

RIVER FALLS COMMUNITY CENTER ASSOCIATION, INC.

BY-LAWS

ARTICLE I

General Provisions

Section 1. The name, powers, purposes, and other provisions set forth in the Article of Incorporation received and approved by the State Department of Assessments and Taxation of Maryland on July 2, 1970 as amended from time-to-time and as supplemented by these By-Laws, shall govern the operation of this Association.

Section 2. The principal office of the Association shall be designated by the Board of Governors as prescribed in the Articles of Incorporation.

Section 3. The recreational facilities of this Association shall always bear as part of their name "River Falls," and shall not be disposed of except by a two-thirds vote of all Class B and Senior members present and voting at a meeting called in part for the purpose or a mailed ballot to all voting Class B and Senior members.

ARTICLE II

Membership

Section 1. Classes of Membership.

There shall be three classes of membership:

- A. Class B memberships shall be active permanent family memberships issued to residents of River Falls.
- B. Class C memberships shall be active permanent non-voting memberships issued to non-residents of River Falls.
- C. Senior Memberships shall be available for seniors wishing to use the swim and tennis facilities and who meet the qualifications set forth in Article II, Section 3, C.

Section 2. Limits on Memberships.

The aggregate number of outstanding Class B, Class C, and Senior memberships shall not exceed 448. At no time shall the number of Class C memberships exceed the number of Class B memberships

Section 3. Eligibility and Fees.

- A. Class B memberships shall be available to each family residing in River Falls.

1. The purchasers of a house in River Falls may make an application for Class B membership, subject to availability, approval of the Board of Governors, and payment of current initiation fees and annual dues.
- B. Class C memberships shall be issued to non-residents of River Falls under the following terms and conditions:
1. The applicant must be sponsored by one active Class B member and will be subject to the approval of the Board of Governors.
 2. The new applicant shall pay an initiation fee equivalent to that currently paid by new Class B members and annual dues equivalent to the annual dues assessed Class B members.
- C. Class B or Class C members, in good standing, may become a Senior Member subject to the following criteria:
1. You must be, or have been, an active Class B or Class C RFCCA member for ten years or more and be 65 years or older. Senior membership privileges do not extend to children or other non-spouses living in the household.
 2. You and your guest can use the swimming and tennis facilities at the current per use fee set by the Board of Governors for Senior members.
 3. Senior members are entitled to attend all social events at the regular cost associated with the event.
 4. Class B Senior members shall be a voting membership. Class C Senior members shall be a non-voting membership.
 5. Senior members must pay the annual dues set forth by the Board of Governors.

Section 4. Redemption, Conversion, Transferability of Memberships.

A. Class B Membership

1. If a family moves away from River Falls, the membership may be converted to a Class C membership as previously described in Article II, Section 1, B or terminated by written notice, within 60 days of settlement, to the current Membership Governor of the Association which includes a written request for redemption.
2. Holders of Class B memberships may apply for temporary inactive status.
3. A family remaining resident in River Falls may surrender its Class B membership on terms and conditions prescribed by the Board of Governors which shall be no more favorable than the fore-going provisions for surrender by departing residents.
4. A Class B membership may be surrendered for redemption in accordance with the terms and conditions of the membership when issued. The Association shall pay the surrendering member from the proceeds of reissue of the membership based on the following schedule.
 - a. Class B members who joined RFCCA, Inc. prior to March, 2012, shall receive the original initiation fee plus all cumulative capital assessments, less 10% for each year or part thereof since the date of original issue, but in any event not less than \$100 minus any unpaid dues or other financial obligations of the member to the Association.
 - b. Class B members who joined RFCCA, Inc. after March, 2012, shall receive, after one year or less of membership from the date of original issue, 75% of the initiation fee; after one year plus one day to two years of membership from the date of original issue, 50% of the

- initiation fee. After two years, Class B membership has no redemption value.
5. A Class B membership is not transferable.

B. Class C Membership

1. If a family that holds a Class C membership whose dues and other financial obligations to the Association are current moves into River Falls, the Class C membership will be converted to a Class B membership.
2. A Class C membership may be surrendered for redemption in accordance with the terms and conditions of the membership when issued. The Association shall pay the surrendering member from the proceeds of reissue of the membership based on the following schedule.
 - a. Class C members who joined RFCCA, Inc. prior to March, 2012, shall receive the original initiation fee plus all cumulated capital assessments, minus 50%, minus \$100 for each year or part thereof since the date of original issue, minus any unpaid dues or other financial obligations of the member to the Association.
 - b. Class C members who joined RFCCA, Inc. after March, 2012, shall receive, after one year or less of membership from the date or original issue, 50% of the initiation fee; after one year plus one day to two years of membership from the original issue, 25% of the initiation fee. After two years, Class C membership has no redemption value.
3. A Class C membership is not transferable.

