

Great Bridge Swim & Racquet Club, Inc.

1200 Back Road
Chesapeake, VA 23322

757-482-4494

Post Office Box 15371
Chesapeake, VA 23328

Bylaws: (Amended October 2015)

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Article I. IDENTITY

1.01 Name. The name of the corporation shall be Great Bridge Swim and Racquet Club and for designed purposes is referred to in these By-laws as the "Club." It shall exist as a non-profit Virginia organization.

1.02 Mission Statement. It shall be the mission of the Great Bridge Swim and Racquet Club to be a member owned, family orientated facility with emphasis on quality swim, tennis, and social programs offered in a relaxed atmosphere that encourages lifelong family membership.

1.03 Location. The post office address will be Post Office Box 15371; Chesapeake, VA 23328. The physical location will be 1200 Back Road; Chesapeake, VA 23322.

1.04 Seal. The corporation seal shall be circular in form and shall have inscribed thereon, Great Bridge Swim and Racquet Club.

Article II. THE CORPORATION

2.01 Organization.

(a) The management of the Club, its affairs, properties and assets are vested in a Board of Directors, consisting of Eleven (11) members in good standing of the Club; commencing with the election of Directors at the annual meeting in 2012, and each year thereafter, there shall be no less than nine (9) Directors. Directors shall be subject to the mandates of the voting members at annual meetings, or at any special meeting called for the purpose of acting upon the affairs of the Club.

(b) The number serving on the Board may be changed by the membership by amendment of these Bylaws. All officers shall be members of the Board of Directors. For designation purposes, the Board of Directors will hereinafter be referred to as the "Board" or "Directors."

2.02 Powers.

(a) Voting Procedure: A quorum shall be a majority of the Board and valid Board action may be taken by a majority of those present. However, in the case of expulsion procedure, the quorum shall be three-fourths of the Directors, and in such case, valid Board action may be taken by three-fourths of those present.

(b) In addition to any and all powers conferred upon the Board by the By-laws, and by the Articles of Incorporation of the Club, these By-laws, without in any manner or degree abrogating, limiting or modifying such powers, grant to the Board the following authority:

(1) To set forth the terms and conditions upon which a person may be accepted to membership; to examine and adjudge the qualification of each applicant for membership, being hereby granted full and final authority to accept or reject any such membership application in accordance with Section 7.02.

(2) To bear and determine charges made against any member, full and final authority being hereby granted to reprimand, to suspend and to expel any member in accordance with Section 7.05. A member may be privately disciplined for cause upon the affirmative vote of a majority of the Board, but public reprimand or suspension or expulsion shall require the affirmative vote of three-fourths of the Directors.

(3) To elect for its members a president, a vice-president, a secretary and a treasurer annually, as prescribed in Section 5.02.

(4) Upon the recommendation by the president, to confirm a nominating committee to select and recommend names of members to be posted as nominees for Directors in accordance with Section 5.01.

(5) To authorize the president to appoint such standing and other committees as in his judgment are necessary for the proper management of the Club; to define and delegate the duties and powers of such committees, and through a finance committee, and to establish an annual budget for each committee.

(6) To determine late fees, annual dues increase of more than 5% annually and the cost of membership certificates, subject to approval pursuant to 2.02(b) (8).

(7) To determine initiation fees.

(8) To determine annual dues, as long as the amount falls within 5% of the current dues structure.

Any annual dues changes of more than 5% must be approved by a majority of a General Membership quorum in attendance at any meeting wherein such an increase or assessment is to be considered.

(9) To make, alter or amend Club rules and provide penalties for infractions of the rules and Bylaws, as prescribed in Article VIII.

(10) To make or authorize the purchases of services, materials or supplies and to contract for whatever may be reasonably required in the operation and maintenance of the Club, and to make such alternations and improvements in the property of the Club and in the Club facilities where such action in their discretion is necessary or expedient; off budget capital expenditures in excess of \$5,000 requires the approval of the majority of the General Membership present at the Annual or Special Club Meeting.

