

BROYHILL CREST RECREATION CLUB, INC.

BY-LAWS

ARTICLE I - NAME

The name of the Corporation shall be **Broyhill Crest Recreation Club, Inc.**

ARTICLE II – OBJECT

The purpose for which this Corporation is formed is to promote the health and general welfare of its members and in pursuance thereof to construct, own and operate a swimming pool and other recreational facilities, together with such incidental objects as are appropriate in the conduct of its activities, in the County of Fairfax and State of Virginia, for the exclusive use of its members.

ARTICLE III – GOVERNMENT

SECTION 1. The Corporation shall be managed by the Board of Directors, which shall consist of no fewer than nine but not more than fifteen in number, all of who shall be active members as defined in ARTICLE VI, and each member is eligible for no more than one seat on the Board of Directors. A majority of the members on the Board of Directors must be stockholders.

SECTION 2. The Directors shall be elected at the annual meeting of the stockholders. In voting for Directors, each stockholder of fully paid, unencumbered stock may cast one vote, in person or by proxy, for each seat to be filled, without cumulation.

SECTION 3. If a Director fails to attend regular meetings of the Board of Directors for three consecutive months, or otherwise fails to perform any of the duties devolving upon him or her as a Director, his or her office may be declared vacant by a majority of the Board of Directors present and the vacancy filled as herein provided.

SECTION 4. When a vacancy occurs on the Board of Directors, the Board of Directors at its discretion in accordance with such rules may fill such vacancy and procedures as may be established by the Board.

SECTION 5. Each Director or Officer of the Corporation shall be indemnified by the Corporation against expenses actually and necessarily incurred by him or her in connection with the defense of any action, suit or proceeding in which he or she is made a party by reason of his or her being a Director or Officer of the Corporation, except in relation to matters as to which he or shall be adjudged in such action, suit or proceeding to be liable for gross negligence or willful misconduct in the performance of the duties associated with the position of Director or Officer of the Corporation. The right of indemnification shall inure to each Director or Officer whether or not he or she was in

office at the time such cost or expenses are imposed or incurred, and in the event of his or her death it shall extend to his or her legal representative.

ARTICLE IV – OFFICERS

SECTION 1. The Officers of the Corporation shall be a President, a Vice President, and a Treasurer, all of whom shall be elected by the Board of Directors from among their number at the first meeting of the Board of Directors following the annual stockholders meeting. The election of all officers shall be affected by the vote of a simple majority of those present subject however to the requirement that two thirds of the elected board members must be present before any vote for officers is held and considered valid. Unless sooner removed as herein provided, the Officers shall hold office until the first meeting of the Board of Directors following the next annual meeting of the stockholders. No member may serve more than **FOUR** consecutive years in either the office of President or Vice-President. No Officer may be elected or permanently appointed to more than one elected position at any one time.

SECTION 2. The **President** shall preside at all meetings of the stockholders and the Board of Directors, and shall perform such other duties as set forth in these By-Laws and as customarily pertain to the office of President, or as he or she may be directed to perform by resolution of the Board of Directors.

SECTION 3. The **Vice President** shall have and exercise all the powers, authority and duties of the President during the absence of the latter, or in his or her inability to act, as may be determined by a majority of the Board of Directors, and shall perform any such other duties as directed by the President or the Board.

SECTION 4. The **Treasurer** shall have custody of all funds, securities, fiscal papers and other intangible assets of the Corporation. The Treasurer shall:

1. Collect the revenue of the Corporation and pay its bills as authorized by the Board of Directors;
2. Provide and maintain full and complete records of all the assets and liabilities of the Corporation;
3. Prepare and submit monthly to the Board of Directors a financial statement of the conditions of the Corporation as of the last day of the preceding month.
4. Prepare such tax reports as local, state and federal agencies may require; and
5. Perform such other tasks as customarily pertain to the office and as directed by the Board.