C. Senior Membership

1. A Senior membership has no redemption value.
2. A Senior membership is not transferable.

Section 5. Class B memberships shall be issued to resident family units in the name of the owner(s) of the house or the owner and spouse or in the name of the lessee(s) of the house or the lessee and spouse. Class C memberships shall be issued in the name of the member or the member and spouse. In either case, the Board of Governors may list the names of those dependent children eligible to use the club's facilities under each membership. Senior memberships are issued to the member and spouse. Memberships standing in more than one name shall be held in joint tenancy with right of survivorship, unless otherwise provided.

Section 6. The privileges of the Association's athletic and recreational facilities shall be extended to all resident family members of a family unit holding a Class B or Class C membership and to any one person accompanying and responsible for the family's eligible children. For the purpose of this provision, unmarried children attending college shall be deemed resident with their parent(s). Senior members and their spouse are eligible to use the facility under the terms set forth for Senior members. The Board of Governors may adopt rules and procedures for the administration and interpretation of the provisions of this section.

Section 7. Upon application to the Association and subject to approval of the Board of Governors, families renting may have full use of facilities upon payment of current fees if the lessor holds a Class B or a Class C membership in good standing and assigns it temporarily in writing to the Membership Governor of the Association.

Section 8. Suspension and Revocation

- A. Membership privileges may be temporarily suspended by written notice from the Board of Governors if dues are not paid by the specified date.
- B. Membership privileges may also be temporarily suspended in whole or in part by vote of the Board of Governors for any of the following reasons:
 - 1. Violations of the By-Laws or of rules adopted by the Board of Governors; or
 - 2. Acts endangering the safety, health or well-being of members or others using the facilities; or
 - 3. Failure to pay promptly for Association property willfully or negligently damaged by a member, his family or guest; or
 - 4. Failure to pay any other indebtedness to the Association promptly after demand.
- C. Members and guests may be barred from the premises for violation of rules for periods up to 48 hours by administrative action.
- D. For persistent or serious violations of paragraphs (A) and/or (B) above, a membership may be revoked if six members of the Board of Governors vote in favor of the revocation.

Section 9. Guests

Residents of River Falls who are not members of RFCCA may not use the tennis courts/pool facilities as a guest. Residents of River Falls who are not members of RFCCA may not attend RFCCA sponsored functions as guests. Specific rules and fees for use of individual facilities by guests shall be approved by the Board of Governors.

ARTICLE III

Board of Governors and Officers

Section 1. The Board of Governors shall be comprised of ten (10) Class B members in good standing or nine (9) Class B members in good standing and one (1) Class C member in good standing. The Board of Governors shall be elected by a plurality of Class B memberships present and voting at an annual meeting of the Association.

Section 2. Governors shall serve staggered terms of two (2) years. They may be re-elected for a consecutive term.

Section 3. If a Governor is unable to serve or fails to attend three consecutive meetings of the Board of Governors without a valid excuse, the Board of Governors by majority of seven (7) out of ten (10) votes may declare the office vacant and fill it as provided hereinafter. Governors may be removed by two-thirds vote of the voting membership present and voting at the annual meeting or at any special meeting called in part for that purpose.

Section 4. Vacancies on the Board may be filled by the Board by a majority vote at a duly constituted meeting. Such appointees shall serve until the next annual meeting of the Association. At that time a Governor shall be elected to fill out the remaining portion of the term.

Section 5. The Board of Governors shall elect officers annually. The officers of the Association shall be a President, Vice President, a Secretary, a Treasurer and such additional officers as the Board of Governors may from time to time determine. At no time shall a Class C member serving on the Board of Governors serve as President, Vice-President, Secretary, or Treasurer.

Section 6. Regular meetings shall be held on a schedule designated by the Board of Governors. Special meetings may be called by the president or by the request of any four (4) members of the Board of Governors. Unless waived, seven (7) days written notice shall be required, and except as otherwise provided, five (5) members shall constitute a quorum.

