

# **FAIRBLUE SWIM CLUB BYLAWS**

*(2024 version)*

## **Article 1- Purpose and Corporate Existence**

Section 1. FairBlue Club Inc. shall exist as a private social organization to promote the health and general welfare of its members by operating recreational facilities. Principally a community swimming pool in Brandywine Hundred, New Castle County, Delaware.

Section 2. The club shall be incorporated under the laws of Delaware as a not-for-profit corporation. The board of directors shall maintain this status and shall comply with all laws and regulations of the state affecting incorporation.

Section 3. Any funds remaining shall be equally divided among all members in good standing as defined in Article 2, Section 4, of these by-laws.

Section 4. The club is empowered to enter contracts and to purchase, hold, transfer and sell land and other real property.

Section 5. Each person who serves as a director or officer of the club or is employed by the club under the provisions of these by-laws shall be indemnified by the club against any expense incurred in connection with the defense of any action, suit, or legal proceeding to which he/she in had a party by reason of being or having been a director, officer, or employee. This right to indemnification shall not pertain if he/she is judged liable for gross negligence or willful misconduct. In the event of death, this right to indemnification shall extend to his/her heirs and legal representatives.

Section 6. No bond holder, associate member, director, or officer of the club is empowered to contract any debt or obligation on behalf of the club except in the normal performance of duties prescribed by these by-laws or by actions, which have been duly authorized by The Board of Directors.

## **Article 2- Membership**

Section 1. Membership in the club shall be acquired by purchase from the club of a certificate of membership under the terms and conditions prescribed by these by-laws.

Section 2. The Board of Directors shall set the total number of members from time to time but, at no time, shall the total number households exceed 300.

Section 3. Associate member status shall be granted, upon request, to any person in

the immediate household of a member. This includes all persons in the member's immediate family or other persons permanently resident in his/her home. The board of directors also may grant associate member status to any other person as it deems appropriate provided a record of such action and the reason(s) for it are entered into the permanent minutes of the board.

Section 4. Bond Holder status shall be maintained by continued ownership of a certificate of membership, and by timely payment of annual dues and any fees and assessments prescribed by the Board of Directors in accordance with Article 9 of these Bylaws.

Section 5. The Board of Directors is empowered to impose reasonable terms and conditions for bond holder and associate membership, except that it is not empowered to impose restrictions based upon sex, race, religion, ethnic origin, political beliefs, disability, age, or similar criteria.

Section 6. Bond Holders must be at least 18 years of age, which age shall be considered the minimum for having attained adult status where such status is required by any provision of these by-laws. Application of the term "adult" to any lesser age in any action by the club or its board of directors shall have no effect upon its definition for the purposes of these bylaws. There shall be no age restrictions on associate member status.

Section 7. Requests for membership shall be acted upon in the order in which the membership director receives them. For this purpose, the membership director shall maintain a list of all persons seeking membership, adding to the end of the list the name of each person expressing a desire to become a member. As memberships become available, the membership director shall initiate a process by which the person whose name is at the beginning of the list shall be invited to apply. At times, the Board of Directors may offer installment payments. There is no initiation fee. Applicants must pay membership and maintenance fees for the current season. A former bond holder, who terminated their membership under favorable conditions, and who is seeking readmittance shall be placed on the top of the waiting list under the name of any other person in a similar situation.

Section 8. The Board of Directors shall adjust the price at which a bond can be purchased or redeemed from time to time.

Section 9. Membership bonds shall be numbered, dated, and issued in the name of any adult who has complied with the application procedure prescribed by Section 7 of this article. Once issued, a bond may be transferred to another adult within the original

purchaser's household or to the club for disposition. No other transfer shall be permitted. Transfer shall be made upon written request from the person in whose name the bond was issued. No certificate shall be issued jointly to two or more persons.

Section 10. At the same time, ownership shall be recorded by the membership director on the membership roster, which roster shall be the final arbiter in the event of a dispute concerning ownership of the certificate.

