

RULES, REGULATIONS AND PROCEDURES FOR THE HIDDENBROOK SWIM AND TENNIS CLUB

ARTICLE I NAME

The name of the club shall be the Hiddenbrook Swim and Tennis Club hereinafter referred to as the "Club". The Club is owned by the Hiddenbrook Homes Association and is operated under the authority and supervision of the Hiddenbrook Homes Association, a Virginia corporation.

ARTICLE II PURPOSE

The purpose of the Club is to furnish swimming, tennis and clubhouse facilities for Club members in good standing, their immediate household members and their authorized guests. The facilities shall be operated solely for the pleasure and recreation of the membership and to support community activities as approved by the Board of Directors.

ARTICLE III MANAGEMENT

Section 1. Board of Directors. The Board of Directors of the Hiddenbrook Homes Association shall manage the affairs of the Hiddenbrook Swim and Tennis Club and adopt procedures for registration, use, and assessments in operating the recreational facility known as the Hiddenbrook Swim and Tennis Club.

Section 2. Recreation Committee. The Recreation Committee shall consist of seven members: two from the Tennis and Clubhouse Committees and three from the Pool Committee. The appropriate committees shall select their Recreation Committee members. A chairperson shall be elected from these seven by the Recreation Committee. The Board of Directors of the Hiddenbrook Homes Association shall approve the Recreation Committee members. The Recreation Committee serves at the pleasure of the Board of Directors and is responsible for:

- a. Preparation of the annual budget for the operation and maintenance of the Club's recreational facilities which are to include pool, tennis courts, clubhouse and the clubhouse parking lot.
- b. Coordination of the activities of the Pool, Tennis and Clubhouse Committees and ensuring that appropriate rules and regulations are prepared, published and enforced for the use of the recreational facilities. Such rules and regulations must first be approved by the Board of Directors.
- c. Advising the Board of Directors on all matters pertaining to the recreational facilities.
- d. With the approval of the Board of Directors, appointing ad hoc committees as needed for specific functions of the Club.

Section 3. Pool, Tennis and Clubhouse Committees. These Committees will be appointed by the Board of Directors with the advice of the Recreation Committee and shall serve at the pleasure of the Board. To serve as a committee member, the individual must be a member in good standing of the Hiddenbrook Swim and Tennis Club. These Committees are responsible for:

- a. Assisting the Recreation Committee in the preparation of the annual budget sections pertaining to their areas of responsibilities.
- b. Operating and maintaining their respective facilities.

- c. Preparation of rules and regulations for their respective facilities for approval by the Recreation Committee and the Board of Directors.
- d. The Committees will report on their activities to the Board of Directors when called upon to do so.

ARTICLE IV **MEMBERSHIP**

Section 1. Maximum Number of Membership Certificates. Membership certificates shall be limited to a maximum number of four hundred (400) unless otherwise changed by a vote of the membership as hereinafter prescribed.

Section 2. Existing Membership Certificates. Membership certificates sold by the Hiddenbrook developer, Miller and Smith, and existing at the time these Rules, Regulations and Procedures are approved and adopted by the membership, shall be exchanged for new certificates to be issued by the Club. The Club will issue new certificates only where the assessments required during the year of the exchange have been paid. Old certificates issued by Miller and Smith and not exchanged within ninety (90) days after these Rules, Regulations and Procedures are approved shall not be recognized on the books of the Association for the purposes of registration, receiving notices pertaining to the Swim and Tennis Club, and shall not be afforded the privileges and use of the facilities until such requirements as set forth under these Rules, Regulations and Procedures are met. Persons holding membership certificates who do not desire to retain membership may redeem their membership with the Board of Directors at a fair market price to be determined by the Board. Redemption must also be requested within ninety (90) days after these Rules, Regulations and Procedures are approved and mailed to the membership. Nothing herein shall abridge the right of an old certificate holder to transfer his certificate or abridge his rights in the said certificate as far as the right of alienability.

Section 3. Eligibility for Membership. Eligibility for membership shall be determined by the Board of Directors or a committee thereof authorized to approve new members. Any applicant who has been disapproved by the Board of Directors or such committee shall have the privileges of review by the membership at large, according to such procedure as may be determined by the Board of Directors.