(11) To remove a Director from the Board for cause. The absence of a Director from three (3) consecutive meetings of the Board, unless excused by the Board or president, shall be considered sufficient cause for removal.

(12) To choose a successor who shall hold office for the unexpired term in the event of a vacancy in the office of the president, treasurer or other officer.

(13) To employ annually one or more certified public accountants, not necessarily members of the Club, to audit the books of the Club or an officer, employee, committee or agent thereof and/or to employ one non-member who (1) is approved unanimously by the Board annually every January, (2) meets the Board's criteria and specializes as an Accountant and Registered Tax Return Preparer, (3) will prepare the annual tax returns and monthly payroll taxes, and (4) reconciles, reviews and signs off on all expenses on monthly bank statements.

(14) To direct the president to call special meetings of the Club in accordance with Section 6.05.

(15) To elect a presiding officer in the event that the offices of the president and vice-president are vacant.

(16) To annually approve a budget for the maintenance and operation of the Club and all of its activities. To exercise the power of the comptroller in making adjustments or transfer of funds from one budget category or item to another, as the need shall arise, upon the recommendation of the finance committee.

(17) To devise and implement pilot, temporary or promotional memberships. These programs can last up to two years. At the conclusion of the allotted time, the program will either become permanent, pending membership approval, or be cancelled at the board's discretion.

(18) To recommend to the General Membership the amount of any Assessment to be paid by each and every membership regardless of the type of membership. Assessment shall be defined as a sum of money to be paid by all memberships in order to make a capital improvement, cover expenses or otherwise keep the Club in good financial standing.

Article III. OFFICERS

3.01 Titles. The officers of the Association shall be a president, a vice-president, a secretary and a treasurer elected as provided in Article V. One person may not hold more than one office at any one time. Any vacancy in office shall be filled by appointment by the Board of Directors for the unexpired term.

3.02 Duties of the President.

(a) The president shall be the Chief Executive officer of the Club, performing any and all legal duties under the Articles of Incorporation and incidental to the corporate office of president.

(b) He/She shall preside at all meetings of the Club and of the Board of Directors.

- (c) He/She shall call special meetings of the members of the Club as provided in Section 6.02.
 - (d) He/She shall enforce all rules and regulations of the Club and shall, with the approval of the Board, have the right to appoint or employ all officers, employees and servants not otherwise herein provided for.
 - (e) With the approval of the Directors, shall appoint all committees, select the chairman of each and every committee, (said chairman must be a member of the Board), and fill any vacancies in such committees by appointment. Shall be an ex-officio member of all such committees.
 - (f) He/She shall make annual reports to the Directors and members.
 - (g) With the secretary, and in his/her capacity as chief executive officer of the corporation, shall sign all membership certificates, written contracts, obligations and instruments of the Club and shall have charge of the general supervision and control of the Club and its management.
 - (h) He/She shall perform all other such duties as properly may be required of him/her by the Board.
- 3.03 Duties of the Vice-President.** In the absence of the president, the vice-president shall perform all of his/her duties; and if the office of president shall become vacant, the vice-president shall hold the office of president until the next election.

3.04 Duties of the Secretary.

- (a) The secretary shall perform any and all legal duties under the Articles of Incorporation and incidental to the corporate office of the secretary.
- (b) He/She shall be the custodian of the Club seal and affix it to all such written documents as required. He/She shall sign or countersign all such instruments as may require his/her signature as a corporate officer of the Club.
- (c) He/She shall conduct or cause to be conducted all official correspondence of the Club and shall see that such correspondence is properly preserved and filed until otherwise disposed of by the Board.
- (d) He/She shall ensure the issuance of notices of all meetings of members or Directors and he shall keep the minutes and records thereof.
- (e) He/She shall keep, or cause to be kept, a corporation record book in which shall be entered an accurate history of all resignations of members or officers and all membership forfeitures suspensions and expulsions, together with accurate listings of all members' names, and correspondence addresses and telephone numbers, as well as the date when each was elected to membership, and upon completion of each membership in such form as may be authorized and approved by the Board. He/She shall maintain the membership record book, shall issue all membership certificates, and record all transactions involving membership repurchase.
- (f) He/She shall ensure that necessary documents are filed with the Commonwealth of Virginia to preserve the club's corporate status.
- (g) He/She shall ensure periodic reports and licensing applications are filed with city, state and federal governments, e.g., business license, ABC license, service license, personal property reports, sales reports, tax reports, etc.