Section 11. A member may relinquish without penalty, by March 1<sup>st</sup> of the current season, from the club by submitting a written notice of relinquishment and bond certificate (if bond is lost, member must state so in the written notice), to the membership director. Such notice is not subject to any approval and need not contain a reason for withdrawal. See Section B, 3, Membership, Details for Relinquishment for further details.

Section 12. Upon receipt of written relinquishment, the membership director shall cause the club to relinquish the withdrawing member's bond. A refund of the original bond payment will be made in order of received relinquishments, based on the allotted revenue available, or until the club has secured a purchaser for the certificate in accordance with the terms of this article. In the event no purchaser is available, the delay shall be extended until one becomes available. The relinquishing member shall have no membership rights during the interim nor shall he/she be liable to pay annual dues, fees, or assessments imposed after the date of the notice of relinquishment. An order of disciplinary action by The Board of Directors shall have the same effect as a notice of relinquishment for the purposes of this section.

Section 13. Any debt owed the club, including annual dues, fees and assessments payable on or before the date of a notice of relinquishment, shall be a lien against the certificate of membership and shall be subtracted from its redemption price before payment is made. In the event such debt is more than the redemption price to be paid, the balance shall remain a debt of the individual to the Club. No refund of annual dues or of fees already paid, either in whole or in part shall be made except by specific authorization by The Board of Directors.

## Article 3- Operations

Section 1. The club shall operate and make its facilities available to all members and associate members during the period of the year accepted as suitable for outdoor swimming and related recreation. This season, generally, shall extend from the annual Memorial Day holiday weekend in May until the annual Labor Day holiday weekend in September. Specific dates and times of normal operation shall be fixed by The Board of

Directors, which may extend the season if deemed appropriate, or may curtail it in the event continued operation would pose a threat to safety or health or be deemed impossible because of an emergency.

Section 2. The facilities of the club shall be always operated for the benefit of the entire membership and never for the profit or advantage of any person or group of persons, whether members or not. Nothing in this section shall prohibit the club from renting its facilities for a reasonable fee, except during normal operating hours, to individual members or groups of members for their private use. Nor shall anything in this section prevent the curtailment of operations for short periods of time during normal operating hours for club-related activities such as swim meets, charitable events, and the like. Such exceptions from normal operations shall be permitted only with the concurrence of The Board of Directors and under conditions, which protect the property of the club and the safety of persons using club facilities.

Section 3. Members, associate members, and guests shall conduct themselves in a manner deemed proper public conduct when using club facilities or present on club property.

Section 4. Admittance to, and use of, club facilities by members, associate members and guests shall be further governed by rules enacted by The Board of Directors. Such rules shall be published in a form convenient for reference and shall be distributed to all members at least once a year. Any changes in such rules adopted by The Board of Directors during the operating season shall be posted at the pool for no fewer than three consecutive days before they are effective. Publication of rules by either of the methods shall constitute due notice and all persons using club facilities shall be bound by them.

Section 5. The Board of Directors is empowered to enforce all rules and assure proper conduct by whatever means it deems necessary and appropriate. The professional staff of the club is empowered to enforce all rules, and common-sense response to situations by whatever means it deems appropriate under the circumstances, subject to later concurrence by The Board of Directors. The board is empowered, by a two-thirds vote, to suspend or expel any member found, after due process (written notice of violation and given an opportunity to be heard), to be in continued or serious violation of its rules or unresponsive to reasonable enforcement efforts. Expulsion of a member shall be accomplished by recalling the member's membership bond and paying for it in accordance with Sections 12 and 13 of Article 2 of these by-laws. Expulsion of an associate member shall be accomplished by issuing a notice declaring that person no longer is an associate member. Expulsion shall not require any refund, in whole or in part, of annual dues or any fees already paid.

Section 6. The Board of Directors shall maintain adequate insurance coverage for liability and property damage.

## Article 4- Membership Meetings

Section 1. Members of the club shall meet in annual sessions and at such other times as is necessary to conduct the business of the club.