Section 4. Member(s) in Good Standing. A member shall be considered in good standing so long as all fees and dues are paid in the manner prescribed herein and so long as persons entitled to use of the Club's facilities under such membership comply with the established rules and regulations of the Club.

Section 5. New Memberships. Applicants for membership in the Hiddenbrook Swim and Tennis Club may apply to the Board of Directors in writing for purchase of membership certificates held by the Hiddenbrook Homes Association (Association). Such applications will be kept on file by the Secretary of the Board of Directors of the Association. The Board of Directors shall, from time to time, act on such applications and allocate membership certificates among them, giving priority first to members of the Hiddenbrook Homes Association. This section shall govern the issuance of all membership certificates held by the Hiddenbrook Homes Association, whether acquired by redemption in accordance with Sections 2 or 7 of this Article, by purchase from Miller and Smith, or by repurchase in accordance with Section 14 of this Article. Nothing in this Section shall prevent or restrict the Association from charging and collecting a purchase price for the sale or issuance of any membership certificate, or from prescribing reasonable terms and conditions for the payment of such purchase price, provided such purchase does not exceed the fair market value of the membership certificate as such value is determined by the Association. Notwithstanding any of the foregoing, however, ownership of any membership certificate shall not be binding or conclusive on the Association, and the holder of such certificate shall not be entitled to any of the rights and privileges of membership, until such time as the holder has registered such certificate with the Association in accordance with such rules and procedures as the Association may adopt. This section pertains to certificates that have come under control of the Board of Directors through redemption sections herein and/or through purchase from Miller and Smith.

Section 6. Inactive Membership. A member may apply in writing to the Board of Directors for inactive membership status. If approved for inactive membership, the member may be excused from the payment of the operational portion of annual assessments but shall be liable for the maintenance portion of the annual assessments and for all special assessments. Resumption of active membership may be made by payment of full annual assessment due in the year of resumption. Prorations will not be considered under this section.

Section 7. Redemption of Membership Certificates. In addition to the one time redemption of certificates for those current members who do not wish to keep their membership (Section 2, this Article), any member may apply to the Board for redemption of his membership certificate. The Board will redeem the certificate at a price determined by the Board. In those instances in which a member is expelled from the Club for violation of its rules and regulations, other than for nonpayment of dues or assessments in accordance with Section 13 of this Article, the Board may redeem the certificate of such member subject to such terms and conditions as the Board may deem advisable. In no event, however, shall the Board redeem a certificate which has been canceled for nonpayment of dues or assessments in accordance with Section 13 of this Article.

Section 8. Membership Privileges for Lessees of Member's Home. A member in good standing who wishes the lessee of his home to use his membership privileges during the period of the lease, will make written application to the Board. Responsibility for the payment of all assessments remains with the member regardless of any arrangements made between him and the lessee. No lessee shall be entitled to vote on any matters pertaining to the Club. Lessees and their families and their guests are held responsible for obeying all Club rules and regulations in the same manner as members.

Section 9. Transfer of Membership Certificate. Subject to the restrictions on transfer imposed by the following Section 14 of this Article IV, membership certificates and membership privileges may be sold and transferred provided any such purchases and transferees are otherwise eligible for membership in the Hiddenbrook Swim and Tennis Club and provided further that such transfers shall not be recognized by the Hiddenbrook Homes Association, nor shall the transferee of such membership be entitled to the privileges and benefits of membership in the Hiddenbrook Swim and Tennis Club, until written notice and registration of such transfer, including the name and address of the new owner of such certificate, is provided to the Hiddenbrook Homes Association. The Secretary of the Board of Directors of the Hiddenbrook Homes Association shall serve as the office of record on all matters concerning the registered membership rolls of the Hiddenbrook Homes Association.

Section 10. Guests. Any member in good standing and any lessee whose lessor is in good standing may bring guests to the recreation facilities to which they are entitled. In the case of the pool, members and lessees bringing guests will be required to register them and pay a guest fee as prescribed in pool rules and regulations. In order to prevent overcrowding, the number of guests may be restricted by the Pool Committee or its representative(s). Members not in good standing or inactive members shall not be permitted as guests.

