vote.

Section 8: Conflict of Interest.

- a. To enable the Club to conduct its business effectively and to foster confidence in the integrity of its Board of Directors, the highest standards of ethics must be maintained.
- b. No Board member shall be authorized to do business with the Club as an outside vendor providing goods or services unless the Board of Directors determines that such relationships do not conflict with the interests of the Club, and that there is no reasonable likelihood that it will influence his judgment or actions in performing his duties for the Club.

Section 9: Responsibilities.

- a. The individual Board members must chair or be a member of at least one standing committee.
- b. The Board shall be responsible for the overall functioning and operation of the Club including policy, rules and regulations, and procedures; shall develop an annual budget; shall control the financial management; shall determine and initiate capital improvements; shall oversee hiring and management of Club personnel; shall be responsible for the enforcement of the By-Laws, and shall have other responsibilities not identified with an individual or specific group.

Section 10: Liability.

- a. The Board or its authorized representatives, individually or collectively, shall not be liable for legal actions directed against the Club.
- b. Legal actions are considered as emergency situations and any funds required for legal representation and resulting penalties shall be drawn from the assets of the Club.

Section 11: Authority Limitations. Sale of any Club real estate must be approved by the stockholders at a formal Club meeting.

ARTICLE IX EXECUTIVE OFFICERS AND DUTIES

Section 1: Officers

- a. Officers of the Club shall consist of the President, Vice President, Secretary, and Treasurer.
- b. Officers shall hold office until their successors are elected.

Section 2: President

- a. The President shall be presiding officer at all meetings of the Club and of the Board of Directors.
- b. The President shall have the responsibility for the general management and direction of the activities of the Club.
- c. The President shall appoint Chairmen for the standing committees and temporary committees required to conduct the affairs of the Club.

Section 3: Vice President

- a. The Vice President shall, in the absence of the President, assume all responsibilities of the President.
- b. The Vice President shall be the Chairman of the Administration Committee.

Section 4: Secretary

- a. The Secretary shall record and preserve the reports of all meetings of the Club and of the Board of Directors.
- b. The Secretary shall verify the eligibility and agreement of the nominees for the Board of Directors to have their names placed on the ballot for the election.

Section 5: Treasurer

- a. The Treasurer shall be responsible for the maintenance of accounts for the financial transactions of the Club.
- b. Checks drawn on the Club require two signatures. Those authorized to sign checks are the officers of the Club.
- c. All disbursements of Club funds shall be made by check or approved credit cards, unless circumstances dictate otherwise and the Board approves the same.
- d. The Treasurer shall be responsible for the maintenance of an inventory of Club properties.
- e. The Treasurer shall ensure that all tax returns are prepared and filed, including the last quarter and annual returns for the year in which his term of office expires.
- f. The Treasurer shall be responsible for the distribution of statements of dues payable at least 21 days prior to the date on which payments are due.
- g. The Treasurer shall present financial reports at all regular Board meetings.

ARTICLE X COMMITTEES

Section 1: Administration

- a. The Administration Committee shall be responsible for the day-to-day operation of the Club's facilities to ensure that they will provide the greatest possible benefit to the members consistent with considerations of safety and health, the rights of neighboring property owners and the financial resources of the Club.

This committee shall also be responsible for the construction, maintenance, repair, and use of all facilities owned by the Club.

- b. The Administration Committee shall be composed of no less than three members:
 - (1) Vice President of the Board**
 - (2) Two additional members from either the Board or general membership.****

Section 2: Finance

- a. The Finance Committee shall review the financial status of the Club and, when it deems appropriate, make recommendations to the Board or to the membership of policy affecting that status.**
- b. The Finance Committee shall have the responsibility for the preparation of a financial analysis of any new major projects contemplated by the Board or the membership, and shall prepare such analysis for presentation at any meeting as required.**
- c. The Finance Committee shall develop the annual budget.**
- d. The Finance Committee shall be composed of no less than three members:
 - (1) Treasurer (Chairman of the Committee).**
 - (2) Two additional members from either the Board or general membership.****