Section 7. The Board of Governors shall direct, control, and manage the affairs and property of the Association. Their authority and duties shall extend to, but not be limited to, such actions as:

- A. Publishing and enforcing rules for the use of the Association's facilities;
- B. Establishing payment dates and amounts of annual dues;
- C. Establishing additional charges for delay in payment to the Association in excess of those described herein;
- D. Establishing rules, terms, conditions, and charges for memberships;
- E. Adopting rules concerning the admission of guests and charges, for guests not inconsistent with these By-Laws;
- F. Accepting or rejecting membership applications, subject to the provisions of these By-Laws;
- G. Determining the opening and closing dates and hours for facilities;
- H. Hiring and terminating the services of any management person or corporation contracted by the Association;
- I. Delegating operating authority where necessary or desirable, except as otherwise provided in these By-Laws;
- J. Preparing and publishing a financial report each year;
- K. Authorizing the incurring of obligations and the payment of these obligations;
- L. Naming an auditing committee or hiring auditors for the corporation's books and financial records, at least annually;
- M. Electing officers and electing Governors to fill vacancies;

- N. Establishing operating committees and selecting chairmen of those committees;
- O. Designating by resolution from time to time the depositor or depositories for funds of the Association; and
- P. Making available to non-members from time to time upon suitable terms and conditions the facilities of the Association.

Section 8. Duties of the Officers

- A. The President shall preside over meetings of the Board and Association, shall represent the Association to the public, and shall generally oversee the management and operation of the Association. The President, in conjunction with the Membership Governor, shall issue papers evidencing status of membership on the rolls of the Association.
- B. The Vice-President shall have and exercise all powers, authority and duties of the President in his absence or inability to serve.
- C. The Secretary shall record and maintain minutes of all meetings of the Board and Association, shall issue notices of meetings, and shall have custody of the official Seal of the Association.
- D. The Treasurer shall receive membership fees and dues and other revenues of the Association; shall have custody of all funds of the Association; shall maintain the financial records of the Association in books belonging to the Association; shall prepare and submit for Board of Governors approval a financial statement at each regular meeting; and shall make authorized disbursement from funds of the Association, provided, however, that any bill for \$5000 or more shall be submitted to the President for approval prior to payment.
- E. Officers shall perform such other duties as are necessary and usual or are prescribed by the Board of Governors from time to time by resolution.

ARTICLE IV

Dues and Assessments

Section 1. Dues for Class B, Class C, and Senior members and fees shall be set by the Board of Governors to cover the expenses of maintaining and operating the Association's facilities.

Section 2. The Board of Governors shall specify on due's notice the date or dates on which each year's dues shall be due and payable.

Section 3. Additional capital assessments shall be levied only by vote of the membership at an annual or special meeting called in part for that purpose and only with the concurrence of a majority of memberships voted in each class or sub-class to be assessed.

ARTICLE V

Annual and Special Meetings and Voting

Section 1. An annual meeting of the Association shall be held each calendar year at a time and place designated by the Board of Governors. Due notice shall be given to the membership at least ten (10) days in advance.

Section 2. Special meetings may be called by a majority vote of the Board of Governors, upon written request of six (6) members of the Board of Governors, or upon petition of one-third of the Class B membership units.

Section 3. The holder(s) of each Class B membership shall be entitled to one vote per membership. One-third of the paid-up Class B memberships outstanding shall constitute a quorum. The Membership Governor shall certify in advance of each meeting the names of those members being able to vote.

Section 4. The Board of Governors shall provide in advance of each annual meeting a full financial report and an estimate of the dues for the coming year.

ARTICLE VI

Indemnification

Section 1. Each member who acts as a Governor or officer of the Association shall be indemnified by the Association against expenses actually and necessarily incurred by him in connection with the defense of any action, suit or proceeding in which he is made a party by reason of his being or having been a Governor or officer of the Association, except in relation to matters as to which he shall be adjudged in such action, suit or proceeding to have acted outside the scope of his authority or be liable for gross negligence or willful misconduct, and except any sum paid for the Association in settlement of such action, suit or proceeding based on actions outside the scope of his authority or gross negligence or willful misconduct in the performance of his duties.

Section 2. The right of indemnification provided herein shall insure to each Governor and officer referred to in Section 1 whether or not he is such Governor or officer at the time such costs of expenses are imposed or incurred, and in the event of his death shall extend to his legal representative.

ARTICLE VII

Amendment of By-Laws

These By-Laws may be amended by two-thirds vote of the Board of Governors or of the membership present and voting at any meeting called at least in part for that purpose. Due notice in writing setting forth substantially the text of the amendment proposed shall be delivered to each membership eligible to vote, personally or by mailing.

Revised March 2013