

October 28, 2012
HAYFIELD FARM SWIM CLUB, INC.
BY-LAWS

ARTICLE I. CORPORATE TITLE AND PURPOSE

Section 1. Title. This corporation shall be known as Hayfield Farm Swim Club, Inc., hereinafter referred to as “the Corporation.”

Section 2. Purpose. Hayfield Farm Swim Club, Inc. is a non-profit corporation. This Corporation shall own, develop, operate and maintain a swimming pool and associated facilities for the benefit of its stockholders. The Corporation may undertake the development of other facilities and capital improvement programs as approved by the stockholders.

ARTICLE II. STOCKHOLDERS AND STOCK

Section 1. Shares of stock.

(a) An individual may be a stockholder of the Corporation only if he or she owns a home.

(b) Each share of stock, whether owned and held individually, jointly or severally, shall entitle the holders thereof to one vote.

Section 2. Maximum number of shares of stock.

The total number of shares of stock in the Corporation shall be limited to a maximum of 425.

Section 3. Rights of stockholders.

Each share of stock, when purchased or transferred in accordance with the provisions of these by-laws shall convey to the owner thereof the following rights:

(a) The right of one vote per share owned. Votes will be cast either in person or by proxy designated in writing or by e-mail, on all matters specified herein or presented to the stockholders at any duly called regular or special meeting; and

(b) The right of the stockholder and members of the stockholder’s household living with them at the address listed on the share, to use the Corporation’s facilities subject to such rules and regulations as may be prescribed by the Board of Directors. These rights shall remain in full force and effect as long as the owner of the share of stock fulfills all his obligations imposed under these by-laws or the rules and regulations adopted by the Corporation. “Household” is defined as all those individuals residing year-round at the address identified in the Membership records as associated with a particular stock number.

Section 4. Stockholders meetings.

The annual meeting of the stockholders shall be held in September or October each year at such time and place as the Board of Directors shall designate. A special meeting of the stockholders may be called by the President, the Board of Directors, or upon the written request directed to the President of no less than ten percent (10%) of the current stockholders. In the latter event, the special meeting shall be held within thirty (30) days and written notice thereof given. At any annual or special meeting, ten percent (10%) of the voting stockholders shall constitute a quorum. In the event that a quorum is not present at any annual or special meeting, the Board of Directors shall designate a time and place for a subsequent meeting. Such meetings shall take place no earlier than seven (7) days nor more than fourteen (14) days after the meeting at which a quorum could not be raised, and those present shall constitute a

quorum.

Section 5. Notice of meetings.

At least ten (10) days before the date of an annual or special meeting of the stockholders, the Secretary shall cause written notice thereof to be mailed or delivered or e-mailed to each stockholder at the last address, or e-mail address, appearing for such stockholder on the records of the Corporation. The notice shall contain the meeting's agenda.

Section 6. Deleted – see Section 11.

Section 7. Stock certificates.

Certificates of stock shall be issued in numerical order from the stock certificate book. Such certificates of stock shall be signed by the President and the Secretary, and the corporate seal shall be affixed thereto by the Membership Chairman. A record of each certificate so issued shall be kept in the Membership Database. Transfers of stock shall be made only upon the books of the Corporation and, before a new certificate is issued, the old certificate number shall be voided by the Membership Chairman with the date of cancellation noted in the Membership Database.

Section 8. Transfer and redemption of stock.

(a) The Board of Directors shall approve each transfer of stock. No stockholder shall sell, give or otherwise transfer a certificate of stock without giving the right of first refusal to the purchaser of the stockholder's house (at a negotiated price) and second refusal to the first person named on the then-current "waiting to buy" list, if any (at the then-stated value of shares as established by the Board of Directors). A transfer of stock in any other manner will not be effective to convey voting rights or eligibility rights in or to the use of the Corporation's facilities. A share of stock re-acquired by the Corporation in any manner may be re-issued by the Corporation at the then-stated value.