3.05 Duties of the Treasurer.

- (a) The treasurer shall perform any and all legal duties under the Articles of Incorporation and incidental to the corporate office of treasurer.
- (b) He/She shall sign or countersign all such instruments as may be required as a corporate officer.
- (c) He/She shall be the custodian of all Club funds. He/She shall collect fees and dues from members, shall be by letter or otherwise, regularly advise delinquents of their unpaid indebtedness. He/She shall deposit all funds in a depository designated by the Board per Section 12.02.
- (d) He/She shall disburse the Club funds as authorized by the Board. In accordance with a system satisfactory to the Board and per Section 12.02, he shall keep proper records of each Club account and proper vouchers of all sums disbursed from Club accounts.
- (e) He/She shall submit at each Board meeting, complete information as to the financial condition of the Club. At the annual meeting of members, shall submit a complete and comprehensive

statement of the Club's financial affairs, properly audited by an auditing committee appointed by the president.

(f) He/She shall perform all other such duties as may be properly assigned to him by the Board.

Article IV. COMMITTEES

4.01 Formation and General Rules.

(a) Standing committees and other committees shall be appointed by the president subject to the approval of the Board, except where otherwise provided in accordance with Section 3.02(e).

(b) Vacancies in committees shall be filled by appointment by the president as provided in Section 3.02(e).

(c) Each committee shall be composed of as many members or Directors, or both, as the president may determine, except as otherwise provided herein. Committee appointments may be for one year or less at the discretion of the president.

(d) The Board shall provide each committee with a set of rules for members and guests with respect to the specific activity for which each such committee may have the responsibility, and with respect to the committee's own function.

(e) No committee shall have the right to obligate the Club in any way or in any sum more than the budgeted amount established for its use for the current year by the finance committee.

(f) All committees shall report on their activities to the Board whenever requested and are at all times under the direct supervision and control of the Board. Committees shall only have authority as is specifically defined herein and as may be delegated to them by the Board.

4.02 Standing Committees. The standing committees shall be as follows: Finance Committee, Membership Committee, Operations Committee, Staff Committee, Tennis Committee, Swim Team Committee and Social Committee. Each Committee shall be chaired by a board member and consist of up to 5 members.

4.03 Duties and Responsibilities.

(a) The Finance Committee; chaired by the Treasurer, and composed of the President, the Treasurer, and at least two (2) other Board members; shall prepare the annual budget for submission to and approval by the Board. This Committee shall advise the Board concerning the financial affairs of the Club. In devising the annual budget, this committee shall be guided by the requirements which are determined by the Committee and the other standing Committees.

(b) The Membership Committee, with the approval of the rest of the Board, shall formulate proper rules for receiving and passing on membership applications and for its own functioning as a committee.

(c) The Operations Committee shall supervise and arrange for the maintenance of the pool and the other Club facilities and grounds. This committee shall be involved in the preparation of rules of good health and good conduct in conjunction with the operation of all Club facilities. This committee shall be responsible for drafting proposed revisions of By-laws insofar as the proposed amendment may pertain to responsibilities of the committee and of the Board.

(d) The Staff Committee shall be responsible for the staffing (including supervision), except as prescribed below for the Tennis and Swim Team Committees, of the employees of the Corporation. This committee shall be involved in the enforcement of all rules of good health and good conduct in conjunction with the Club's facilities. This committee may deny the use of all or a portion of the Club's facilities to anyone who violates Rules judged to endanger the health, safety, or well-being of persons or property. This committee shall be responsible for drafting, modifying, publishing, posting, and otherwise circulating, the official Rules and Regulations of the Club. The Chairperson of the Staff Committee shall not be a parent or legal guardian of an employee of the Club.