Section 2. All members currently recorded on the club membership roster shall be entitled to written notice of such meetings at least 30 days in advance of the date on which they are to be held in a form which states the purpose of the meetings, the time and the place for it, and any other information reasonably considered necessary to participate in the meeting. Such notice shall be considered given when a written notice is sent by mail (to the member at the address recorded on the membership roster), email, public posting, and/or social media.

Section 3. A quorum at any meeting shall be any 25 bondholders: A quorum may be achieved by proxy. Proxies may be acquired via e-mail, social media, or hard copy (located at the pool).

Section 4. The president of the club shall preside at all meetings of the club. In his/her absence, the officer who normally would fill the function of the president in such a situation shall preside.

Section 5. Any member shall have the right to address any meeting and to present proposals, which properly may come before the meeting. Each bondholder is entitled to one vote, which may be cast in person or assigned by written proxy to any other member or adult associate member. Voting may be by any generally recognized procedure. A majority of votes cast by members present, in person or by proxy, shall carry a proposal except on questions on which a larger majority is required by provisions of these by-laws and/or the certificate of incorporation.

Section 6. Adult (age 18 and above) Associate members shall have the right to attend all meetings of the club and to cast proxy votes in lieu of bond holders.

Section 7. The annual meeting of the club shall be held no later than October 31<sup>st</sup> at a time and place set by the Board of Directors. The meeting should be scheduled at a convenient time and accessible location for the average member. The date and time of the annual meeting must be announced via email to the membership by September 1<sup>st</sup>.

Section 8. The annual meeting shall be for the purpose of receiving an annual report from the Board of Directors on the operation of the club; electing officers and

directors;  
receiving committee reports; adopting annual operating and capital budgets; and  
transacting any other business, which may properly be brought before such a meeting.

Section 9. At least fifteen (15) days before the annual meeting, any Bond Holder can notify the secretary of the club in writing (including email) of his/her intent to be nominated for election to any director position available. Such notification should include the name of a Bond Holder who is willing to second the nomination in writing (including email) at least fifteen days before the annual meeting. Upon receiving the notification, the Board will notify all members prior to the annual meeting, and the nominee shall be presented to the membership for consideration on an equal basis to that of nominees presented by the Board.

Section 10. No nominee may be presented to the membership for election before having given consent to serve if elected.

Section 11. Special meetings of the club may be called at any time by the Board of Directors. Such meetings may be called only for a specific purpose or purposes, which shall be stated in the notice of meeting, and no other business may be brought before such meeting. The requirements concerning time of day and location for special meetings shall be the same as prescribed by Section 7 of this article for the annual meeting.

Section 12. The Board of Directors shall call a special meeting at any time it is presented with a petition to do so signed by no fewer than 25 Bond Holders members and stating the purpose(s) for which such a meeting is desired. Such a meeting must be held within 30 days of the receipt by the secretary or president of the board of such a petition. The board shall comply with the notification procedure prescribed by Section 2 of this article.

Section 13. The Board of Directors may conduct a poll of Bond Holders by mail or electronic mail on any question not excluded from such consideration or reserved to the annual meeting by these bylaws. Such a poll shall have the same effect as a special meeting. A mail poll may be held in lieu of a special meeting requested under the provisions of Section 13 of this article only with the assent of all the petitioners for such a meeting. Affirmative votes by a majority of Bond Holders responding to a mail poll shall be required for approval of a proposal so presented, except in cases where a larger majority is required by provisions of these by-laws. The Board of Directors shall fix a period, which shall not be less than 20 days, during which response to a mail poll shall be received.

## Article 5- The Board of Directors

Section 1. Between membership meetings and polls, the business of the club shall be conducted by a Board of Directors consisting of ten persons who are Bond Holders or adult associate members elected by a majority vote of Bond Holders present in person or by proxy, at the annual meeting of the club. Only one person per household may serve as a director at any time. Directors shall take office upon the adjournment of the meeting at which they are elected.

Section 2. The Board of Directors shall have, in addition to the powers stated in these by-laws, all reasonable authority and powers necessary to conduct the business of the club.