(b) A stockholder desiring to dispose of his stock but unable to locate an eligible purchaser may present his stock to the Corporation. When received, such share of stock shall be held by the Corporation as agent for the stockholder and shall be sold by the Corporation in order of receipt on the "waiting to sell" list, to the first eligible available purchaser. The share of stock so sold for a stockholder will be sold prior to the time that any new stock is issued or re-acquired stock is resold by the Corporation. Dues and assessments are required to be paid by the stockholder until the share is sold by the Corporation.

(c) No stock shall be redeemed for any reason when to do so would cause the Corporation to become insolvent or when it would place the Corporation in a precarious financial position. If this proviso is invoked the stockholders desiring redemption will be placed on a "waiting to sell" list until the Board of Directors determines that the Corporation is able to resume redemptions. Redemption will then be made in the order in which names appear on this "waiting to sell" list.

(d) A majority of the Corporation's stockholders must be from within the Hayfield Farm Subdivision.

Section 9. Redemption of shares of stock

Any stockholder whose membership is canceled by the Corporation as provided under Article VII, Section 5 or Article VII, Section 6(b), or who surrenders his share per Article II Section 10 may have his stock redeemed by the Corporation. Subject to the provisions of Article II, Section 8c, the Corporation shall redeem the member's stock at the value stated at the time the share was surrendered. The Corporation may take necessary administrative measures to effect the cancellation of a member's stock upon his failure to comply with the provisions of this section.

Section 10. Sale of residence by stockholder.

A stockholder who sells his residence shall notify the Corporation in writing as to the date of sale, and shall provide new address and contact information to the Board. If the stockholder decides he no longer wants his share, if he is no longer a homeowner, or if the sale causes Article II Section 8d to be in violation, he shall surrender his share to the Board for transfer or redemption under the provisions of Article II, Section 9

Section 11: Rental of residence by stockholder

Upon rental or lease of his home by a stockholder, such stockholder may exercise one of the following options:

(a) Continue to enjoy the privileges of membership, including voting. In this case, the stockholder's tenants shall not enjoy any of the privileges of membership.

(b) Authorize his tenants the enjoyment of all privileges of membership except voting. Should the tenants exercise the privileges of membership, the stockholder and the tenants shall be liable jointly and severally for any dues or assessment owed the corporation. Under these circumstances, the stockholder shall not enjoy the privileges of membership, except voting, so long as the tenants of his home enjoy those privileges.

(c) Present his share to the Board to be leased to a third party, in accordance with Article III, Section 3(c).

Section 12: Divorce/Separation

If a married or co-habiting couple are both stockholders as named on the stock certificate, and they subsequently divorce or separate, each shall be entitled to all benefits of membership for the remainder of the year in which the divorce and/or separation occurs. Beginning with the following year, only one household, as defined in Article II Section 3(b), will be entitled to membership privileges. The stockholders in question must notify the Membership Chairman, in writing and signed by both parties, as to who will continue as the owner of the sock, the address to be associated with the stock number, and all contact information for the owner of the stock. Under this provision, a former stockholder may purchase a "nanny pass", as defined by Article II Section 13, in order to use the facilities with the stockholders' children, regardless of whether they reside with the sole current stockholder or the former stockholder.

Section 13: Definition of membership-related terms

(a) Membership: Ownership of one share of stock in Hayfield Farm Swim Club, Inc. Affords all privileges of membership to all individuals residing in the same household, as defined in Article II Section 3(b), and as defined in the membership records.

(b) Lease: An arrangement where a non-member pays a fee for using the privileges of a member who does not intend to use the facilities in a given season. Once a membership is leased, the member is not permitted to use the facilities for that season. Under a Lease, those members of the leasor's household, as defined in Article II, Section 3(b), may use the facilities.

