

As amended through
November 2015

**The Virginia Hills Club, Inc.
BY-LAWS**

Article I
Name

The name of the Corporation shall be the Virginia Hills Club, Inc., (hereinafter called the Corporation).

Article II
Purposes

The purposes of the Corporation shall be:

1. To acquire and own by gift, lease, purchase, or otherwise, real and personal property for community recreational or civic purposes and welfare and to dispose of all or any part of the same by sale, lease, exchange, or otherwise as may be found necessary to the fulfillment of such purposes;
2. To improve, operate, maintain, and manage such real or personal property for the aforesaid purposes, including, without limitation, the construction and operation of swimming pools and facilities appurtenant thereto, playground improvements and structures for community activities;
3. To do and perform all things incidental, appropriate, convenient, and/or necessary to the foregoing purposes or to conduct the affairs of said Corporation, and to have and execute all powers granted similar corporations under the laws of the Commonwealth of Virginia.

Article III
Definitions

Section 1. - **STOCKHOLDER** - For the purposes of these By-laws, a stockholder is defined as the person (or persons) whose name (or names) appear on the certificate of stock.

Section 2. - **MEMBER** - Members shall be divided into two categories as follows:

- a. *Active* - A stockholder and other members of his family unit who have paid their annual membership fee, if any.
- b. *Associate* - A person, and his family unit, to whom the rights to the facilities of the Corporation have been granted by the Board of Directors after payment of the fee established for Associate membership.

Section 3. - **FAMILY UNIT** - All persons of the same immediate family including all persons dependent on the holder of an active membership permanently residing in the same house.

Article IV
Membership

Section 1. All requests for active or associate membership shall be processed by the Membership Committee and reported to the Board of Directors, who shall have the right to approve or disapprove any family unit for membership. Additional rules or processing to be followed by the committee may be prescribed by the Board of Directors.

Section 2. The total number of memberships (Active and Associate) shall not at any time exceed the total number of authorized capital stock of the Corporation (see Article VI, Section 1).

Section 3. Members shall be entitled to the full use of the pool and all other facilities of the Corporation.

Section 4. The Board of Directors, with the approval of two-thirds of the Directors present at a regular or special meeting, may extend the privileges of the Corporation to any persons for a limited time.

Section 5. Members, and guests, shall be subject to the operating rules and Corporation By-laws.

Section 6. Any member may be suspended from using the facilities of the Corporation for limited times for flagrant violation of the By-laws or the rules and regulations governing the use of such facilities. Suspension of a member shall require the approval of two-thirds of the Directors present at a regular or special meeting of the Board of Directors, but only after such member has been given an opportunity to be heard; provided, however, the Board of Directors may expel or refuse or delegate authority to expel or refuse admission to facilities of the Corporation to any member or guest until a regular or special meeting of the Board of Directors is called.

Section 7. Any property of the Corporation broken or damaged by a member or guests shall be paid for promptly by such member.

Article V **Meetings of Stockholders**

Section 1. Annual meeting:

a. An annual meeting of the stockholders shall be held following the date of the closing of the swimming pool for the season, and prior to the end of November, at such time and place as the Board of Directors shall determine.

b. The annual meeting will be called primarily for the purpose of electing members to the Board of Directors to replace those Directors who have resigned or whose elected or appointed term is expiring. (See Article VII, section 3 and 4). Such other Corporation business as is properly presented may be transacted.

c. At least ten (10) days prior to the date established for the annual meeting of the stockholders, the Board of Directors shall give notice thereof to each stockholder as provided in Article XI of these By-laws. A list of nominees for election shall be included with the notification of the meeting.

Section 2. Special Meetings:

a. The President may at any time call for a special meeting of the stockholders and the President MUST call for a special meeting of the stockholders at the written request of not fewer than ten (10) percent of active stockholders.

b. A special meeting will be primarily for the purpose of discussing and deciding upon the business for which the special meeting was called, provided however, that the stockholders may, by two-thirds affirmative vote, elect to transact other items of Corporation business.

c. At least ten (10) days prior to the date established for a special meeting of the stockholders, the Board of Directors shall give notice thereof to each stockholder as provided in Article XI of these By-laws. The proposed agenda for the special meeting shall be included with the notification of such meeting.

Section 3. One tenth (1/10) of the stockholders of the Corporation shall constitute a quorum at all meetings of stockholders.

Section 4. A list of stockholders shall be compiled for use at each meeting. Each stockholder present in person or by proxy shall be entitled to one vote on each question for every share of stock recorded in his name on the books of the Corporation.

