

Pinecrest Swim & Tennis Club By – Laws.
Adopted April 12, 1999
(amended March 20, 2000, & March 2004 & May 2008)

ARTICLE I
Name and Location

The name of the corporation is PINECREST SWIM AND TENNIS CLUB, INC., hereinafter referred to as the "Club". The principal mailing address is P.O. Box 5056, Herndon, VA 20172. but meetings of members and directors may be held at such places within the State of Virginia as may be designated by the Board of Directors.

ARTICLE II
Membership

Section 1: Corporate Membership: An individual (or family unit residing all within one household) may become a Corporate Member of the Club provided he is a resident of zip code 20171 (zip code boundaries as they were on 3-98), or the Homeowners Association of the Courts of Fox Mill.

Section 2: Total Membership: Total corporate membership will be limited to 500 units at any one time.

Section 3: Rights of Corporate Members: The owner of each Corporate Membership has the following rights:

- (a) The right of said Corporate Member and immediate family members, permanently residing together in one household to use the Club's recreation facilities, subject to such rules and regulations as may be prescribed by the Board of Directors or its duly authorized committees, which said rights shall remain in full force and effect as long as the said member fulfills all obligations under these by-laws or the rules and regulations adopted pursuant hereto.
- (b) The right to one vote per Corporate Membership owned, either in person or by proxy to another Corporate Member designated in writing on all matters specified

herein or presented to the members at any duly called regular or special meeting; and,
(c) The right to hold office in the Club.

Section 4: Application for Membership: Each applicant for Corporate Membership must submit an application in writing, on forms furnished by the Club, to the Membership Chair with the amount of the Corporate Member fee, (the amount to be established by the Board of Directors), or a letter from the selling member stating that the sale has been transacted satisfactorily by both parties. Upon receipt of the completed application, the members of the Membership Committee shall forthwith examine the application to determine whether the applicant is eligible for Corporate membership. In the event the applicant is determined ineligible for membership, the Corporate Member Fee shall be refunded immediately.

Section 5: Corporate Membership Fee: Membership fee shall be determined at the annual meeting. This Corporate fee may be changed at the Board Of Director's discretion.

Section 6: Annual Dues: The Board of Directors, on or before March One of each year, shall pursuant to article VII section 9 and to elect officers pursuant to article III. establish an annual budget and determine the ensuing year's dues. Upon approval of the budget and annual dues at the Annual meeting, the Board will mail the bills to the membership. Annual dues will be due and payable within thirty (30) days postmarked of the date bills are mailed. Corporate Members whose annual dues are unpaid after thirty (30) days of the mailing of the bills, are considered delinquent, shall be charged an additional \$25.00. Dues that are 60 days delinquent shall be charged \$50.00 late fee plus collection expenses. Members who do not pay their annual dues within 90 days are considered to have abandoned their memberships, their membership will be converted to the Board, and may be sold without any refund or buyback of their Corporate Fee. Exceptions and unusual circumstances to this may be addressed to the Board in writing, and with Board approval, this time frame may be extended on a case by case basis.

Section 7: Liability of Members: All Corporate Members shall be liable for property -damage caused by him, members of his family unit, and his relatives, guests and lessees who are authorized to use the facilities of the Club.

Section 8: Fraud. Falsifying any information, including but not limited to claim of residence, or family members, is grounds for immediate cancellation of a member's Corporate Membership without any buyback / refund of his Corporate Membership fees or dues. The Board retains the right to demand proof of membership qualifications at any time. Subletting a membership is not allowed except in circumstances as noted in Article II, section 9.

Section 9: Use of Membership by Lessee of Corporate Member's House : Only Upon rental or lease of the owned residence within the membership boundaries as defined in Article II, Section 1, by a Corporate Member such member may authorize, in writing, that lessee and family unit (and only that lessee within the boundaries) to use the facilities of the Club. In such event, the Corporate Member and his family unit shall be ineligible to use the Club facilities, but otherwise shall retain all rights of Corporate Members. Subletting a membership is not allowed in any other circumstance.

Section 10: Surrender of Corporate Membership

(a) In the event a Corporate Member wishes to sell his membership, and submits proper notice of surrender, the following procedure shall apply:

(1) The membership may, at the request of the surrendering member, be reissued to any qualifying individual who is a resident of zip code 20171 or Courts of Fox Mill Subdivision

(2) In the event the membership is not reissued under paragraph (1) above, the Club shall repurchase the membership at a buyback price determined annually by the Board of Directors. There will be a cap of 20

unsold memberships at any one time. If at any time this number has been met, there will be a waiting list maintained by the membership chairperson of those members that are wishing to surrender their membership back to the Board. These members will still be considered to be Corporate members with full responsibilities.