(e) The Tennis Committee shall oversee the operation of all tennis and related activities of the tennis

equipment, staff, facilities, and all related budgetary considerations.

(f) The Swim Team Committee shall oversee the operation and related activities of the Swim Team, including its staff, equipment, and other budgetary and related considerations.

(g) The Social Committee shall supervise and arrange for the social activities of the club, including budgetary and related considerations. This committee will set or approve dates for use of Club facilities.

Article V. ELECTIONS

5.01 Directors.

(a) At least thirty (30) days preceding the annual meeting, the president in accordance with Section 2.02(b)(4) and 3.02(e) shall appoint a nominating committee. The committee shall nominate at least one (1) person for each vacancy. The list of nominees presented by the committee shall be included in the annual meeting notice. Any membership holder in attendance at the meeting may make additional nominations to the Board. Directors shall be elected by a majority vote cast at the annual meeting by those present or by proxy. There will be an election for an odd number of members on odd years and an even number of members on even years.

(b) Directors shall be elected for two (2) year terms and shall be installed into office at the next meeting following elections.

(c) In the event that the services of a director are terminated by removal from the Board for cause, incapacity to serve, resignations, etc., a replacement shall be elected to serve the unexpired term by a majority vote of the Directors.

(d) After November 1992, there shall be a limit of tenure of eight (8) consecutive years.

5.02 Officers.

(a) At the meeting following elections, the outgoing President shall call the meeting to order and shall preside over the first order of business, which shall be the election of officers. Said election is to be conducted by nominations from current Directors with votes cast by written ballot. A simple majority of affirmative votes is needed for each elected officer position.

(b) There shall be a limit of tenure in these offices of two consecutive years unless the majority of the Directors deem an exception necessary.

Article VI. MEETINGS

6.01 Annual Club Meeting. The annual meeting shall be held in September or October at the GBSRC Club House at a time designated by the Board for the election of Directors and for other business which may be brought before the meeting for action. The secretary shall mail notice of this annual meeting to each member holding membership and being in good standing at least ten (10) days before the date of the meeting. Electronic communication is an allowable form of communication provided the member recipient has notified the board of this preference in writing.

6.02 Special Club Meeting. The president shall call special meetings on behalf of the Board or upon the written application of twenty-five (25) voting members not in arrears, filed with the secretary. Special meetings shall be held at the GBSRC club house at a time determined by the Board. A notice of the time and purpose of the meeting shall be mailed to each member at least ten (10) days prior to the meeting, and at such meeting no other business than that stated may be transacted. Electronic communication is an allowable form of communication provided the member recipient has notified the board of this preference in writing.

6.03 Annual Board Meeting. The annual meeting of the Board of Directors shall follow the annual meeting of the Club.

6.04 Regular Board Meetings. Meetings of the Board of Directors shall be held a minimum of once per month at the GBSRC club house. The president shall designate, and on such dates as shall be designated by the Board.

6.05 Special Board Meetings. Special meetings of the Board shall be held on call of the president,

acting on his own initiative or upon written application of the majority of the Board. The president shall designate the time and the place of the meeting.

6.06 Quorum of Club Meetings. To constitute a quorum, members who are in good standing representing 10% of entire membership must be present in person or by proxy. If a quorum fails to attend at the place or time of the meeting, then those who do attend may adjourn from time to time until a meeting shall be regularly constituted. At all meetings of the Club each member (Family, Individual, Veteran and Charter) shall be entitled to one (1) vote.

6.07 Order of Business at Club Meetings. The order of business at the annual meeting shall be call to order, roll call to determine the presence of a quorum, reading and disposal of any unapproved minutes, reports of officers, election of Directors, unfinished business, new business and adjournment, except as prescribed in Section 5.02.

6.08 Order of Business at Board Meetings. The order of business at regular Director Meetings shall be reading and disposal of any unapproved minutes, reports of officers and committees, (election of officers at the annual meeting of Board), unfinished business, new business and adjournment.