Section 5. The annual meeting and special meetings of the stockholders may be held by means of the Internet or other electronic communications technology providing that participants can read or hear the proceedings substantially concurrently with their occurrence, vote on matters presented for a vote, pose questions, and make comments.

Section 6. Except as otherwise provided in these By-laws, ROBERT'S RULES OF ORDER (REVISED) shall be observed in the conduct of all meetings.

Article VI
Stock Dues and Fees

Section 1. The Board of Directors is authorized to accept the subscriptions of and to issue the capital stock of the Corporation in number not to exceed 600 shares. Stock must be paid in full prior to its issuance.

Section 2. No stockholder may transfer all or any part of his stock in the Corporation unless and until the same has been first offered to the Corporation at a price to be determined by the Board of Directors, not less than the purchase price actually paid therefore or the book value thereof, whichever is lower, except any stockholder may assign his stock to his successor in interest to his residential property. The Board of Directors may, at its discretion, exercise the right of the Corporation to repurchase any share of the capital stock of the Corporation, when such share is offered for sale or transfer.

Section 3. The owner of each share of stock shall, for all purposes, be the person (or persons) in whose name (or names) the stock appears on the transfer books of the Corporation. Before a share may be transferred on such books the certificate representing such shares shall be submitted to the Secretary of the Corporation endorsed in full, including the action of the Board of Directors. To effect transfer, the Secretary shall make appropriate entries on the transfer books; and upon receipt by the Corporation of payment in full, shall issue a new certificate to the transferee. An entry on the transfer books may be made at the time of the signing of a valid subscription agreement as approved by the Board of Directors.

Section 4.

a. The Board of Directors is authorized to establish and accept annual membership fees.

b. The payment of membership fees are due not less than twenty (20) days prior to opening of the swimming pool each year, and must be paid in full prior to the issuance of membership identification. If, 20 days prior to the opening, the number of active memberships does not equal the number of shares held by the Corporation, the Board of Directors is authorized to approve a limited number of applications for Associate memberships up to the number of authorized capital stock held by the Corporation.

c. From 20 days prior to the opening of the pool through October 1, any stockholder may pay the established annual membership fees plus a late charge to be established by the Board of Directors and become an active member.

d. New stockholders purchasing shares from the Corporation from opening day through the end of the operating season shall pay the annual membership fees established for stockholders except that the Board of Directors may authorize payment of a pro rata share of such fees in appropriate circumstances.

e. A shareholder or assignee of a share cannot use the pool or Club facilities if the membership fees for the present or any past year have not been paid. Any membership dues in arrears may be paid and said payment in full will serve to reinstate the privileges of the use of the Facility. This By-law may not be circumvented by transfer or assignment of any share and the duties provided will be passed on to any purchaser or assignee of any share of stock. The provisions of this subsection are not applicable to any stockholder of record prior to the date of its adoption (October 1970).

Article VII
Board of Directors

Section 1. The Corporation shall be managed by a Board of Directors, no less than 5 and no more than 15 in number, over 21 years of age. Each member of the Board of Directors must be an **ACTIVE** member of the Corporation. Each stockholder is entitled to no more than one voting representative on the Board. One member of the Board of Directors shall be the duly appointed representative of the Swim Team (the "Swim Team Representative"), who shall serve on the Board of Directors in an Ex-Officio capacity.

Section 2. Members of the Board of Directors, with the exception of the Swim Team Representative, shall be elected at the annual meeting of the stockholders of the Corporation (see Article V, Section 1). Only those **ACTIVE** members who have consented to serve if elected, shall be eligible for nomination. Each stockholder shall be entitled to one vote for each share recorded in his name on the books of the Corporation, for each seat to be filled, without accumulation.

Section 3. Board of Directors shall be elected each year for a term of 1 year, provided however that:

a. Any member of the Board of Directors who ceases to hold **ACTIVE** membership in the Corporation shall automatically cease to be member of the Board of Directors.

b. If a Director is absent from three (3) consecutive meetings or otherwise fails to perform any of the duties required of him as a Director, his seat may be declared vacant by the Board of Directors within a reasonable period of time following the Director's absence from 3 consecutive meetings or failure to perform his duties, and

c. Any Director or Officer of the Corporation may be removed from office by an affirmative vote of two-thirds (2/3) of the stockholders present in person or by proxy at any duly held meeting, but only after an opportunity has been given for him to be heard.

Section 4. When a seat on the Board of Directors becomes vacant three (3) or more months prior to the next annual meeting of the stockholders, the Board of Directors shall fill the vacancy by appointment. Approval of the appointee by two-thirds (2/3) of the Directors present at a duly held meeting shall be required. Such appointees shall serve the unexpired term of the vacant seat.