SECTION 5. The Board shall also appoint a **Clerk**. This position shall be a paid position, the remuneration of which and the conditions for employment shall be set and approved by a two-thirds vote of the members of the Board. The Clerk is an ex-officio member of the Board and, as such, has no voting rights but may fully participate in any of the Board's proceedings. The duties of the Clerk shall be as follows:

1. Prepare and maintain full minutes of all meetings of the stockholders and of the Board of Directors;
2. Maintain all relevant statistics and historical records relating to the operation of the Corporation;
3. Give proper notice of all meetings of the stockholders;
4. Conduct all correspondence of the Corporation, and maintain the transfer books of the capital stock of the Corporation;
5. Have custody of the seal of the Corporation and all valuable papers other than those kept by the Treasurer; and
6. Perform such other tasks as customarily pertain to the office and as directed by the Board.

SECTION 6. Succession and Delegation. In the absence of the President and Vice President, the Treasurer shall assume the duties of President. In the absence of the Treasurer, the Chair of the Operations Committee; or in his or her absence, the Chair of the Facilities Committee shall assume the duties of President.

ARTICLE V – COMMITTEES

SECTION 1. The following standing committees are hereby established for the purpose of assisting the Officers of the Corporation in the performance of their duties.

- a. Operations
- b. Facilities

SECTION 2. The Chair of each standing Committee shall be appointed by the President and approved by the Board of Directors in accordance with the provisions of Article XII, Section 5. The Chairperson of each Committee shall be responsible for ensuring that the functions and responsibilities of each Committee are carried out in a timely and efficient manner, and that adequate records are kept with regard to the carrying out of those functions and responsibilities.

SECTION 3. All Committees shall be under the supervision of the President subject further to the authority delegated by the Board of Directors. The number of members and criteria, if any, for membership on each Committee, and, as required, the number of sub-committees within each Committee, is subject to the discretion of the Chair of each Committee.

SECTION 4. The **Operating Committee** shall be responsible for the oversight of all activities directly related to the operation of the pool and including at least, but not limited to, the following:

Rules and Regulations

Serving as the liaison between the Board and the pool management company

Further, the Operating Committee shall be responsible for developing appropriate rules and regulations for the orderly functioning of all activities on the Corporation's grounds, and to ensure members and their guests can enjoy the Corporation's facilities in safety. Prior to promulgation, proposed rules and/or regulations will be discussed, in a manner deemed appropriate by the Chair of the Committee, with members. The Chair will then propose new rules and/or regulations or modifications to the existing rules and/or regulations to the Board of Directors for approval. Once approved, the Chair is responsible for ensuring the changes or modifications to existing rules and regulations are prominently displayed or otherwise made available to members to ensure their full implementation and compliance.

SECTION 5. The **Facilities Committee** shall have the responsibility of planning improvements and the supervision of construction of approved developments. The Chair, and such other members of the Committee as he or she may so designate, will provide oversight on all major or minor maintenance projects as determined by the Board of Directors, and the acquisition and installation of new equipment with regard to the following:

Maintenance & repairs

Capital improvements

Security

SECTION 6. Either the President or the Board of Directors, as appropriate, shall delegate to the standing Committees sufficient authority for the proper discharge of their assigned responsibilities.

SECTION 7. The President is authorized to appoint such temporary committees as he or she shall deem necessary for the welfare of the Corporation. However, the establishment of any additional committees shall be for a fixed period or periods as determined by the Board of Directors.

ARTICLE VI – REMOVAL OR TEMPORARY SUSPENSION OF DIRECTORS AND OFFICERS

SECTION 1. Any Director of the Corporation may be removed from office by the affirmative vote of two-thirds of the voting stockholders present in person or represented by proxy at a special meeting called for that purpose, but only after an opportunity has been given for him or her to provide a statement either in person or by proxy and either in oral or written form.

SECTION 2. Any Officer of the Corporation may be removed from office by the affirmative vote of two-thirds of the Directors at a regular or special meeting of the Board of Directors, but only after an opportunity has been given for him or her to provide a statement either in person or by proxy and either in oral or written form.