6.09 Parliamentary Rules. In the conduct of all meetings, either membership or Board, Robert's Rules of Order shall govern except where inconsistent with these By-laws, a copy of which shall be retained by the secretary.

Article VII. MEMBERSHIP

7.01 Members Defined.

(a) Charter Membership: Charter members shall be restricted to the first two-hundred (200) members of the Club, i.e., membership numbers one through two-hundred. They shall have the same rights and responsibilities as other members.

(b) Family Membership: Family members shall include a husband, a wife and unmarried children under twenty-three years of age, all of whom must live in the same household. Without paying any initiation fee or regular dues, a family member's spouse and any unmarried legal dependents shall enjoy the Club's privileges.

(c) Veteran Membership: Veteran members shall be restricted to family, individual or military memberships, or any combination thereof, who have been members, in good standing, for at least fifteen consecutive years.

(d) Individual Membership: Individual members shall consist of one person who shall be responsible for guest fees. Spouses of individual members may with payment of guest fees visit the club an unlimited number of times.

(e) Associate Membership: Associate members shall be a family or individual who wish to join GBSRC by paying only annual dues of one third more than our established family/individual dues.

(f) General Membership: Within the Bylaws of the Great Bridge Swim and Racquet Club, Inc., General Membership shall mean any membership with voting rights.

(g) Tennis Affiliate Membership: Affiliates shall have no ownership or voting rights, and are not eligible to purchase GBSRC stock. As of October 31, 2015, the Tennis Affiliate Membership Program is hereby abolished; however, any current Tennis Affiliate Memberships, whether family or individual, as long as their membership is paid in full and is in good standing will retain their current memberships, but will still be subjected annually to any dues increase in accordance with 7.03 (f).

(h) Lifetime Membership: Lifetime members shall include a husband, a wife and unmarried children under the age of twenty three years, all of whom must live in the same household. Without paying any initiation fee or regular dues, a family member's spouse and any unmarried legal dependents shall enjoy the Club's privileges. The sale of a lifetime membership shall commence with the 2012 annual meeting. A Lifetime Membership can be purchased by both new and current members of the Club. Lifetime memberships are defined as carrying a timeframe of 30 consecutive years from date of purchase. Should the lifetime member continue membership, then at the start of the 31st year, membership shall be

converted to veteran status and pay veteran dues accordingly. During the 30 year timeframe, Leave of Absences or any such deferral of a membership year to a later year will not be honored.

7.02 Applicants.

(a) Any person who desires membership to the Club shall present, or cause to be presented, to the Board, a completed application on a form approved and supplied by the membership committee.

All applicants, their spouses, and legal dependents must be listed on each application for membership. Incomplete applications shall not be considered.

(b) Upon a Board approved arrangement, the treasurer and secretary may grant new memberships. The Directors, at the next regularly scheduled meeting, shall review applications and confirm or deny memberships.

(c) By simple majority of affirmative votes, the Directors may approve each application properly presented to them.

(d) Applicants may be considered members and as such enjoy all privileges and responsibilities of club while making installment payments, as long as payments are made on time and within the auspices of Article 7.03(e)(2). Stock certificates will be issued only when full payment is received for initiation and stock.

7.03 Membership Requirements.

(a) Family Membership owners are required to timely pay annual dues, to pay an initiation fee determined by the Directors, and purchase one stock certificate for four (4) shares of stock at \$100 per share and timely pay any approved assessment. (1) Children of family members in good standing and who have exceeded the maximum age as set forth in Section 7.01(b) may join their parents as club members by purchasing their own family membership per 7.03(a) except that the initiation fee established for 7.03(a) shall be reduced by 5/6 of the initiation fee. (2) Children of resigning family members in good standing and who have exceeded the maximum age as set forth in Section 7.01(b) may purchase their own family membership per 7.03(a) except that they may accept the transfer of their parents stock. A family member transferring stock to a child shall surrender its stock certificate for cancellation by the Directors who will in turn reissue a new certificate with a new membership number to the child.