Section 3. Directors shall be elected for a two-year term of office. Each director shall serve no more than four consecutive two-year terms (8 years total).

Section 4. Directors shall serve without pay beyond a waiver of the maintenance fees and complimentary guess passes during their tenure. Directors shall be reimbursed for out-of-pocket expenses incurred in performance of duties on behalf of the club during the current season.

Section 5. The Board shall meet periodically, holding no fewer than four meetings between annual meetings. A meeting of the Board may be called by the president or by any three directors acting together. Meetings shall be held on dates and at times and places that reasonably can be considered appropriate for attendance by a majority of the directors. The secretary shall give all directors due notice of all meetings of the board.

Section 6. A quorum for the transaction of business at any meeting of the Board of Directors shall be five directors present in person or by telephone.

Section 7. All decisions by the Board of Directors shall be by majority of the directors present (in person) and voting, except in cases where a larger majority is required by these Bylaws.

Section 8. Any Bond Holder or associate member of the club may attend any meeting of the Board of Directors, except that directors may declare a part of such meetings as executive session and exclude all but directors from that session provided the specific purpose(s) of executive session is/are stated. No vote in the executive session shall be binding upon the club. Any Bond Holder of the club is entitled to notice of meetings of the Board upon written request to the secretary.

Section 9. In the event of a vacancy on the Board of Directors, occurring between

annual meetings, the remaining directors shall elect a replacement director to serve until the next annual meeting. A vacancy occurring within 30 days prior to the next annual meeting need not be filled. In the event of a vacancy on the Board beyond those created by the normal expiration of terms of office, Bond Holders at the annual meeting shall elect a replacement director to fill the remainder of the term of the person whose departure caused the vacancy. A person elected by the Board under the provisions of this section may be elected at the next annual meeting only to fill the unexpired term of the director whom he/she replaced. Any person serving less than two full years as a replacement director shall be eligible for re-election at an annual meeting to a full term.

Section 10. The Board of Directors may remove, for cause, any director by a two thirds majority vote of all directors exclusive of the director whose removal is at question. Such action and its cause(s) shall be entered into the permanent minutes of the board. Any director may be removed, for cause, at any annual or special meeting called for that purpose, by a two-thirds majority of all Bond Holders present and voting, either in person or by proxy, exclusive of the member whose removal as a director is at question. Such action may not be taken by a mail poll.

Section 11. The Board of Directors shall keep permanent minutes of all meetings and any other official proceedings, including decisions made outside of a meeting. Such minutes shall be approved by the Board of Directors and made accessible to all bond holders within seven (7) days of the meeting.

## Article 6- Officers

Section 1. The Board of Directors, shall consist of a president, vice president, secretary, a treasurer and a membership chair, who shall be the officers of the club and are elected at the annual membership meeting. No person may hold more than one of these offices at any time.

Section 2. The president shall be the executive head of the club with all the usual powers and responsibilities of that office. In addition, he/she shall serve as chairperson of the Board of Directors and ex-officio member of all committees.

Section 3. The vice president shall, in the absence of the president, perform the functions of the president on an interim basis. In the event of a vacancy in the office of the president, he/she shall succeed immediately to the presidency.

Section 4. The secretary shall keep the permanent minutes of the board and all other books and records, other than financial, of the club; shall carry out all official correspondences and shall perform all other normal functions of his/her office. The

secretary shall, in the absence of the president and vice president, perform the functions of the president on an interim basis.

Section 5. The treasurer shall be responsible for the financial books and records of the club and shall be responsible for collecting all revenue and paying all debts on behalf of the club and shall perform all other normal functions of his/her office. The treasurer shall, in the absence of the president, vice president and secretary, perform the functions of the president on an interim basis.

Section 6. The membership chair shall be responsible for those duties specified in these Bylaws pertaining to the maintenance of the club membership and such other related duties as may be prescribed by the board.