Section 11. Seasonal Pool Memberships. The Board of Directors may offer a limited number of seasonal memberships provided that the total number of seasonal and active regular memberships shall not exceed the limit set by Section One (1) above. Fees for seasonal memberships shall be determined annually by the Board of Directors. Persons buying homes in Hiddenbrook may also apply for seasonal membership if they are available with the understanding that they may have such seasonal membership only once.

Section 12. Suspension and Expulsion. Any member of the Club who violates its rules and regulations, other than rules and regulations pertaining to the liability for, and payment of, dues and assessments, may be subject to penalties ranging from temporary suspension of membership privileges to expulsion from the Club, as the Board of Directors may determine the circumstances warrant. The expulsion of

a member, however, shall require the unanimous vote of the Board of Directors and may be applied to a member, a member of his household, or the entire household.

Section 13. Suspension and Cancellation of Membership Certificates for Non-Payment of Dues and Assessments. Any member who fails to pay any dues or assessments, whether annual or special, in accordance with the payment due dates established by the Board of Directors shall be in default. The membership privileges of any member in default shall be automatically suspended and such member shall have no right to use the recreational facilities operated by the Club, until such time as such member has cured his default by payment of all dues and assessments whether annual or special, then due and owing, together with any associated interest, fees, or penalties.

If a member continues in default for nonpayment of any dues or assessment for a period exceeding sixty (60) days after the date on which such dues or assessment become due and payable, the Hiddenbrook Homes Association shall promptly deliver to such member written notice advising him of his default and that his failure to cure such default within one hundred twenty (120) days after the date such dues or assessments became due and payable shall result in the irrevocable forfeiture of his membership privileges, without right or claim of redemption. Delivery of written notice shall be sufficient if mailed via U.S. certified mail, return receipt requested, to the mailing address of the member shown on the records of the Hiddenbrook Swim and Tennis Club. If, after delivery of such written notice, such member fails to cure such default, by payment of all dues and assessments, whether annual or special, then due and payable, within one hundred twenty (120) days after such dues or assessments became due and payable, the membership privileges of such member shall be automatically and irrevocably forfeited and the Hiddenbrook Homes Association shall cancel the membership certificate of such member, without any right or claim of redemption.

In addition, any member who has failed to pay any dues or assessment which become due and payable prior to 30 January 1986 shall be in default. The membership privileges of such member in default shall be automatically suspended in accordance with the first paragraph of this Section 13. The Board of Directors shall promptly deliver to such member notice of such default in accordance with the second paragraph of this Section and such membership and membership certificate shall also be subject to forfeiture and cancellation in accordance with the procedures established by the preceding paragraph.

Section 14. Restrictions on the Transfer of Membership Certificates. Every membership certificate in the Hiddenbrook Swim and Tennis Club shall be subject to the restriction on transfer imposed by this Section 14. The Board of Directors of the Hiddenbrook Homes Association may, by resolution duly adopted, find that there exists an inadequate supply of membership certificates in the Hiddenbrook Swim and Tennis Club available for purchase by members of the Hiddenbrook Homes Association. During any period for which the Board of Directors of the Hiddenbrook Homes Association finds such an inadequate supply to exist, the Association shall not be obligated to recognize any sale or transfer of a membership certificate in the Hiddenbrook Swim and Tennis Club to a person who is not a member of the Hiddenbrook Homes Association and further the eligible purchasers and transferees of such membership certificates shall be restricted and limited to members of the Hiddenbrook Homes Association. Upon request by a holder of a membership certificate, whether such holder is a member of the Hiddenbrook Homes Association or not, and who wishes to offer a membership certificate for sale, the Hiddenbrook Homes Association shall, within thirty (30) days of receipt of such notice, respond in writing and state whether an inadequate supply of membership certificates has been found to exist by the Board and whether or not the sale and transfer of such membership certificate is limited and restricted to a member of the Hiddenbrook Homes Association in accord with this Section 14, and further, if such sale and transfer is so restricted, the Association shall furnish such holder with a list of members of the Hiddenbrook Homes Association who desire to purchase membership certificates in the Hiddenbrook Swim and Tennis Club. The holder of the membership shall be free to negotiate the terms and conditions of sale of such membership certificate with any prospective purchaser who is a member of the Hiddenbrook Homes Association. If the holder is unable to effectuate and complete a sale of the membership certificate to a member of the