(3) In either event of transfer of membership pursuant to paragraphs (1) and (2) above, the following procedures and rules apply:

- a. Notice of Surrender must be in writing to the Board of Directors.
- b. The membership certificate must accompany the written notice of intent to surrender.
- c. If annual dues, fees, special assessments and other indebtedness are owed the Club, the notice of surrender must include payment of these liabilities.
- d. Should a membership be sold in a transaction as in paragraph (1) above, when a balance is due to the Club under the existing membership, the Club will not officially recognize the new member until such indebtedness is satisfied. All legal collection attempts will be made by the Club to collect from the previous member.
- e. At its option, the Board may choose to deduct all or part of these liabilities from the buyback membership fee when / if the membership is resold to the Club.

(b) A member relocating out of the boundary may retain his corporate

Section 11: Membership Certificates: Certificates of Membership shall be issued from the Membership Chair. Such certificates shall be signed by the Membership Chair, and the Club's seal shall be affixed thereto. The official membership register shall be maintained by the Membership Chair.

Transfers of membership shall be made only upon the register of the Club and, before a new certificate is issued, the old certificate must be surrendered to Member Chair for cancellation noted thereon.

Section 12: Suspension of Member:

(a) Any member may, for cause and after having been given an opportunity for a hearing, upon not less than five (5) days written notice (which notice shall specify the charges against him), be suspended for a period of not exceeding one (1) month by a two-thirds (2/3) vote of the members of the Board of Directors present at any meeting thereof, and may be suspended for a period not exceeding three (3) months by a two-thirds (2/3) vote of the entire membership of the Board. Cause for suspension shall, in general, consist of violation of these by-laws or of the rules and regulations of the Club or conduct detrimental to the interest of the Club.

(b) The Board of Directors may delegate to the Chairman of the Operations Committee, or a responsible employee of the Club, the power to suspend pool and/or tennis privileges for the violation of Club rules and regulations without hearing, provided such suspension does not exceed seven (7) days. A written report of such suspension containing reasons therefore, shall be submitted to the President within twenty-four (24) hours. A copy of such report shall be furnished to the offender, or, if the offender is a minor or guest of a member, a copy of the report shall be furnished to the member.

Section 13: Annual and Special Meetings:

All director elections are held at the annual meeting

(a) Annual and Special Meetings of Corporate Members shall be held in accordance with parliamentary procedure as established by Robert's Rules of Order.

(b) A quorum shall be twenty percent (20%) of the Corporate Members in person or by proxy.

(c) The act of a majority of the Corporate Members present in person or by proxy at a meeting at which a quorum is present shall be the act of the Corporate Members unless a greater number is specified by the by-laws. Once a quorum is established, it shall not be destroyed by members leaving the meeting.

(d) Special meetings of the Corporate Members may also be called by the request of twenty-percent (20%) of the Corporate Membership. Notice of the request for a special meeting shall be submitted in writing signed by twenty percent (20%) of the Corporate Membership to the Board of Directors and shall state the reason for the meeting. Upon receipt of petition, the Board of Directors shall call a special meeting for that purpose. Said meeting shall be within thirty (30) days after receipt of petition. The Board of Directors shall mail both a copy of the petition and notice of the special meeting to each Corporate Member at least ten (10) days prior to the special meeting.

ARTICLE III

Board of Director: Selection: Term of Office

Section 1: Number: The affairs of the Club shall be managed by a Board of nine (9) Directors, who must be members of the Club in good standing.

Section 2: Elections: The members shall elect directors to fill expired terms at the annual meetings. Terms are for three years.

a) **Nomination:** Nomination for election to the Board of Directors shall be made by nomination submitted to the current Board of Directors within thirty (30) days prior to the election. Nominations may also be made from the floor at the annual meetings.

b) Election: Election of the Board of Directors shall be by secret written ballot. The persons receiving the largest numbers of votes shall be elected. Cumulative voting is not permitted. Candidates for office not present at the election will be withdrawn

Section 3: Removal: Any director may be removed from the Board, with or without cause, by a majority vote of the Corporate Members. In the event of death, resignation or removal of a director, his successor shall be selected by the remaining members of the Board and shall serve out until the next annual meeting

Section 4: Compensation: No director shall receive compensation for any service he may render to the Club. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

ARTICLE IV Meetings of Directors

Section 1: Regular Meetings: Regular meetings of the Board of Directors shall be held as directed by the president at such place and hour as may be fixed from time to time by resolution of the Board.

Section 2: Special Meetings: Special Meetings of the Board of Directors shall be held when called by the President of the Club, or by any two directors, after not less than three (3) days notice to each director.