(c) Nanny Pass: A special arrangement to allow a non-member child-care provider or a non-member parent to take a member's children to the pool. If a member employs a non-member Nanny or child-care provider, they may purchase a "Nanny Pass" for the season. This entitles the Nanny or child-care provider to take the member's children to the pool. The Nanny or child-care provider must be accompanied by the member's children. The Nanny Pass is not intended to give the Nanny or child-care provider full, unaccompanied access to the pool for the season. A divorced or separated partner of a stockholder may purchase a Nanny Pass in order to take their children to the pool. This does not give the divorced or separated former stockholder full, unaccompanied access to the facility for the season. They must be accompanied by the children who are identified as members of the current stockholder's household.

(d) Child-Care Provider Pass: A special arrangement to allow a member who provides child care for non-member children to take the non-member children to the pool.

ARTICLE III. BOARD OF DIRECTORS

Section 1. Number and tenure.

(a) The number of directors of the Corporation shall be nine (9). Election of directors shall be at the annual meeting of the Corporation. Each director must be a stockholder of the Corporation. Five of the directors shall be elected on even-numbered years; the remaining four (4) directors shall be elected on odd-numbered years. Each year at the annual meeting of the Corporation the required number of directors shall be elected for a two (2) year term.

(b) The officers and directors shall serve without remuneration of any kind except to be reimbursed for expenditures authorized on behalf of the Corporation.

Section 2. Nomination and election of directors.

(a) A nominating committee shall be appointed by the President at least thirty (30) days prior to the annual stockholder's meeting. This committee shall consist of at least three (3) stockholders who shall nominate a slate of not less than the number of Directors to be elected. Additional nominations may be presented in writing or by e-mail to the Board of Directors within fourteen (14) days prior to the annual stockholders meeting or by any stockholder from the floor of the above meeting. All nominees must indicate a willingness to be nominated. In voting, one vote per share owned may be cast for each director's seat to be filled without cumulation. Election of nominees shall be determined by plurality vote. In the event there is a tie vote on two successive ballots, the presiding officer shall not cast a vote on the third ballot.

(b) A vacancy on the Board of Directors shall be filled by the affirmative vote of a majority of the remaining directors. Any director so elected shall serve until the next annual meeting, at which time an additional director shall be elected to serve for the remaining unexpired term, if any, of the director originally replaced.

Section 3. Duties and powers of directors.

(a) The Board of Directors shall have the power to conduct, control, and manage the affairs and business of the Corporation; to make rules and regulations not inconsistent with the laws of the Commonwealth of Virginia and the by-laws of this Corporation and to enforce such rules and regulations; to annually establish the stated value of stock; and to do any and all things necessary or incidental to carry out the business and purposes of the Corporation.

(b) The directors, prior to February 1 of each year, shall establish the annual dues for the operation and maintenance of the Corporation's facilities for the ensuing season. Dues are considered annual fees collected each year from the stockholder for use in the normal operation and maintenance of the facility. Dues may not exceed Four Hundred Fifty Dollars (\$450.00) without the approval of a majority of those present at a regular or special meeting of the stockholders. Payment of such dues is an obligation of every stockholder. The privileges of membership shall be denied any stockholder and members of his household until all outstanding dues have been paid.

(c) The Board of Directors may establish an assessment on the stockholder. Assessments are charges made against stockholders for each one's pro rata share of the expense of specific capital repairs or improvements to be enjoyed by all of them in common. Assessments are not intended to be an annual occurrence. Assessments are an obligation of every stockholder. The privileges of membership shall be denied any stockholder and members of his or her household until all outstanding assessments have been paid.

1. The Board of Directors shall establish a schedule for payment of assessments that is

independent of payment of annual dues.

2. The Board of Directors shall specify what capital repairs and improvements an assessment is expected to finance for the Corporation. Assessment funds are not to be used for general operations and maintenance activities that are covered by annual dues.

3. An assessments may not exceed One Hundred Dollars (\$100.00) without the approval of a majority of those present at a regular or special meeting of the stockholders.