Hiddenbrook Homes Association, then the Association shall promptly redeem such membership certificate in accord with Section 7 of this Article IV. In no event shall the restrictions and limitations prescribed by this Section 14 apply to or affect the sale and transfer of a memberships certificate unless the Board of Directors of the Hiddenbrook Homes Association shall have first found, by resolution duly adopted, that there no longer exists an adequate supply of membership certificates in the Hiddenbrook Swim and Tennis Club for purchase by members of the Hiddenbrook Homes Association. Nothing herein shall prevent the Board of Directors of the Hiddenbrook Homes Association from periodically finding the existence of an inadequate supply of membership certificates in the Hiddenbrook Swim and Tennis Club for purchase by members of the Hiddenbrook Homes Association. Nothing in this Section 14 shall abridge the right of a member of the Association to delegate his rights of enjoyment of the recreational facilities to members of his family, his tenants, or to contract purchasers, who reside on the Hiddenbrook lot owned by such member, in accordance with Section 2 of Article IV of the Hiddenbrook Declaration of Covenants, Conditions, and Restrictions.

ARTICLE V

ASSESSMENTS

Section 1. Types of Assessments. Two types of assessments, annual and special, may be levied against membership certificates.

Section 2. Annual Assessments. The Board of Directors shall determine the annual assessment against each membership certificate to cover the annual costs of operating and maintaining the recreation facilities. The operating cost and maintenance cost will be specified on each annual assessment to accommodate application for inactive memberships. The annual assessment shall be based on budget requirements and estimates as recommended by the Recreation Committee and approved by the Board of Directors.

Section 3. Special Assessments. The Board of Directors may levy in any budget year special assessments applicable to that budget year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, unexpected repair or replacement of any of the recreational facilities. However, such special assessments and payment schedule or due date shall be made only with the approval of two-thirds (2/3) of the members in good standing who are voting in person or by proxy at a meeting duly called for this purpose. Written notice of such meeting shall be sent to all members not less than thirty (30) days and not more than sixty (60) days in advance of the meeting and shall set forth the purpose, date, time and place of the meeting.

Section 4. Limitations on Use of Assessments. Assessments, annual and special, shall be used exclusively for the maintenance and operation of the recreational facilities. Use of assessments for any other purpose shall require the vote of two-thirds (2/3) of the members at a special meeting as prescribed in Section 3, this Article. Assessments shall be separate from those of the Homes Association.

Section 5. Billing and Payment of Assessments. The Board of Directors shall establish annually the date of the beginning of the billing period for the annual assessments. Annual assessments are due sixty (60) days after the beginning of the billing period. Members who make full payment of the annual assessment within thirty (30) days of the beginning of the billing period may be entitled to a percentage reduction of the annual assessment. Notification of any reduction shall accompany the bill. Postmark will be used to determine payment date. There shall be no reduction for early payment of special assessments. The Board may, at its discretion, elect to bill members for and/or collect annual assessments on a periodic installment basis.

Section 6. Nonpayment of Assessments. Any member who fails to pay any dues or assessments in accordance with the payment dates established by the Board of Directors shall cause the suspension and/or forfeiture of membership privileges in accordance with the procedures established by Section 13 of Article IV.

No member may waiver or otherwise escape liability for payment of assessments by non-use of the Club's facilities.

ARTICLE VI

MEETING OF MEMBERS

Section 1. General. All annual or special meetings of the Swim and Tennis Club shall be chaired by the Board of Directors. The membership shall be advised in writing of the time, date, and place, and purpose of such meetings not less than thirty (30) days and not more than sixty (60) days in advance of the meeting.

Section 2. Annual Meeting. There shall be an annual meeting each January of the general membership at a time, date and place determined by the Board of Directors. This annual meeting shall be held separately from any meeting of the Homes Association.