Section 5. No member of the Board of Directors, elected or appointed, may serve more than six (6) consecutive years.

Article VIII **Duties of the Directors**

Section 1. Consistent with the By-laws the Board of Directors shall:

a. Transact all corporation business, approve real estate leases and make and amend rules for the regulation of the use of Corporation Property. It may appoint and remove such agents or employees as it may deem necessary and may fix their duties and compensation.

b. Elect from among its members a **PRESIDENT**, a **VICE-PRESIDENT**, a **SECRETARY**, a **TREASURER**, **AND AN ASSISTANT SECRETARY-TREASURER**. A stakeholder can hold only one voting position.

c. Establish committees and define the powers and duties of same.

d. Approve applicants for membership in the Corporation.

e. Fix, impose, and remit penalties for violations of these By-laws and fix rules for the regulation of the use of Corporation Property.

f. Appoint a Swim Team Representative.

Section 2. The Board of Directors shall designate the bank or banks in which the funds of the Corporation shall be deposited. The Board of Directors may also designate a bank in which funds earned and disbursed by the swimming pool Swim Team may be deposited. All disbursements from funds of the Corporation shall be made with the approval of the Treasurer or Assistant Secretary-Treasurer. All disbursements from funds in the Swim Team Account shall be made with the approval the Swim Team Representative. The Board of Directors may, by resolution, provide for the establishment of petty cash funds for defraying expense items of the Corporation.

Section 3. The Board of Directors is authorized to obligate funds as deemed necessary.

Section 4. The Board of Directors shall annually obtain a statement of Financial Condition of the Corporation from an independent accountant. The books of the Corporation may also be audited by the stockholders of the Corporation upon affirmative vote of two-thirds of the voting stockholders present at a duly held meeting of stockholders. The report of the accountant shall be included as part of the annual operating report.

Section 5.

a. The Board of Directors shall meet at least once a month from May through September and at such other times as determined by the Board.

b. One-Half (1/2) of the members of the Board shall constitute a quorum at all Board meetings. Each Board member present in person or by proxy shall be entitled to one vote on each question.

c. A Special meeting of the Board of Directors may be called at the discretion of the President. A Special Meeting of the Board of Directors may also be called by the Secretary upon request of a majority of the members of the Board of Directors.

Section 6. A meeting of the Board, a Board committee, or a designated body may be held, and Directors and members of such committee or designated body may participate in such a meeting, by means of a conference telephone or similar communications equipment by which all participating in the meeting can simultaneously hear one another during the meeting. Participation in a meeting by these means shall be considered presence in person at the meeting.

Section 7. In addition to the foregoing enumerated powers, the Board shall have such other powers, not prohibited by these By-laws or by statute, necessary for the operation and management of the Corporation, and consistent with the purpose of the Corporation as stated in **Article II**.

Section 8. Voting by proxy is not permitted for Directors, unless otherwise approved by the Board.

Article IX Officers and Swim Team Representative Duties

Section 1. All officers of the corporation shall be elected annually by the Board of Directors, and shall hold office until the end of the first meeting of the Board following the annual meeting of the stockholders of the Corporation. The Swim Team Representative shall be appointed by the Board of Directors and shall serve until the end of the first meeting of the Board following the annual meeting of the stockholders of the Corporation. The Swim Team Representative may be reappointed for additional one year terms at the Board's discretion subject to the term limit in Article VII, Section 5.

Section 2. The President shall preside at the meetings of the Corporation and the Board of Directors. He shall be the administrative officer of the Corporation. He shall appoint all standing and all special committees and he shall be, ex-officio, a member of all committees.

Section 3. The Vice-President, in the absence of the President, shall act in his stead. He shall, under the direction of the President, attend to the business and financial operations of the Corporation and shall be, ex-officio, a member of all committees. He shall have such other duties as determined by the Board.

Section 4. The Secretary shall prepare and maintain full minutes of all meetings of the stockholders and of the Board. He shall maintain transfer books of the capital stock of the Corporation. He shall have custody of the Seal of the Corporation and all valuable papers other than those kept by the Treasurer and perform such other tasks as customarily pertain to his office.

Section 5. The Treasurer shall have custody of all funds, securities, fiscal papers, and other tangible assets of the Corporation. He shall collect the revenues of the Corporation and pay its bills as authorized by the Board of Directors. He shall provide and maintain full and complete records of the assets and liabilities of the Corporation. He shall prepare and submit at each regular meeting of the Board of Directors a financial statement of the conditions of the Corporation as of the last day of the preceding month, including the book value of the stock. He shall ensure such tax reports as local, state, and federal agencies that may be required are prepared.