(d) If a stockholder notifies the Board of Directors that he will not utilize the privilege of membership in the Corporation for a particular season, the Board may lease his share of stock to a third party. Shares of stock under this section shall not be leased so long as the Corporation has unissued or re-acquired stock in its possession that has not been leased.

(e) The Board of Directors shall attempt to lease shares of stock presented by stockholders and otherwise made available for lease, at a cost not to exceed \$50.00 over the annual dues amount, unless the Corporation has unissued or re-acquired shares of stock in its possession that have not been leased. Dues are required to be paid by the stockholder until the share is leased by the Corporation. Shares presented by stockholders will be placed on an "available for lease" list in the order in which the Membership Committee Chairman is notified of the stockholder's desire to lease his share for the season.

(f) The directors shall establish and maintain a "waiting to lease" list, to facilitate the leasing of shares of stock, and shall establish the cost of a lease, which shall not exceed \$50 over the annual dues established in Article III, Section 3 (b). Non-stockholders desiring to lease a share of stock for a particular season will be placed on the "waiting to lease" list in the order their request is received by the Membership Committee Chairman. The Board may establish a deposit requirement for placement on the "waiting to lease" list.

(g) Leases of shares of stock will first be offered to those on the "waiting to buy" list, then to those on the "waiting to lease" list.

(h) Should the Board lease a stockholder's share of stock, the dues paid by the stockholder shall be refunded in proportion to that part of the season that the facilities of the club are made available to the lessee.

(i) The Board of Directors may make the facilities of the Corporation available to persons, groups, or organizations as it deems proper, if, in the opinion of a majority of the Board of Directors, such use will benefit the Corporation and the community.

Section 4. Meetings of the Board of Directors

(a) Regular meetings. The Board of Directors shall meet each month except in those instances when, by majority vote, the Board decides a regular meeting is not needed.

(b) Special meetings. Special meetings may be called by the President or by any two directors. The President or the requesting directors shall fix the place and time for holding any special meeting.

(c) Quorum. A quorum for any meeting of the Board of Directors shall be six (6). The act of a majority of the directors present at any regular or special meeting at which a quorum is met shall be the act of the Board of Directors.

(d) Attendance. If a director fails to attend three consecutive regular meetings of the Board of Directors or otherwise fails to perform the duties required of him as a director, his office may be declared vacant by a two-thirds vote of the Board of Directors present at a regular or special meeting.

ARTICLE IV. OFFICERS

Section 1. Election.

(a) The officers of the Corporation shall be a President, a Vice-President, a Secretary, and a Treasurer, each of whom shall be elected by and from the Board of Directors. Such other officers and assistant officers as may be deemed necessary may be elected or appointed by the Board of Directors. The officers shall be elected annually at the first meeting of the Board held after the annual stockholder's meeting. Each officer shall hold office until his successor has been elected. The officers shall serve without remuneration of any kind.

(b) A vacancy caused by the death, resignation, or removal of any officer of the Corporation shall be filled in accordance with Section 2(b) of Article III. When an officer is absent or is otherwise unable to perform his duties, the Board of Directors may by resolution designate another member of the Board to act temporarily in his place.

Section 2. President.

The President shall preside at all meetings of the stockholders and at all meetings of the Board of Directors. He shall perform such other duties as customarily pertain to the office of the President, or as he may be directed to perform by resolution of the Board of Directors.

Section 3. Vice-President.

The Vice-President shall have, and exercise, all the powers, authority, and duties of the President during the absence of the latter, or in the event of his inability to act. In addition, he shall perform such other duties as he may be assigned to perform by the President or Board of Directors. The Vice-President shall supervise the filing of all reports required by law, including the annual report of the Corporation to be filed with the State Corporation Commission and the annual returns required to be filed with the Federal and State authorities. Additionally, the Vice-President will assure provision of adequate liability and other insurance coverage for pool operation and facilities.