(b) Individual Membership owners are required to timely pay annual dues pay an initiation fee determined by the Directors, purchase one stock certificate for two (2) shares of stock at \$100 per share and timely pay any approved assessment.

(c) Veteran Membership owners are required to timely pay annual dues and timely pay any approved assessment.

(d) Associate Membership: GBSRC may offer from time to time, as determined by a majority of Board Directors, an Associate Membership that will allow individuals and families to join GBSRC and timely pay annual dues of one third more than our established family/individual dues and timely pay any approved assessment. An Associate member shall not be a stockholder, shall not have any voting rights and shall renew annually unless such member resigns in accordance with these bylaws and those regulations promulgated by the Board of Directors or, in the alternative, the Associate Membership is terminated, whether temporarily or permanently, by a majority of Board Directors.

(e) Lifetime Membership owners are required to pay \$10,000.00, to an initiation fee determined by the Directors, and to purchase one stock certificate for four (4) shares of stock at \$100 per share and timely pay any approved assessment. Current Club members who elect to become Lifetime Membership Owners are only required to pay any approved assessment, and must be in good standing. Lifetime memberships are nontransferable. Once paid, no refunds full or partial will be honored. Any special assessments during an owner's lifetime membership are not covered in this amount and must be paid accordingly.

(f) In accordance with Section 2.02(b) (6), (7) & (8), changes to the amounts of annual dues within 5% of the current dues structure may be made at the discretion of the Board. Any changes to the annual dues of more than 5% from current dues structure as well as any and all late fees not described in these Bylaws must be made by a majority vote of a General Membership quorum in

attendance at any meeting wherein such increase is to be considered.

(g) Beginning in 2005, existing and new members will have two (2) payment options for their annual dues, as follows:

(1) Annual Lump Sum Payment – for those members, who choose the Lump Sum Payment option, said payment is due in full, on or before April 30th of each year. If Payment is not received by April 30th a \$25.00 late fee will be charged and member is automatically suspended until dues are paid in full.

(2) Monthly Billing via Electronic Transfer – For those members who choose the Monthly Billing via Electronic Transfer option, monthly payments are to be debited from the member's checking or savings account on the 15th day of the prior month (i.e., a payment made on April 15th pays for May's dues.) Monthly payments may include an additional service charge, not to exceed \$1.00 per transaction. If at any time a member's automatic debit is terminated, the member shall be automatically suspended and the balance of any dues owed for the fiscal year shall accelerate and be due in full. The suspension shall be lifted upon full payment of dues and any other debt(s) owed to the club or, in the alternative, upon approval of a majority of Board Directors, the suspension shall be lifted upon the member reinstating automatic debit and paying in full any and all accrued monthly dues installments.

(h) When a child or spouse is added or removed from a Family Membership, the member must report the names of the additions or the changes to the Board when annual dues are to be paid.

(i) Members are responsible for the conduct and indebtedness of the spouse, legal dependents, and guests; and they are required to comply with the Club's Bylaws and Rules.

(j) Members wishing to convert his or her membership type shall petition the Board in writing with his or her request.

(1) When seeking a change from Family to Individual membership, the member will continue to hold four (4) shares of common stock. On resignation, four (4) shares of stock will be redeemed.

(2) When seeking a change from Individual to Family membership, the member shall pay the current difference between the Family and Individual membership initiation fee as well as the dues required for a Family membership. In addition, the member shall purchase additional shares of stock to be equal to a family membership.

7.04 Delinquency.

(a) The Board shall direct the treasurer to mail to each member a statement of annual dues no later than February 15th of each year, unless otherwise authorized by the Board. Members must designate to the Treasurer their chosen payment method (Lump Sum or Monthly Billing via Electronic Transfer), no later than March 15th of each year. If designation is not provided to the Treasurer by March 15th, the Lump Sum method will be the default option, and therefore the lump sum is to be paid on or before April 30th, pursuant to Article 7.03(g)(1). All dues payments must be paid in full by April 30th or the member will be considered in arrears.