Section 6. The Assistant Secretary-Treasurer shall assist the Secretary and the Treasurer in the performance of their duties. He shall have such other duties and tasks as the Board may determine.

Section 7. The Swim Team Representative shall be responsible for the administration of the funds and accounts and affairs of the Swim Team. He shall collect the revenues of the Swim Team and pay its bills as authorized by the Board of Directors. He shall provide and maintain full and complete records of the assets and liabilities of the Swim Team. He shall prepare and submit at each regular meeting of the Board of Directors, a financial statement of the financial condition of the Swim Team as of the last day of the preceding month.

Section 8. When an officer is absent or otherwise unable to perform the duties of his office, the Board shall, without undue delay, designate another member of the Board to act temporarily in his place.

Article X
Committees

Section 1. The standing committees shall be OPERATIONS, FINANCE, MEMBERSHIP/MARKETING, and FACILITIES. The duties and powers assigned in these By-laws to the standing committees shall be subject to the authority of the Board of Directors.

Section 2. The Operations Committee shall:

- a. Advise the Board of the day-to-day operations of the Corporation, including all matters relating to personnel.
- b. Prepare rules of good health and good conduct in conjunction with the operation of the Corporation.
- c. Investigate charges of misconduct and other activities prejudicial to the best interest of the Corporation and report such findings to the Board in such instances where denial of use of the facilities of the Corporation is recommended.

Section 3. The Finance Committee shall prepare the estimated annual budget for submission to and approval by the Board of Directors, and advise them with respect to the financial affairs of the Corporation.

Section 4. The Marketing/Membership Committee shall:

- a. Attend to the publication of affairs of the Corporation which are of general interest.
- b. Develop and recommend to the Board for implementation appropriate strategies to increase and/or maintain memberships in the Corporation.
- c. Investigate applicants for membership and make recommendations regarding such applicants to the Board of Directors.

Section 5. The Facilities Committee shall plan for and supervise improvement, maintenance and repair of the grounds and facilities of the Corporation.

Section 6. The Board is authorized to establish, and the President authorized to appoint, such special and/or temporary committees as are deemed necessary for the welfare of the Corporation.

Article XI
Indemnification

Section 1. Any person who was or is a Director or officer of the Corporation or who, while a Director or officer of the Corporation, is or was serving at the Corporation's request as a Director, officer, partner, trustee, employee, or agent of another entity, shall be indemnified by the Corporation against all liabilities and expenses reasonably incurred by him arising out of or in connection with any threatened, pending, or completed civil action, arbitration, mediation, administrative proceeding, criminal prosecution, and investigatory action.

Section 2. The Corporation shall maintain insurance on behalf of any agent of the Corporation against any liability asserted against or incurred by the agent in such capacity or arising out of the agent's status as such, whether or not the Corporation would have the power to indemnify the agent against that liability under the provisions of this Article; provided, however, that the Corporation shall not have the power to purchase and maintain such insurance to indemnify any agent of the Corporation where such indemnification would be prohibited by law.

Article XII

General

Section 1. The fiscal year of the Corporation shall be November 1 through October 31.

Section 2. Any questions as to the meaning and scope of any provisions of these By-laws shall be determined by the Board of Directors.

Section 3. Returns of elections and proceedings of all meetings of the Directors and stockholders shall be recorded in the minute books. The minutes of all meetings shall be signed by the President and the Secretary, or by those acting in their place. All books of account, minutes of meetings, committee reports, and other records of this Corporation shall be available to the stockholders of the Corporation at all times.

Section 4. These By-laws may be amended **ONLY** by the affirmative vote of two-thirds of the voting stockholders present in person or by proxy at a duly held meeting of stockholders. Prior notice of amendments to the By-laws shall be given each stockholder at least fifteen (15) days before presentation of the amendments at a regular or special meeting of the stockholders.

Section 5. Any notice required by these By-laws shall be given by mail, fax or e-mail delivery at such address, fax number, or e-mail address appearing for each stockholder or director on the records of the Corporation. Notices provided by mail shall be deemed effective upon posting; notices provided by e-mail or fax transmission shall be deemed effective upon transmission.

As adopted: November 14, 1957

As amended: April 7, 1958; October 4, 1965; January 13, 1966; October 7, 1970; October, 1971; October, 1972; October, 1973; November, 1976; November 2004; November 2015