SECTION 3. When any officer is absent or otherwise unable to perform the duties of his or her office, the President, or in his absence the Vice-President, may designate another member of the Board of Directors to act temporarily in his or her place until the next board meeting. In the event of a vacancy through resignation or any other reason, the vacancy will be communicated to the other Board members prior to the next meeting, and at that time a new election will take place in accordance with the procedures for electing officers in Article IV, Section 1.

ARTICLE VII – MEMBERS

SECTION 1. Qualification of Members

a. The purchase of a share of stock confers membership in the Corporation. The payment of annual operating dues confers membership in the Broyhill Crest Recreation Club upon the individual and his/her family as active members with the rights and privileges as established by these Bylaws or, as appropriate, as established by the Board of Directors.

b. Shareholders who elect not to pay annual operating dues will continue to be members of Corporation on condition that they pay or are otherwise assessed (see Article X, Section 4) the annual non-use fee.

SECTION 2. The members shall be entitled to the full use of the pool and all other recreation facilities of the Corporation and shall be divided into the following classes:

- a. Active
- b. Special

SECTION 3. Active Member. There shall be two categories of Active members: Shareholders and non-shareholders who pay their annual operating fee.

a. **Shareholder** – a member who purchases a share of stock and who is entitled to all the rights and privileges of a shareholder, other than one who assigns the rights of his or her stock as specified in Section 4 hereof, his or her spouse, and all other members of the household over the age of 17, who has paid the annual operating fees.

b. **Non-shareholder** – a member who has elected not to purchase a share but pays the annual operating fee. Unless otherwise provided by these By-Laws, the Board of Directors will determine the rights and privileges of such members, his or her spouse, and all other members of the household over the age of 17.

SECTION 4. Special Member – the occupant of a home owned by a stockholder to whom the right to the recreational facilities has been assigned by such stockholder-owner, his or her spouse, and all other members of the household over the age of 17 who have paid the annual operating fees. Unless otherwise provided by these By-Laws, the rights and privileges of such members will be as determined by the Board of Directors.

ARTICLE VIII – RIGHTS, PRIVILEGES AND OBLIGATIONS

SECTION 1. All members shall be subject to the rules and regulations, as regulated by the Operating Committee, the decisions of the Board of Directors and these By-Laws with respect to the pool and all other recreational facilities of the Corporation. The rules and regulations shall be prominently displayed at a convenient location on the Corporation grounds, on the website, and/or otherwise distributed to the members in a manner sufficient to provide notice to the members. The Operating Committee shall make recommendations to the Board of Directors as to the most effective way to ensure the members have knowledge of the rules and regulations.

SECTION 2. Any proposed changes to the rules and regulations will be referred to the Chair of the Operating Committee, who shall review and make recommendations to the Board of Directors with regard to any proposed changes, modifications or new rules or regulations.

SECTION 3. The Board of Directors, at its discretion, may extend the privileges of the Corporation to any person or persons, for limited times.

SECTION 4. Any property of the Corporation broken or damaged by a member of any classification, or his or her guest, or anyone given permission to use the facility shall be paid for within thirty days by said member upon written notification by the Treasurer of the cost for repairing or replacing subject property. The conduct of guests

shall be the responsibility of the member, and the member shall compensate the Corporation for any damages a member's guest may cause.

SECTION 5. The Corporation assumes no responsibility, and members of any class or their guests can have no claim against the Corporation for the property of any members of any class, or any guest, which may be brought into or left in the Corporation buildings or on the grounds.

ARTICLE IX – SUSPENSION AND REVOCATION OF MEMBERSHIP PRIVILEGES

SECTION 1. Any member of any class may be suspended from using the pool and recreational facilities for limited times not to exceed 72 hours;

a. For flagrant violation of the By-Laws or the rules and regulations promulgated for the benefit of the Corporation and its members;

b. For acts, as determined by manager on duty or Directors of the Board endangering the safety, health and property of the members and other persons in the area surrounding the Corporation grounds;

c. For unreasonably disturbing the peace, as determined by manager on duty or Directors of the Board, in the area surrounding the Corporation grounds;

d. Because of exposure to or contraction of a disease or other condition judged likely to endanger the health of other swimming pool users; and

e. For violating any other rule or regulation promulgated by the Board of Directors or contained within these By-Laws.