Section 4. Secretary.

The Secretary shall prepare and maintain results of elections, and proceedings of all meetings of the stockholders and Board of Directors. Full minutes of all meetings shall be recorded in the minute books. He shall receive and maintain all correspondence addressed to the Corporation; maintain accurate lists of all committees, Directors and officers; give required notice of all meetings, and, have custody and responsibility for safekeeping of the permanent papers and records of the Corporation, including the Articles of Incorporation, by-laws, and amendments.

Section 5. Treasurer.

The Treasurer shall have custody of all funds, securities, fiscal papers and other assets of the Corporation. He shall supervise the collection of the revenues of the Corporation and promptly pay the bills and other obligations of the corporation as authorized by the Board of Directors. He shall maintain full and complete records of all financial transactions of the Corporation. He shall present at each regular meeting of the Board of Directors a current financial report sufficient to apprise the Board of the condition of the Corporation. The Treasurer shall prepare and submit, at the annual stockholder's meeting, an annual report of the financial operations and condition of the Corporation. Such annual report shall have been audited by an independent public accountant or, as provided for in Article V, Section 6, by an Auditing Committee. The Treasurer shall prepare such financial reports and returns as local, state and federal taxing authorities may require.

ARTICLE V. STANDING AND SPECIAL COMMITTEES

Section 1. Operations Committee. An Operations Committee shall be appointed by the President from among the directors and stockholders, the Chairman to be from the Directors. This committee is responsible for the overall operation of the swimming pool and its related facilities. The duties and responsibilities of this Committee will include, but not be limited to, making recommendations

to the Board of Directors concerning the following matters:

- (a) The operating rules and regulations and changes thereto.
- (b) Interviewing, hiring and development of job descriptions of pool managers and lifeguard staff as appropriate, or selection of a Pool Management Company if so decided by the Board of Directors.
- (c) An adequate gate control system.
- (d) Physical security of the pool and its related facilities.
- (e) Selections of an operator, or manager and staff, for the snack bar.
- (f) Liaison with the managers and staff, Pool Management Company, and Snack Bar Operator.
- (g) Control over pool furniture, equipment, etc., including recommendations to the Board for replacements and additions.
- (h) Any other matters related to operational aspects of the pool and its related facilities.

Section 2. Engineering and Maintenance Committee. An Engineering and Maintenance Committee shall be appointed by the President from among the directors and stockholders, the Chairman to be from the directors. This committee will plan for and supervise the construction, technical operation and repair of all facilities of the Corporation. This committee will be responsible for landscaping and grounds maintenance and will render technical advice to the Operations Committee at their request.

Section 3. Membership Committee. A Membership Committee shall be appointed by the President from among the directors and the stockholders, the Chairman to be from the directors. The Committee shall:

- (a) Maintain the membership database, containing a complete record of membership data, including: name, address, e-mail address, membership number, complete names of all relatives living with that member, ages of all children, and all current data concerning the members, payments of fees, assessments or other approved amounts due from the members.
- (b) Prepare and send, by mail or by email, all dues invoices to all stockholders, by February 15 of each year, payable by April 1 of each year.
- (c) Process all applications for membership, leased swimming privileges, if available, or guest cards, and maintain the “waiting to sell”, “waiting to buy”, “waiting to lease”, and “available for lease” lists.
- (d) Collect and duly record all receipts of annual dues and assessments. All funds will then be turned over to the Treasurer and complete records of such transactions will be kept in such a manner that the Annual Audit can properly establish the precise financial status of the Corporation. All delinquent accounts will be reported to the Board of Directors at each regular meeting.
- (e) Have custody of and be responsible for the safekeeping of the Corporate Seal.
- (f) Report all serious or repeated infractions of the rules to the Board of Directors for appropriate action.

Section 4. Activities Committee. An Activities Committee shall be appointed by the President from among the directors and stockholders, the Chairman to be from the directors. This committee will be responsible for organizing, and conducting all social and recreational activities at the Corporation's facility except for activities of the swimming and diving teams.