Section 7. A Maintenance Director, Personnel Director, Swim Team Director, Social Director and Communications Director may be elected to the Board of Directors at the annual membership meeting. No person who is an officer may hold these positions nor may any person hold more than one of these positions at any time. These positions may be held by any bondholder or associate member of the club. The personnel director shall be responsible for those duties specified in these by-laws pertaining to the employment of a professional staff to operate the pool and other club facilities and such other related duties as may be prescribed by the board. The grounds/-and-maintenance director shall be responsible for maintaining in usable and serviceable condition all property and facilities of the club and for such related duties and may be prescribed by the board.

Section 8. The Board of Directors may appoint, either from among the directors or from among Bond Holders the membership or associate membership of the club, such other directors, as it deems appropriate for the operation of the club. These positions may be held by any bond holder member or associate member irrespective of any other office or position he/she may hold in the club.

Section 9. Any untimely vacancy among the officers, , shall be filled promptly and, in no event, shall there be a vacancy in these offices at the annual meeting. The president or the vice president may be removed from office before the expiration of his/her term only through the procedures for the removal of a director established by Section 10 of Article 5 of these Bylaws or by the procedures for the expulsion of a member established by Section 6 of Article 3 and Sections 9 and 15 of Article 9 of these bylaws.

Section 10. The Board of Directors shall be considered a continuing body and all actions taken by the board, except those prohibited by these Bylaws, shall be binding upon successor boards unless and until rescinded by a board.

## Article 7- The Professional Staff

Section 1. The Board of Directors shall employ a pool manager or pool management company; lifeguards (if pool manager is employed) and such other persons as are required to operate the pool and other club facilities. Only the pool manager and lifeguards (if pool management company is not hired) shall be employees of FairBlue Club Inc. and shall be compensated for their services.

Section 2. The personnel director shall be liaison between the professional staff and the Board of Directors. For the purposes of an employer-employee relationship, the line of authority shall pass from the president through the personnel director to the pool manager/pool management company and, through him/her, to all other persons on the professional staff. No other bond holder member of the club shall be deemed to have an employer-employee relationship with any person on the professional staff.

Section 3. The Board of Directors shall set whatever standards and conditions for initial and continued employment, including rates of compensation, it deems appropriate. The board shall be governed in this respect by all applicable laws and by all accepted practices applying to the employment of minors.

Section 4. The Board of Directors shall not enter into a contract or agreement concerning employment that extends beyond the date of the next annual meeting. The board shall have all usual powers for the termination of employment of any person on the professional staff at any time such termination is deemed appropriate.

Section 5. No Bond Holder or associate member or any person who is eligible to be an associate member by virtue of belonging to a member's family shall be employed on the professional staff. Nothing in this section shall prevent a person ineligible for such employment from being employed on a temporary or part-time basis and compensated for such employment in a capacity ancillary to the professional staff. If an ineligible part-time or temporary employee exhibits remarkable work ethic and fulfills their job description and employee contract for the current season, they may be considered for full time employment the following season with two thirds majority board approval.

Section 6. The Board of Directors may employ and compensate such other persons, whether Bond Holders, associate members or not, as it deems necessary to perform duties or services required by the club beyond operating the pool and other facilities. The terms of such employment shall be governed by Sections 3 and 4 of these articles.

Section 7. The Board of Directors shall cause to be in place a policy on equal opportunity and freedom from harassment.

## Article 8- Committees

Section 1. In addition to the committees established by these Bylaws, the Board of Directors is empowered to create from time to time such other committees it deems necessary or appropriate for the conduct of the operations or business of the club. Membership on any committee shall be without compensation and shall be drawn, to the extent practical, only from among members and associate members of the club. These committees shall serve at the pleasure of the board.

Section 2. Persons appointed by the Board of Directors as chairperson under the provisions of Article 6 of these by-laws also may appoint committees on an ad-hoc uncompensated basis to assist them in carrying out their responsibilities. Such committees shall serve at the pleasure of the chairperson appointing them.

Section 3. Activities of all committees shall be subject to the concurrence of the Board of Directors and no committees, or member thereof, may obligate the club to any extent except with the specific concurrence of the board.