(b) The Board shall direct the Treasurer to mail each member a statement of assessment no later than ten (10) days after such assessment is approved pursuant to the Club's bylaws. The assessment shall be due as provided for in the motion, properly made, seconded and approved by a General Membership quorum at any meeting wherein the General Membership has been given proper notice. All assessments must be paid by the imposed deadline or the member/membership shall be considered in arrears.

(c) Should any member be in arrears he or she shall, without action of the Board, at once be deemed automatically suspended and denied privileges of the Club. His or her name will be presented to the Board. If the indebtedness is discharged within thirty (30) days of the due date, the suspension is to be lifted. The member shall remain suspended from all privileges of the Club until the debt has been fully discharged.

(d) If any member shall have been delinquent for a continuous period of sixty (60) days, the Board shall either continue suspension or expel him after a hearing as prescribed in following Section. At the discretion of the Board, such suspended member may be reinstated at any time upon full

payment of his indebtedness.

(e) After ninety (90) days of continuous delinquency, the Club has the right to redeem that member's certificate at its par value and deduct from that sum any debt or dues that member owes the Club.

7.05 Reprimand Suspension and Expulsion.

(a) The Board has the authority to privately discipline or to publicly reprimand, suspend or expel any member for cause as provided in Section 2.02(b)(2). Such cause may consist of the violation of any By-law or Rule, or any conduct which in the opinion of the Board is detrimental to the Club's welfare or good order and discipline therein or upon its premises, or of any improper usage of the Club or its property.

(b) Public reprimand, suspension or expulsion of any member for any cause, including delinquency, shall not be made by the Board until the member shall have had an opportunity to present a defense. One week's written notice specifying the time and place the Board will consider the charges, accompanied by a written specification thereof shall be considered as affording such member sufficient opportunity to present his defense.

(c) All defenses must be made in person and not by professional representation.

7.06 Resignations.

(a) Any member wishing to withdraw from the Club must submit a resignation in writing and will be acted upon at the next scheduled meeting of the Board. Upon receipt of such written notice, the member's debt to the club will be paid in full immediately. In the event the member is paying dues monthly, the member authorizes the Club to immediately debit the balance of dues owed from their account.

(b) No resignation of any member indebted to the Club shall be accepted until the debt is settled.

7.07 Leaves of absence.

(a) Leaves of absences are defined as a leave of absence from the membership year (May 1 to April 30). At no time will a Leave of Absence be honored for a membership year after full payment or monthly debits have begun for that membership year.

(b) Leaves of absences not to exceed three (3) membership years may be granted at the discretion of the Board with such adjustment in dues as the Board sees fit. Such grants are only to be considered when the member: (1) remains in good standing, (2) submits the Leave of Absence request to the Board of Directors in writing, and (3) submits an annual administration fee of \$25.

7.08 Guests.

(a) No member of this Club shall be permitted to bring guests to any of the facilities, functions or activities of this Club, except as authorized by the committee. Any violations of this provision of the By-laws shall subject the members in violation thereof to the provision of these By-laws regarding Reprimand, Suspension and Expulsion.

(b) All other rules and regulations with reference to the guest policy of the Club shall be determined by the respective standing committee to be appointed by the Board subject to the provisions of Article IV.

7.09 Survivor Clause. In the event of the death of a stockholder, the stock may be transferred to the surviving spouse.

Article VIII. CLUB RULES

8.01 Formation. The Board with the advice of the various standing and other committees shall formulate all Club rules and governing members, guests, officers, committees and employees.

8.02 Publication. Copies of all rules shall be posted in conspicuous places on and about the Club premises and on the Club's website. In addition, the secretary shall distribute such copies of these By-laws and any and all future amendments thereto to all members of the Club.

8.03 Enforcement and Penalties. Employees, members and guests shall report violations of the Club's Bylaws and Rules to the Club's management or to a member of its Board of Directors as soon as practicable. An appropriate committee, with the Board's approval, shall prescribe and levy such fines for infractions as it deems just and proper.