Section 3. Special Meetings. Special meetings of the membership may be called by the Board of Directors or by any Swim and Tennis Club member in good standing who obtains signatures on a petition requesting such a meeting from 10% of the membership who are also in good standing.

Section 4. Voting. There shall be one vote for each valid membership certificate. Only members in good standing are permitted to vote. Proxies shall be submitted in a written form prescribed by the Board of Directors.

Section 5. Quorum. At any meeting of the membership, one-tenth (1/10) of the total membership who are entitled to vote and who are represented in person or by written proxy, shall constitute a quorum.

ARTICLE VII

MEETINGS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Meetings of the Board. The Board of Directors of the Hiddenbrook Homes Association and of the Hiddenbrook Swim and Tennis Club, being one and the same executive body, shall meet on the third Monday of each month except for November to consider Club matters as well as those of the Homes Association. Club matters may also be addressed in executive sessions of the Board as deemed necessary by the Board.

Section 2. Officers of the Board. Officers of the Hiddenbrook Homes Association's Board of Directors shall serve in the same capacity and with the same title on the Board.

Section 3. Duties of the Board. The Board shall exercise general direction and control of the affairs of the Club. The authority of the Board shall include; but not be limited to, such matters as:

- a. Transacting the general business of the Club including but not limited to, construction, operations, maintenance and management of the recreation facilities.
- b. Establishing annual assessments, guest fees and seasonal membership fees.
- c. Recommending, when required, special assessments for approval by the membership.
- d. Authorizing the incurring of obligations for routine and recurring costs associated with operation and maintenance of the recreation facilities and the payment of such obligations.
- e. Preparing and submitting a financial report of the affairs of the Club separate from the Hiddenbrook Homes Association and approving and presenting the annual budget to the membership of the Club at its annual meeting.

- f. Selecting depositories and investments for the funds of the Club which shall be separate from those selected for the funds of the Hiddenbrook Homes Association. This does not preclude the use of the same bank or other similar facility for deposit of funds but separate accounts shall be kept. Likewise, investments shall be in separate accounts if made with the same institution.
- g. Providing for a competent audit of the Club's records at least once a year and reporting the results of the audit to the membership.

ARTICLE VIII

RULES, REGULATIONS AND PROCEDURES

Section 1. Effective Date of Rules, Regulations and Procedures. These Rules, Regulations and Procedures shall become effective immediately upon approval and adoption by two-thirds (2/3) of the membership of the Swim and Tennis Club and upon incorporation into the Hiddenbrook Homes Association By-Laws.

Section 2. Amendments. These Rules, Regulations and Procedures may be amended as follows:

- a. Proposed amendments may be originated by a member of the Board or by petition signed by ten percent of the membership who are in good standing.
- b. All proposed amendments originating by petition must be submitted to the Board not less than forty-five (45) days prior to the next annual meeting or special meeting called for this purpose.
- c. A copy of the proposed amendment(s) shall be mailed to the members not less than thirty (30) days prior to the meeting which is to address the amendments. One proponent of each amendment shall be permitted to include a statement with respect to the proposed amendment no exceeding one typewritten page in length. The Board may indicate its recommendations and make such comments as it deems necessary on each proposed amendment.
- d. An affirmative vote of two-thirds (2/3) voting shall be effective for the adoption of an amendment provided a quorum of votes as prescribed in Section 4, Article VI is present.

Section 3. Interim Amendments. Notwithstanding any other provisions of these Rules, Regulations and Procedures, the Board of Directors may amend these Rules, Regulations and Procedures by unanimous vote with all directors present and voting. Such an amendment shall remain in effect for all purposes subject to ratification by two-thirds(2/3) of the members voting in person or by proxy at the next annual or special meeting called for this purpose. When interim amendments are made by the Board they shall become effective when the written notification of the amendment is mailed to the members.

Section 4. Copies. A copy of these Rules, Regulations and Procedures shall be made available to each member.

Approved and adopted by the Swim and Tennis Club membership on 19 April 1982.

Amended by the Board of Directors of the Hiddenbrook Homes Association on 20 January 1986, 15 February 1988, and 25 April 1989.