## Article 9- Finances

Section 1. The accounts of the club shall be maintained based on a fiscal year beginning October 1<sup>st</sup> and ending September 30<sup>th</sup> each year. The books of the club shall be closed at the end of the fiscal year September 30<sup>th</sup>.

Section 2. The treasurer shall be the chief financial officer of the club. In addition to duties specified in Section 5 of Article 6 of these by-laws, it shall be his/her duty to adhere to the operating and capital budgets approved at the annual meeting and to guide the Board of Directors in any deliberations involving the budgets. The treasurer is empowered to veto any action by the board, which is, in his/her opinion, contrary to the provision of these budgets. Such veto may be overridden only by unanimous vote of all directors other than the treasurer.

Section 3. The operating budget presented by the treasurer to the annual meeting, in person or through his/her agent, shall list all revenue that reasonably can be expected to accrue to the club during the year and all normal operating expenses, which reasonably can be expected. It also shall provide for contingencies. The capital budget presented by the treasurer to the annual meeting, in person or through his/her agent, shall list all expenses, which reasonably can be expected in conjunction with the acquisition of new facilities and equipment and the improvement or replacement of existing facilities and equipment. It also shall list all reasonably expected sources of

revenue for these purposes. Both budgets shall be in balance.

Section 4. Approval of the budgets by a majority vote of bond holders present, in person or by proxy, at the annual meeting and approval of amendments to the budgets by a majority vote of bond holders present, in person or by proxy, at any special meeting called for the purpose or by a majority of bond holders responding to a mail poll shall constitute authorization to the Board of Directors to spend the funds of the club for the purposes specified in the budgets. Nothing in this section shall prevent the board from making minor adjustments, in the normal course of operations, to individual categories within the approved budgets so long as such adjustments do not, in the opinion of the treasurer, violate the intent of the members when approving the budgets. The board is not empowered to transfer items between Operating and Capital budgets nor is it empowered to increase the total of either budget except by recourse to amendment as prescribed by this section or by recourse to the procedure for emergency spending prescribed by Sections 11 and 13 of these articles.

Section 5. All expenditures more than \$100 shall be specifically approved by the Treasurer and Vice President and all expenditures more than \$500 shall be specifically approved in advance by the board. Such approval shall be entered into the permanent minutes of the board meeting. Any funds unspent at the conclusion of the fiscal year shall be carried as income items, into the budgets for the following years.

Section 6. All funds of the club shall be kept on deposit in recognized commercial banks, savings institutions, or both in accounts, which may be drawn upon when and as needed for the club's purposes. Withdrawals and disbursements from these accounts shall be by check or other instrument signed by the treasurer or in his/her absence by another director authorized by The Board of Directors to do so. The board may, at any time, order an audit of these accounts and shall do so no less frequently than every three years. The treasurer shall present to the annual meeting and to all special meetings and to the board upon request a statement showing the current financial position of the club.

Section 7. The Board of Directors shall require that any person having access to the club's funds be bonded (or covered by insurance endorsement) at the expense of the club.

Section 8. The Board of Directors each year shall set a schedule of dues, which will produce the level of income specified in the operating budget approved by the bond holders of the club. Such dues shall be applied equally to all bond holders and to all associate members, except that the board is empowered to waive payment of dues by

all associate members younger than a minimum age it deems appropriate. The board is not empowered to waive payment of dues by any individual bond holder or associate member. Dues rates shall be fixed, and the membership notified at least 60 days prior to

the fee deadline. Additional dues may not be charged in the same calendar year nor may the dues schedule be changed after this notification.

Section 9. All bond holders of the club must pay, in full, annual dues for themselves and on behalf of associate members in their households by the annual dues deadline, April 1st. Any bond holder more than 30 days in arrears on the payment of annual dues shall be notified of such delinquency. If payment is not made within 15 days of such notification, the Board of Directors is empowered to expel the offending member. Such expulsion shall be accomplished by calling his/her bond certificate of membership and redeeming it in accordance with Section 13 of Article 2 of these by-laws.