Section 3: Quorum: A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

Section 4: Action Taken Without a Meeting: The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written (including electronic – email) or phone call approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

ARTICLE V Powers of the Board of Directors

Section 1: Powers: The directors shall have the power to conduct, control and manage the affairs and business of the Club; to make rules and regulations not inconsistent with the by-laws of this Club and to enforce such rules and regulations; to levy annual dues and assessments for the operation and maintenance of the recreational facilities.

Section 2: Levy Dues: The Board of Directors may levy annual dues not to exceed the budget and dues approved at the prior annual meeting, and assessments are not to exceed \$100 per member without the approval of the Corporate Members, and to do any and all things necessary or incidental to the carrying out of the purposes of the Club.

Article VI Officers and Their Duties

Section 1: Enumeration of Officers: The officers of this Club shall be a President , Director of Pool Operations, Facilities Director, Swim Team Director, Social Director, Tennis Director, Secretary, Director of Membership , and Financial Director. All officers shall be elected or appointed to the Board of Directors.

Section 2: Election of Officers: The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the members.

Section 3: Term: The officers of this Club shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 4: Special Appointments: The Board may elect such other officers as the affairs of the Club may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 5: Resignation and Removal: Any officer may be removed from-office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6: Vacancies: A vacancy in any office may be filled in the manner prescribed for regular election, or may be appointed by the standing Board of Directors. The officer appointed by the Board of Directors as a recess appointment shall serve until the next annual election. The officer subsequently elected by the membership to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7: Multiple Offices: No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

Section 8: Duties: The duties of the officers are as follows:

- (a) **President:** The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments

and shall co-sign all promissory notes. The president shall oversee contracts and performance of outside contractors, and will work closely with the Director of Operations to help fulfill those duties as described below;

(b) Director of Pool Operations: This director shall act in the place and stead of the President in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board. The Director of Operations is responsible for the overall operation of the swimming pool. The duties and responsibilities of this director will include, but not be limited to, making recommendations to the Board of Directors as to:

1. The operating rules and regulations and changes thereto;
2. Selection of a pool management company & act as liaison between the company and the BOD ;
3. Adequate gate control system;
4. Adequate liability insurance and other insurance coverage;
5. Any other matters related to operational aspects of the club facilities in relation to the pool

(c) Facilities Director - Shall be responsible for all aspects of the club not pertaining to the pool, including:

1. Will plan for, and supervise the construction, technical operation and repair of all facilities of the Club, except for the pool
2. Physical security of the club facilities
3. Will be responsible for landscaping and grounds maintenance.
4. Responsible for long term planning

(c) Secretary: Shall record the votes of all meetings and proceedings of the Board and of the members,

serve notice of meetings of the Board and of the members; keep appropriate current records showing the Club together with their addresses, and shall perform such other duties as required by the Board. The Secretary shall also be responsible for the periodic publication of the club newsletter.

(d) Swim Team Director: Will be the Board liaison between the Board and the swim team. This person will be responsible for the overall swim team program including fiscal responsibilities and representing the swim team with NVSL or other league. The swim team director will ensure that a swim team addendum to the club rules and regulations is developed, approved by the Board of Directors, and maintained.

(e) Tennis Director: Shall oversee and coordinate the Tennis program including maintenance and improvements to the tennis courts. Should a tennis team be formed, the tennis director will ensure that a tennis team addendum to the club rules and regulations is developed, approved by the Board of Directors, and maintained.

(f) Social Director: Shall coordinate, budget, and implement the social programs for the Club in compliance with the Club's zoning ordinance.

(g) Financial Director: Shall oversee the independent club accountant in terms of monitoring all moneys of the Club, including appropriate bank accounts, maintenance of the general ledger and the preparation of the monthly financial statements, disbursement of such funds as directed by resolution of the Board of Directors; shall co-sign all promissory notes of the Club; cause an annual review of the Club books to be made by an independent public accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting.

(h) Director of Membership:

1. Act on all applications for membership and guest cards;
2. Act on all changes in the membership as provided by the by-laws;
3. Provide the Secretary with up-to-date information concerning all additions or deletions of members, changes or additions to the waiting lists;
4. Maintain a complete record of membership data, including: name, address, membership number, complete names of all relatives living with that member, ages of all children, and all current data concerning the member's payments of fees, dues, guest fees, assessments of other approved amounts due from the members; and
5. Report all serious or repeated infractions of the rules to the Board of Directors for appropriate action.

Section 10: Appointments: The President shall be authorized to appoint such other special committees or advisors from the Board of Directors and Corporate Members as he shall deem necessary or expedient.