8.04 Appeal. Any member shall have the right to appeal to the Board from the decision of any committee with respect to its interpretation and enforcement of any Rules or By-laws. The Board's decision in all such matters shall be final.

Article IX. COMPLAINTS

9.01 Any complaint made by a member regarding the conduct of any member or guest, or the conduct or performance of any officer, director, committee member or any servant or other employee of the Club or regarding any phase of the operation of any Club facility, shall be submitted in writing by such complaining member to the secretary, who shall transmit it to the Board for final decision and disposition. Such complaint must be signed by the member and include the member number to facilitate the board's response.

Article X. BYLAW AMENDMENTS AND INTERPRETATION

10.01 Procedure for Amending.

(a) These By-laws may be amended by two-thirds vote of members present, by electronic voting, or by proxy at any meeting of the Club.

(b) Proposed amendments shall be posted on the Club Bulletin Board at least ten (10) days before the meeting at which the amendments are to be considered. Proposed amendments shall also be mailed to each member at the time of the posting. These restrictions shall not apply to proposed amendments when being acted upon by the Club at its annual meeting.

10.02 Interpretation. The Board shall decide all questions of interpretation of the By-laws.

Article XI. MEMBERSHIP CERTIFICATES

11.01 Certificates.

(a) Certificates for membership shall be in a form prescribed by law and determined by the Board.

(b) No individual shall be entitled to hold or own more than one (1) membership in the Club, except as approved by the Board.

11.02 Re-purchase. Whenever any stock certificate of membership becomes available for sale, said certificate shall be redeemed by the Club at its face value, provided that the Club is at full capitalization.

11.03 Capitalization.

(a) The total number of membership certificates shall not exceed three-hundred-fifty (350).

Individual members shall be counted as one-half (1/2) toward the total number of memberships.

(b) The face value of membership certificates is specified in Article VII.

(c) The Board on an annual basis shall determine full capitalization of the Club for budgeting purposes and for re-purchase of stock certificates. Full capitalization shall be no less than two hundred-seventy (270) members and not more than three-hundred (300) members.

Article XII. PROPERTY AND FINANCES

12.01 Transfer of Property. Personal property of the Club may be transferred only after two-thirds of the Directors shall have approved such transfer. Real property of the Club may be transferred only upon approval of two-thirds of the members in good standing present at a duly constituted meeting, or by electronic voting or by having submitted a proxy.

12.02 Disposition of Funds.

(a) The funds of the Club shall be deposited in national banks, state banks or trust companies operating in accordance with the laws of the Commonwealth of Virginia and the Federal Deposit Insurance Corporation must insure deposits.

(b) All funds of the Club shall be deposited in qualified depositories designated by the Board within seventy-two (72) hours of their receipt. However, receipts taken together of \$100.00 or less need not be deposited more often than once a week.

(c) All disbursements of funds of the Club shall be made by checks signed by the treasurer or the president. However, the Board may resolve to provide for the establishment of a petty cash fund for purposes of dispersing amounts not to exceed the amount of \$100.00

(d) Income and disbursements supporting the Club swim team shall be maintained by the Treasurer. Swim team funds may be maintained in the same bank account as other Club funds, but they shall be used to support swim team activities. All expenditures must be approved by the designated swim team representative.

Article XIII. MISCELLANEOUS

(a) Each person who acts as a Director of the Club shall be indemnified by the Club against expenses actually or 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 Director of the Club except in relation to matters as to which he shall be adjudged in such action, suit or proceeding to be liable for gross negligence or will full misconduct in the performance of his duties.

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

(c) The Club shall purchase Directors and Officers liability insurance to indemnify the Officers and Directors from liability and judgments entered against them, unless such liability or negligence is caused by the Officer's or Director's gross negligence or willful misconduct.

(d) The Club shall purchase a Crime Employee Dishonesty Policy to protect the Club against crimes of internal theft of money and securities by employees, which includes all Officers and Directors.