Section 10. The Board of Directors also is empowered to establish guest privileges and to set a schedule of fees for such privileges. It also is empowered to set fees for all services rendered by the club in addition to providing the facilities to which members and associate members are entitled. Such fees shall be in reasonable relationship to the cost of the services provided. The fees shall be paid before any privilege is extended or service provided.

Section 11. In the event of emergency or circumstances unforeseen at the time the members approved the budget, The Board of Directors is empowered to spend no more than \$10,000 to assure the continued operation of the club and its facilities. The board is further empowered to commit the club to a debt of not more than \$2,500 for this purpose. Such spending and commitment must be approved by two-thirds of the directors and entered into the permanent minutes of the board. This procedure shall not apply to expenditures beyond the budgets, which reasonably could be submitted to the members as an amendment to the approved budgets in accordance with the provisions of Section 4 of this article.

Section 12. In the event of extraordinary financial obligation upon the club, the Board of Directors is empowered to levy an assessment upon each member not to exceed, in any year, the members' annual dues, exclusive of dues paid for associate members in his/her household. Such an assessment must be approved by two-thirds of the directors and shall be entered into the permanent minutes of the board. Such an assessment shall be due and payable 30 days after the members are notified by mail.

Section 13. Any expenditure or assessment above the limits set by Sections 11 and 12 of these articles isn't subject to approval of the bond holders of the club at the annual

meeting or, at a special meeting called for that purpose or through a mail poll.

Section 14. Members shall be responsible for the payment of all charges and liabilities arising out of their use of the club's property or facilities or from the use of the property or facilities by associate members in their household or by guests admitted to the club property on their behalf. This responsibility shall include, but not be limited to, repair or replacement of property or equipment damaged or destroyed, whether by accident, negligence or otherwise. In the event of a dispute over the amount or the appropriateness of such charges and liabilities., The Board of Directors shall make the final determination through due process.

Section 15. The Board of Directors is empowered to expel any Bond Holder who refuses or fails to pay any duly imposed assessment, fee, charge, or liability. In such event, the board shall establish a procedure similar in nature to the one prescribed by Section 9 of this article for non-payment of dues and such procedure shall be applied equally to all bond holders in like situation.

Section 16: The Board shall designate the bank or banks in which the funds of the club shall be deposited and determine the manner in which checks, drafts, and other instruments for payment of funds of the Club shall be executed. However, the Board shall always require that the Treasurer and one other Board member sign all checks, drafts, or other instruments for the payment of money drawn in the name of the Club. The Board is authorized to finance major expenditures and operations with the financing of its choice to be authorized by the President, Vice President, or Treasurer, and attested by the Secretary and approved by the Board.

## Article 10- Enactment and Amendment of these Bylaws

Section 1. These by-laws shall become effective 10 days after approval by two thirds of the registered members of the club. Upon becoming effective, these bylaws shall supersede all previous by-laws and existing rules of the club, except that The Board of Directors is empowered to provide for an orderly transition to the provisions of these by-laws in situations where immediate implementation would be unreasonable or result in a condition that would interfere with the normal operation of the club. The board is further empowered to correct, without recourse to the amendment procedure established by Section 3 of this article, any faults of language or other impediment to the effectiveness of these by-laws. In any event, these by-laws shall become fully

effective not later than the next annual meeting after their adoption, which meeting shall be governed by their provisions.

Section 2. Each director and officer holding office on the effective date of these by-laws shall be confirmed in his/her office and shall continue to hold it as if he/she had been elected under the provisions of these by-laws.

Section 3. Once fully effective, these bylaws may be amended or changed by two thirds vote of bond holders present, in person or by proxy, at an annual meeting or at a special meeting called for that purpose. They may not be amended or changed by a mail poll.

Section 4. All bond holders' shall be entitled to a copy of these by-laws and any amendments which are available on the Fairblue website.

Section 5. Invalidation of any article, section, or part of these by-laws by any means including, but not limited to, legal action or fault in the content thereof. Including faults introduced through amendment shall not invalidate any other article, section, or part of these by-laws.