Section 5. Swimming and Diving Team Committee. A Swimming and Diving Team Committee shall be appointed by the President from among the directors and stockholders, the Chairman to be from the directors. This committee will be responsible for making recommendations to the Board of Directors with regard to the hiring of prospective candidates for coaching jobs; for the conduct of all practice and competitive meets; for liaison activities with the Northern Virginia Swim League; and, for all other activities directly related to carrying out the desires of the Corporation to foster competition and sportsmanship in the field of swimming and diving.

Section 6. Audit Committee.

(a) An audit committee composed of at least three (3) members, preferably with accounting backgrounds, may be appointed in August by the Board of Directors. No person currently serving as a director of the Corporation may serve on this committee. Any stockholder of the Corporation is eligible to be selected to serve on this committee. A non-stockholder of the Corporation may be selected to serve on the committee provided that person is a qualified accountant.

(b) An audit committee shall be responsible for examining the records and accounts of the Corporation for the fiscal year ended September 30 and presenting their report to the stockholders at the annual stockholder's meeting. Generally accepted auditing procedures will be followed in reviewing the financial condition of the Corporation.

Section 7. Appointments. The President shall be authorized to appoint such other special committees or advisors from the directors and members as he shall deem necessary or expedient.

Section 8. Subcommittees. The Chairman of each standing committee may appoint advisory sub-committees from among the members of the Corporation.

ARTICLE VI. PROPERTY AND FINANCES

Section 1. Obligations. Except for the initial loan necessary for the construction of the pool and related facilities, the Corporation is not authorized to contract for any obligation in excess of its unobligated assets. Any obligation or expenditures of the Corporation assets requires the prior approval of the Board of Directors.

Section 2. Tangible Personal Property. Tangible personal property of the Corporation may be transferred, sold, or mortgaged, only after a two-thirds vote of the directors shall have approved such transaction.

Section 3. Real Property. Real property of the Corporation may be encumbered, sold or transferred, only by vote of a majority of stockholders of the Corporation at a special meeting of stockholders called by its Board of Directors. Notice of this meeting shall be given in writing to each member of the Corporation, by serving same on him personally or by mailing it to him at his place of residence as it appears on the books of the Corporation. This notice shall be mailed or delivered at least 14 days prior to such meeting.

Section 4. Deposit of funds. All funds of the Corporation shall be deposited in such qualified depository or depositories as the Board of Directors may from time to time designate. Funds shall be deposited as soon as possible after their receipt; provided however, that receipts in the aggregate of \$100 or less need not be deposited more often than once a week and further, provided that all deposits shall be insured by the Federal Deposit Insurance Corporation.

Section 5. Disbursement of funds. All disbursements of funds of the Corporation shall be made by checks signed by any two directors, at least one of whom is an officer. However, the Board of Directors may by resolution provide for the establishment of petty cash funds not to exceed \$250.00 each.

Section 6. Investment of funds. The funds of the Corporation, except as otherwise provided in these by-laws, may be invested only in obligations of the United States Government or in certificates of deposits at approved depositories. Funds may not be loaned to or invested with any stockholder of the Corporation.

Section 7. Audit of accounts. The accounts of the Corporation shall be audited annually in accordance with Article IV, Section 5. The report of this audit will be presented at the annual stockholder's meeting by the Board of Directors.

ARTICLE VII. GENERAL PROVISIONS

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

Section 2. Removal from office. Any director of the Corporation may be removed from office by the affirmative vote of two-thirds of the voting stockholders at a special meeting called for that purpose, but only after an opportunity has been given that director to be heard. Any officers of the Corporation may be removed from office by the affirmative vote of two-thirds of the directors present at a regular or special meeting of the board of directors, but only after an opportunity has been given that officer to be heard.