SECTION 2. In addition to the manager on duty, any Director of the Board may expel, suspend, or otherwise refuse admission to all facilities and grounds of the Corporation for any of the conduct described in Section 1 by any member or guest for a period not to exceed twenty-four hours. Upon agreement, three Directors may expel, suspend or otherwise refuse admission of a member or guest for seventy-two hours.

SECTION 3. In situations of particularly egregious or aggravated behavior the Board of Directors may consider extended suspension of a member for periods in excess of 72 hours or expulsion for the remainder of the pool-operating season. Extended suspension or expulsion shall require the approval of **TWO-THIRDS** of the Directors present at a regular or special meeting of the Board of Directors. However, prior to the regular or special meeting of the Board of Directors the member proposed for extended suspension or expulsion, shall be provided written notice at least 72 hours in advance of the time and place of the meeting, and be given an opportunity to present evidence on his or her behalf. Any member suspended or permanently expelled from the Corporation grounds or facilities will not be entitled to any refund of operating fees.

SECTION 4. Any member that fails to pay the annual dues shall automatically lose the right to use any of the facilities of the Corporation as a member. Said member's privileges to use the facilities of the Corporation will be re-instated upon payment of all delinquent operating dues or other fees or as otherwise stipulated by the Board of Directors.

SECTION 5. The times and conditions for entrance to the Corporation grounds will be established by the Operating Committee. Except for Board members acting in their official capacity, unless specifically authorized, entrance to the Corporation's facilities and grounds at times not approved by the Operating Committee or the Board of Directors is prohibited.

ARTICLE X- ANNUAL DUES

SECTION 1. Annual dues shall be sufficient, as established and approved by the Board of Directors, to provide for the necessary estimated or predicted expenses of the Corporation and the proper maintenance and improvement of its property.

SECTION 2. No fees or part thereof shall be refunded in the event that pool operations are required to be suspended for any purpose.

SECTION 3. All fees for the forthcoming season shall be paid by prospective members before being admitted to the Corporation grounds. Fees are set by the Board of Directors.

SECTION 4. Failure to Pay Annual Dues.

a. A non-use fee, not to exceed \$ 50.00 per share, shall be assessed to all shareholders not paying the annual dues. Any unpaid dues or other fees must be paid before a share of stock may be sold or transferred.

b. When a shareholder has not paid dues or assessed non-use fees for five years, the shareholder shall lose all rights, title, or interest in the Corporation. The shareholder shall be notified in writing to the most current address on file that they have 30 days to pay assessed dues and/or fees or their share will be returned to the Corporation. If payment is not received within 30 days, the clerk will delete the shareholder's name from the list of shareholders and annotate the reason(s) for extinguishing the shareholder's interest in the corporation. It is the responsibility of the shareholder to notify the Corporation of changes to their address or other contact information.

ARTICLE XI – STOCKHOLDERS MEETINGS

SECTION 1. The annual meeting of the stockholders shall be held each year at such time and place as the Board of Directors shall designate.

SECTION 2. A special meeting of the stockholders may be called by the President and shall be called by him or her on the written request of not fewer than 25 stockholders or by a two-thirds majority of the Board of Directors.

SECTION 3. At least **THIRTY (30) DAYS** before the date of any annual or special meeting of the stockholders, the Clerk shall cause written notice thereof to be delivered, by whatever means as directed by the decision of the Board of Directors, to each stockholder at the address appearing for such stockholder on the records of the Corporation.

SECTION 4. At any annual or special meeting, **40% of all stockholders** holding shares shall constitute a quorum.

SECTION 5. THIRTY (30) days prior to any annual or special meeting the transfer books of the Corporation shall be closed and the list of stockholders eligible to vote shall be made up. Each stockholder of fully paid, unencumbered stock is eligible for one vote only, notwithstanding how many shares that person may own or have an interest in, in person or by proxy designated in writing. In the case of one share jointly held either joint owner but not both may cast such vote.