Section 3: Activities Committee:

- a. The Activities Committee shall be responsible for coordinating the activities of the Club including social, swim team, tennis, etc.**
- b. The Activities Committee shall be composed of no less than three members:
 - (1) One Board member (Chairman of the Committee)**
 - (2) Two additional members from either the Board or general membership.****
- c. Members of the Committee would coordinate at least the following:
 - (1) Swim Team and other swim activities**
 - (2) Tennis activities and league**
 - (3) Sport shop**
 - (4) Social activities****

Section 4: Communications Committee:

- a. The Communications Committee shall be responsible for coordinating communications efforts among the Club, its members and the community.**
- b. The Communications Committee shall be composed of no less than three members:
 - (1) One Board member (Chairman of the Committee)**
 - (2) Two additional members from either the Board or general membership.****

- c. **Members of the Committee would coordinate at least the following:**
 - (1) **Club's official website**
 - (2) **Current Communications**
 - (3) **Member comments/suggestions/concerns**
 - (4) **On-going public/member relations and communication**

Section 5: Nominating Committee

- a. **The Chairman of the Nominating Committee shall be a Board member appointed by the President. He shall be a Board member who is not eligible for re-election.**
- b. **The Nominating Committee shall develop a list of candidates for open positions, along with brief resumes for each candidate. This list shall be presented to the Secretary at least 45 days prior to the Annual Membership Meeting for inclusion in the meeting notice.**

Section 6: Temporary Committees. The President can appoint and discharge any temporary committees. All temporary committees expire at the end of the term of the President who appointed them.

Section 7: Ad Hoc Committee Members.

- a. **Club staff are permitted and encouraged to participate in all Committee meetings and have full voice and vote.**
- b. **The President is an ad hoc member of all Committees with full voice and vote.**

ARTICLE XI NOMINATIONS AND ELECTIONS

Section 1: Candidates

- a. **All candidates for the Board of Directors must be at least 21 years of age and have current, active memberships.**
- b. **Any member may submit the name or names of any other member for nomination to the Board to be received by the Secretary in writing at least 45 calendar days prior to the Annual Membership Meeting.**
- c. **All nominees must give consent to have their names placed in nomination.**
- d. **Prior to the vote, a list of all eligible candidates will be provided to each eligible voter.**
- e. **There shall be no nominations from the floor at the Annual Membership Meeting.**

Section 2: Voting Eligibility. All stock members in good standing (not in debt to or on suspension from the Club) or their authorized representatives are eligible to cast one vote per membership, either in person or by written proxy vote received prior to the vote for elections in accordance with published procedure.

Section 3: Registration.

- a. Stock members or their authorized representatives desiring to vote at the Annual Membership Meeting must register prior to the start of the meeting.
- b. Registration shall be open for at least 30 minutes prior to the call-to-order of the meeting.

Section 4: Vote Counting. The President shall appoint a minimum of three vote counters and, upon completion of the balloting, the counters shall collect, count, and tabulate the ballots (including proxy votes). The Nominating Committee Chair shall announce the results of the vote to those present.

**ARTICLE XII
PARLIAMENTARY AUTHORITY**

Section 1: Source.

- a. The rules contained in “Robert’s Rules of Order, Revised” shall govern the Club in all cases to which they are applicable, and in which they are not inconsistent with the approved Bylaws or the Fallston Club Rules, as amended from time to time.
- b. Unless otherwise specified, any deviation from or interpretation of these Bylaws shall be resolved by the Board of Directors.

**ARTICLE XIII
AMENDING THE BYLAWS**

Section 1: General. These Club Bylaws may be amended at any formal Club meeting by a majority vote of eligible stock members at the meeting. No amendment or replacement of these Bylaws shall be made, however, which will render the Corporation ineligible for tax exemption under the provision of Section 501 (c)(7) of the Internal Revenue Code of 1986, as amended from time to time. In addition, any attempt to amend or replace these Bylaws in contravention of the Articles of Incorporation or statutes, laws, or regulations governing the corporation shall be void ab initio.