Section 3. Annual operating report. At the annual meeting of the stockholders, copies of the annual financial statements of the Corporation will be made available to the stockholders

Section 4. 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 Corporation, and to protect the Corporation, and its Directors and Officers, against liability.

Section 5. Cancellation of members' privileges to facilities. Pool manager can suspend member facilities privileges for up to one week. After the second one-week suspension, or immediately in the case of serious infractions concerning injury to persons or damage to property, the Board of Directors shall be notified, and by a two-thirds majority may recommend the cancellation or suspension of the privileges of any stockholder or member of his household to use the Corporation's recreational facilities. Such person shall be notified in writing by the Membership Chairman regarding the grounds upon which such action is based; the person shall have the opportunity to be heard by the Board of Directors before a special meeting called for such purpose. Any person whose privileges are canceled or suspended by the Board of Directors may be reinstated upon appearance and approval by the majority of the stockholders present at a regular or special meeting. An appeal by a member must be submitted in writing to the Board of Directors within seven (7) days after notice of cancellation or suspension has been received requesting a special meeting be called. The Board of Directors shall call a special meeting of the Board, or the stockholders as applicable, within fourteen (14) days of the member's request.

Section 6. Eligibility

(a) No stockholder or member of his household will be permitted to use the Corporation's facilities until all dues are paid for the current season. Payment of dues shall be made by April 1 of each year. A penalty for late payment may be assessed by the Board of Directors. In the event that dues remain unpaid by May 1 of each year, the Board of Directors is authorized to lease unpaid shares in accordance with Article III, Section 3d, except that the total of all lease fees collected (less administrative fees) shall be redistributed equally to all unpaid shares.

(b) Any stockholder who is two years in arrears on payment of his or her annual dues, or late fees by May 1 of each year shall automatically forfeit their membership and rights and no longer be a stockholder in the Corporation. In September of each year the Board of Directors must notify each delinquent stockholder of the intent of the Board to void their share on January 1 of the following year unless all dues and related late fees due by that date are paid in full. Notification shall be made by certified mail with return receipt requested to the last known address as it appears on the books of the Corporation. A cancellation fee of \$50.00 will be charged. The Corporation will rebate to the stockholder the current value of his share minus the overdue annual dues, late fees and cancellation charge. The Corporation will then show this share as "Voided" and issue a new share to the next person on the "waiting to buy" list. Lease of a stockholder's share by the Corporation Article VII, Section 6 (a) shall not constitute payment of the dues by the stockholder.

(c) No stockholder or member of his household will be permitted to use the Corporation's facilities until all assessments are paid for the current season. Payment of assessments shall be made by stockholders according to the schedule established for the specific assessment in accordance with Article III, Section 3(c)4. A penalty for late payment may be levied by the Board of Directors.

(d) Any stockholder who is two years in arrears on payment of his or her assessment by the scheduled due date shall automatically forfeit their membership and rights and no longer be a stockholder in the Corporation. The Board of Directors must notify each delinquent stockholder of the intent of the Board to void their share unless all assessments and related late fees due by the scheduled date are paid in full. Notification shall be made by certified mail with return receipt requested to the last known address as it appears on the books of the Corporation. A cancellation fee of \$50.00 will be charged. The Corporation will rebate to the stockholder the current value of his share minus the overdue assessments, late fees and cancellation charge. The Corporation will then show this share as "Voided" and issue a new share to the next person on the "waiting to buy" list. Lease of a stockholder's share by the Corporation Article VII, Section 6 (a) shall not constitute payment of the assessment by the stockholder.

Section 7. Guests may be afforded privileges in accordance with the Corporation's operating rules and regulations.

ARTICLE VIII. AMENDMENTS TO BY-LAWS

Section 1. By stockholders. Amendments to these by-laws may be adopted by the affirmative vote of two-thirds (2/3) of the voting stockholders present at a duly held regular or special meeting providing fourteen (14) days written notice of any proposed change has been given.

~End of by-laws~