ARTICLE XII – MEETINGS OF DIRECTORS

SECTION 1. A regular meeting of the Board of Directors shall be held in the months of January, February, March, April, May, June, July, August, and September. The Board of Directors may, in its discretion, also schedule other monthly regular meetings.

SECTION 2. The President or in his or her absence, the Vice President, may call a special meeting of the Board of Directors at any time. A special meeting shall also be called upon the written request of any five directors. The time and place of each meeting shall be fixed by the President or Vice President in the absence of the President. Notice of each meeting shall be given as the Board of Directors may from time to time prescribe.

SECTION 3. A special meeting shall also be called upon the written request of any **25 stockholders**, at which meeting several representatives of said stockholders may attend to present any problem and propose solutions for consideration by the Board.

SECTION 4. A simple majority of Directors shall constitute a quorum. In the event a majority of Directors fails to attend a regularly called meeting, those Directors in attendance may either adjourn or continue to meet to discuss any matter and make recommendations to the Board at the next regularly scheduled meeting where a majority of Directors are present.

SECTION 5. The Board of Directors shall use parliamentary procedures (Roberts Rules, most current edition) in all its proceedings. Unless otherwise stated in these Bylaws, all decisions of the Board of Directors, Standing or Special committees shall be made by majority vote of those present. Any shareholder or member as defined by these Bylaws may attend meetings of the Board of Directors unless the Board moves into Executive Session. Others may attend upon written request to and approval of either the President or the affirmative vote of a majority of the Board of Directors.

ARTICLE XIII – TRANSFER, REDEMPTION, AND ISSUE OF STOCK

SECTION 1. The Board of Directors is authorized to accept the subscription of and to issue the capital stock of the Corporation to a number of persons not to exceed 504 shares. Such stock must be paid for in full, at a price established by the Board of Directors but no less than the par value, prior to its issuance. Stock shall be issued to and may be retained only by a bona fide resident or owner of property within Broyhill Crest, or a bona fide resident of the communities bordering Broyhill Crest, or as otherwise determined by the Board of Directors.

SECTION 2. As a condition of acceptance of the subscription of stock, each new shareholder will agree in writing to provide notice to the Clerk prior to the transfer of any stock to a new resident or owner. Further, if the shareholder sells his or her property or is no longer a bona fide resident, and decides not to transfer his or her right, title and interest to the share to a new resident or property owner, the shareholder will offer the share to the Corporation.

SECTION 3. The Board of Directors may, at its discretion, exercise the right of the Corporation to repurchase, at a value to be established by the Board of Directors, but not less than the par value or the price paid for the share, whichever is greater, any share of the capital stock of the Corporation when such share is offered for sale or other transfer except that shareholders shall be allowed to convey their shares directly to private persons who are successors in interest of their property.

SECTION 4. The owner of each share of stock shall, for all purposes, be the person in whose name the stock appears on the transfer books of the Corporation. Before a share may be transferred on such books, the certificate representing such shares must be submitted to the Clerk, endorsed in full, including the action of the Board of Directors. To effect transfer, the Clerk shall make appropriate entries on the transfer books and shall issue a new certificate to the transferee. For any stock transfer, the Board will determine whether and to what extent prior notice of transfers should be made to the Corporation and whether and to what amount transfer fees will be imposed.

SECTION 5. In the event a stock certificate is lost, mutilated or destroyed and the shareholder so certifies to the satisfaction of the Clerk, there shall be issued to such shareholder a duplicate certificate marked “Duplicate” which shall entitle the shareholder

to the same rights he or she had under the original certificate. The Corporation shall charge a minimum fee, as determined by the Board, for issuance for such a certificate.

ARTICLE XIV – PROPERTY AND FINANCE

SECTION 1. Any obligation of the corporate assets shall require the prior approval of the affirmative vote of **TWO-THIRDS** of the Board of Directors.