ARTICLE VII
Property and Finances

Section 1: The Club is not authorized to contract for any obligation in excess of its unobligated assets.

Section 2: Tangible Personal Property: Tangible personal property of the Club may be transferred only after a two-thirds (2/3) vote of the Board of Directors shall have approved such transfer. Any transfer of tangible personal property of the Club valued in excess of \$5000.00 must be approved by the Corporate members.

Section 3: Real Property: Real property of the Club may be

encumbered or transferred only after a vote of two-thirds (2/3) of the Corporate Members who are present, in person or by proxy at a meeting of such Members called by its Board of Directors for that purpose, of which meeting notice in writing, shall be given each member of the Club, by serving same on him personally or by my mailing it to him at his place of residence as it appears on the books of the Club at least ten (10) days and no more than fifty (50) days prior to such meeting, which notice shall state the time, place and purpose of the meeting.

Section 4: Borrowing The Club is not authorized to borrow to meet any obligation except in the following circumstances: A maximum of fifty thousand dollars (\$50,000.00) may be borrowed to replace or repair inoperable or damaged equipment when the emergency equipment fund, as hereinafter defined, is not sufficient to pay the expense; however, the amount borrowed shall not be greater than the cost of the repair or replacement of the equipment.

Section 5: Deposit of Funds: All funds of the Club shall be deposited in such qualified federally insured depository or depositories as the Board of Directors may from time to time by written resolution designate, and shall be so deposited within 5 working days of their receipt; provided however, that receipts in the aggregate of \$100.00 or less need not be deposited more often than once a week.

Section 6: Disbursement of Funds: All disbursements of funds of the Club shall be made by checks signed by any two of the Board members.

Section 7: Investment of Funds: The funds of the Club, except as otherwise provided in these by-laws may be invested only in obligations of the United States Government, or federally insured savings. They may not be loaned to or invested with any officer, director or member of the Club.

Section 8: Audit of Accounts: The annual (fiscal) financial statements of the Club shall be submitted to an Independent

Certified Public Accountant (or firm) and such CPA or firm shall then be responsible for conducting a Review of such financial statements and issuing a report thereon. The report shall then be presented at the annual meeting.

Section 9: Annual Budget: An annual budget setting forth anticipated revenue and proposed expenditures for the fiscal year shall be prepared by the Board of Directors, not later than the first day of March each year. The fiscal year shall run from April 1 to March 31 of the following year. Failure to pass the budget could result in a postponement of the pools opening.

(a) The annual budget shall be subdivided into the following categories:

- (1) Operations Income
- (2) Operations Expenses
- (3) Capital Improvement Expenditures
- (4) Replacement Reserve Requirements

(b) Replacement Reserve Fund:

- (1) It will be responsibility of the Board of Directors to establish a Replacement Reserve Fund {"the fund"}. The purpose of the fund is to create an adequate cash reserve that may be periodically drawn upon for renovation to the existing facilities' assets, including but not limited to, the pool decking, the parking lot, the tennis courts, any security systems, the pool, the pool filtering system, the club house, or any existing or proposed renovation and / or improvement.
- (2) At least once annually and prior to the Annual Membership Meeting, the Board of Directors shall tour the facility and prepare a report outlining the needed and / or suggested asset improvements and estimated costs to be incurred by the Club in both the current fiscal year and for the forthcoming near-term fiscal years. The age of the facilities and the estimated lives of the existing assets should be considered at the time of the review.

- (3) When considering the approved costs as outlined under (2) above, the Board of Directors shall cause such improvements to be made during the current fiscal year and such monies will then be drawn from the fund. Should improvements be necessary over a series of years, then the Board shall prepare a plan to fund such costs during the forthcoming year (s).
- (4) Annually, it will be the responsibility of the Board of Directors to decide prior to the Annual Membership Meeting as to the amount as they deem necessary to be set aside from each member's annual dues.
- (5) Should it be necessary at any time during any current fiscal year to make emergency renovations or repairs to any of the Club's facilities or assets, then such funds will be then drawn from the fund.
- (6) The Board of Directors shall retain the right to amend the funds requirements from time to time as the passage of time and experience dictate. The Board shall also insure the adequacy of the fund by comparing the amount with the cash flow statement in the annual audited financial statements and the estimate remaining lives of the Club's assets and structural elements and comparing the results to the estimated cost of replacement or renovation.
- (7) Should the fund increase in size to an amount in excess of five times the annual depreciation expense as reflected in the previous years' audited financial statements, then no further amounts will be set aside in the next fiscal years annual membership dues unless it is decided upon by the Board of Directors that the funds will be needed for the safety, maintenance, or improvement of those common facilities that maintain the long-term viability of the Club.
- (8) The Board of Directors shall retain the right to amend the funds requirements from time to time as the passage of time and experience dictate. The Board shall also insure the adequacy of the fund by

comparing the amount with the cash flow statement in the annual audited financial statements and the estimate remaining lives of the Club's assets and structural elements and comparing the results to the estimated cost of replacement or renovation.