SECTION 2. Tangible property of the Corporation may be transferred only after **TWO-THIRDS** of the Directors shall have approved such transfer, and in the case of real property, after a majority of the stockholders at a meeting especially called for said purpose, have also approved such transfer.

SECTION 3. The funds of the Corporation shall be deposited only in National banks, State banks, Federal Savings and Loan Associations, or Trust companies operating in accordance with the laws of the State of Virginia and only in an institution the deposits of which are insured by an agency of the Federal Government.

SECTION 4. All funds of the Corporation shall be deposited in such qualified depository or depositories as the Board of Directors may from time to time, by written resolution, designate, and shall be so deposited within a reasonable time after their receipt.

SECTION 5. All disbursements of funds of the Corporation shall be made by checks or electronic banking signed or approved by the Treasurer **and** any **ONE** of the following officers: president or vice president; provided, however, that the Board of Directors may, by resolution, provide for the establishment and replenishment of a petty cash fund not exceeding \$150 for postage and defraying other expense items of the Corporation.

SECTION 6. The Board of Directors will secure the faithful performance of the Treasurer by means of an adequate fidelity bond. The amount required for the bond will be established by the Board of Directors.

SECTION 7. Other than as directed in Section 4 of this Article, the funds of the Corporation may be invested only in obligations of the United States Government. They may not be loaned to or invested with any Officer, Director, or shareholder of the Corporation or to or with any other person, agency, or Government instrumentality.

SECTION 8. The accounts of the Corporation shall be audited annually by a method to be specified by the Board of Directors. The report of this audit is to be presented at the annual meeting of the stockholders. The auditor shall not be either an officer of the Corporation or a member of the Board of Directors.

ARTICLE XV – AMENDMENTS TO BY-LAWS

SECTION 1. Amendments to the By-Laws may be adopted by the affirmative vote of **TWO-THIRDS** of the Directors at a duly held meeting of the Board of Directors, provided, however, that any portion of the By-Laws amended by the stockholders shall be changed only by the stockholders in the manner provided in Article XV, Section 2. Amendments by the Directors shall be effective until rejected by a majority vote of the voting stockholders present or voting by proxy. Stockholders shall be notified of such amendments within 30 days after adoption by the Board of Directors and such amendments shall be, thereafter, effective unless otherwise rejected by a majority vote of the voting stockholders present or voting by proxy at the annual or a special stockholders meeting.

SECTION 2. Amendments to these By-Laws may be adopted by the affirmative vote of **TWO-THIRDS** of the voting stockholders present or voting by proxy at a duly held meeting.

ARTICLE XVI – GENERAL

SECTION 1. All powers, authority, duties and functions of the stockholders, Directors, Officers and employees of the Corporation shall be exercised in strict conformity with applicable provisions of law and regulations, and of the Articles and By-Laws of the Corporation.

SECTION 2. Returns of elections and proceedings of all meetings of the Board of Directors and stockholders shall be recorded and filed by the clerk. The minutes of all meetings shall be approved by the Board of Directors or Stockholders at the next regular meeting.

SECTION 3. At least **THIRTY DAYS** prior to the annual meeting of the stockholders, the Board of Directors shall deliver a notice of the meeting. An annual operating report shall be presented and approved or otherwise endorsed by the stockholders at the annual meeting.

SECTION 4. The Board of Directors is responsible for ensuring that the Corporation is adequately insured to protect Corporation assets from any accident or injury to any persons resulting from Corporation activity, and property damage.

SECTION 5. Any question as to the meaning or proper interpretation of any of the provisions of these By-Laws shall be determined by a majority of the Board of Directors.

SECTION 6. In order to ensure the peace, security and privacy of the members, a screen of trees and shrubs, or other visual or physical barrier, as may be determined by the Board of Directors, shall be maintained around the periphery of Corporation property.

ARTICLE XVII – Dissolution

Upon dissolution of the Corporation, after all debts have been paid, the assets of the Corporation shall be distributed equally among all shareholders on the list who are in good standing and have no outstanding debts to the Corporation.

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