(d) The annual budget, as approved by the Board of Directors, shall be mailed to the membership at least ten (10) days and no more than fifty (50) days prior to the annual meeting of each year. The budget, as approved by the Board of Directors, shall be submitted to the membership for adoption. The Board of Directors shall manage the finances of the Club to within reasonable parameters of the approved budget.

Section 10: Special Assessments: Special Assessments, if any, shall be payable at such times as specified by the Board of Directors. Members who fail to pay special assessments within thirty (30) days of the postmarked date of assessment shall be considered delinquent, and fines and penalties shall pertain such as noted in Article II, Section 6.

Section 11: Indebtedness of Members: Upon cessation of membership for any cause, all indebtedness shall be charged against the buyback, if any, of any membership. Failure to pay indebtedness to the Club may be grounds for not recognizing a transfer of a Corporate Membership as defined Article II, Section 10, (a), 3.

Section 12: Indemnification:

(a) Each person who acts as a director or officer of the Club shall be indemnified by the Club 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 director or officer of the Club, except in relation to matters as to which he shall be adjudged in such actions, suit or proceeding to be liable for gross negligence or willful misconduct in the performance of his duties.

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

(c) Any property of the Club damaged as a result of the fault or misconduct, as determined by the Board of Directors, of a member of any class, or his guest, shall be paid for by such member at a time specified by the Board of Directors or the member may be considered delinquent, and his membership may be terminated without any refund of his corporate membership fee.

(d) The Club assumes no responsibility, and shall have no liability for the loss or destruction of the property of a member of any class, or of any guest, which may be brought into or left in the Club building or on the grounds.

Section 13: Insurance: The Board of Directors shall obtain insurance of such types and in such amounts as they determine to be proper to cover loss or damage to the physical property of the Club, and to protect the Club against liability.

Section 14: Interpretation: Any question as to the meaning or proper interpretation of any of the provisions of these by-laws and rules and regulations shall be determined by the Board of Directors.

ARTICLE VIII General Provisions

Section 1: Directors and Officers: All powers, authority, duties and functions of the directors and officers of the Club shall be exercised in strict conformity with applicable provisions of the law and regulations and in conformity with the current by-laws of the Club.

Section 2: Keeping of Records: Copies of the organization papers of the Club, including the Articles of Incorporation, by-

laws and any amendments thereto, and the membership records shall be preserved in a place of safekeeping. Results of elections and proceedings of all meetings of the directors and members shall be recorded in the minute book. Those acting in their places shall sign by the President and Secretary or the minutes of all meetings.

Section 3: Cancellation of Members Privileges to Recreation Facilities: Two-thirds (2/3) of the Board of Directors may, for good cause, recommend to the Corporate Membership that the privileges of any member to use the Club's recreational facilities be canceled. The Membership Committee Chairman regarding the grounds upon which such action is based shall notify such member in writing. The member may appeal this decision in writing to the Board.

Section 4: Eligibility: No member will be allowed to use Club facilities, or transfer / sell their membership until all dues, fees, and outstanding debts, including but not limited to bank charges, collection fees, and/or administrative fees are paid in full. (Article II, section 10, (a) 3), also Article VII, section 11.

Section 5: Rules and Regulations: Operating Pool and Tennis Rules and Regulations shall be reviewed and updated by the Board of Directors each Spring. Members are required to comply with these rules and regulations or risk forfeiture of their Corporate membership. A copy shall be posted on the Pool premises.

Section 6: Guests: Bona fide guests accompanied by visiting members may be afforded guest privileges in accordance within the Club operating rules and regulations.

Section 7: Amendments: Amendments to these by-laws may be adopted by two-thirds (2/3) vote of the Corporate Members present in person or by proxy, at a duly held meeting of the membership called for that purpose. The Secretary shall notify all members in writing of such amendments within thirty (30) days after adoption.

CERTIFICATION:

I, the undersigned, do hereby certify:

THAT I am the duly elected and acting Secretary of the PINECREST SWIM & TENNIS CLUB, INC., a Virginia Corporation, and

THAT the forgoing By – Laws are the revised By – Laws as adopted by over 2/3 majority at the Annual Meeting of the General Membership held on April 12, 1999.

Secretary