

**MALLORY COUNTRY CLUB
BY-LAWS**

BYLAWS

Amended: 11/94, 7/96, 11/97 with recommended revision of 8/97, 4/99 with recommended revision of 2/99, 11/99, 11/00, 11/01, 1/02, 11/02, 2/05.

Fiscal Year: January to December of each year.

ARTICLE I. ORGANIZATION

Section 1. Name. Mallory Country Club, Incorporated, hereinafter called the "Club", is incorporated (not for pecuniary profit) under the laws of Virginia.

Section 2. Purpose. The purposes for which the Club is organized are the organization, development and operation of a recreational club for the promotion and encouragement of swimming and recreational activities for individuals, families and their guests and to buy, sell, mortgage, lease, pledge and deal generally in such real and personal property as may be necessary and convenient to further purposes of the Club.

Section 3. Address. The post office address of the registered office is Wainwright Building, Norfolk, Virginia 23510. The name of its registered agent is F. Sullivan Callahan, who is a resident of Virginia and a member of the Virginia State Bar, and whose business address is the same as the registered office of the Club.

ARTICLE II. MEMBERSHIP

Section 1. Classes of Membership. There shall be four classes of membership:

- a. **Regular:** Regular membership shall include the spouse of the member and dependents in his or her household under the age of 21 on June 15th of the current year. Household members 21 years of age or over who are enrolled as full-time students for the school year immediately following the summer of the current year shall be members until the September following their graduation or they reach the age of 25 before June 15th of the current year. Other related household members age 21 or older on June 15th of the current year with a disability or other unusual circumstance, can be included if approved by the Board. A statement must be included with the payment of dues each year to explain the circumstance of this inclusion. Regular members shall own stock, pay dues, application and initiation fees and shall have the right to vote and hold office.
- b. **Senior/Sustaining:** Senior/Sustaining membership will be extended to members who are the age of 65 on or before June 15 of the current year or to members who have been stockholders for 20 years (the 20th year) and their spouse. No other dependents shall be included in Membership. Senior/Sustaining members shall own stock; pay one-half (1/2) of the Regular dues; pay application and initiation fees; and have the right to vote and hold office.
- c. **Grandfathered Senior:** A Grandfathered Senior is anyone who is a senior member during the 2001 season. Grandfathered seniors shall own stock, have the right to vote and hold office and will pay one-third (1/3) of the Regular dues amount.
- d. **Honorary:** Honorary membership may be extended by the Board of Directors to such person or persons who have made special contributions to the Club by either service or donation. They will not own stock, pay dues, nor have the right to vote or hold office.

Section 2. Number of Members. The number of members shall be that number which the Board of Directors may establish from time to time. This will be the total of Regular and Grandfathered Senior memberships.

Section 3. Admission to Membership:

- a. Admission to membership shall be at the discretion of the Board of Directors. NEITHER THE BOARD OF DIRECTORS AS A BODY NOR ANY MEMBER THEREIN SHALL BE LIABLE TO ANY APPLICANT, OR PROPOSER FOR FAILURE TO APPROVE AN APPLICATION FOR MEMBERSHIP.
- b. Each membership may propose two (2) applications for membership per fiscal year provided they have been members of the Club for at least one (1) year.
- c. The procedures for Admission of members shall be as follows:
 - (1) Applicants for membership must be residents of Norfolk and meet the requirements for membership as described in ARTICLE II, Section 1.
 - (2) The proposing members shall obtain Application forms from the Membership Secretary of the Club.
 - (3) Applications for membership shall be proposed by three (3) members of the Club who are eligible to propose as specified in Article II, Sections 1.a, 1.b, and 3.b.
 - (4) Applications for membership shall be in writing, accompanied by a non-refundable Application Fee and signed by the applicant and those proposing the applicant for membership. Applications shall be made to the Membership Secretary, who shall note on the application the date of its receipt. The Application shall be presented by the Membership Secretary at the next Regular or Special meeting of the Board of Directors, along with others in chronological order of their receipt date.
 - (5) The application shall be read aloud, whereupon a voice vote of the Board of Directors shall be taken, with a majority of those present required for acceptance.
 - (6) If not accepted the applicant shall be so notified in writing by the Membership Secretary and advised that he may apply again after one (1) year from the date of his original application.
 - (7) If accepted, the applicant's name shall be placed on a chronological waiting list and notified in writing by the Membership secretary of his acceptance and his place on the waiting list.
 - (8) As membership vacancies occur, the Membership Secretary shall notify in writing the applicants on the waiting list, in order of the name with the oldest date first.
 - (9) Applicants then shall be offered the opportunity to purchase stock in the Club in the order of priority thus established. Shares available for sale or subscription from the Club shall, so long as available, be purchased before other available shares. Thereafter, applicant shall as a qualification for membership, pay the Initiation Fee set by the Board of Directors and purchase stock from the transfer agent designated by the Board of Directors for such purpose. The price shall be that established by the seller as limited in Article II, Section 5. The applicant shall submit payment for his stock within two (2) weeks after notice of his selection.
 - (10) Any applicant who fails to submit payment for his stock or other required financial obligations within two (2) weeks of the date of his notice of selection shall forfeit his selection. If selection is forfeited, the next application in order of priority will have a like period of two (2) weeks to submit payment, and so on to the end of the waiting list.

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(11) Applicants who have been offered the opportunity to purchase stock may request a delay in purchase. Such request must be made within two (2) weeks after notice of selection and in writing to the Membership Secretary. The Membership Secretary shall present the request at the next regular or Special meeting of the Board of Directors. The request will be read aloud, whereupon a voice vote of the Board shall be taken, with a majority of those present required for acceptance. If the request is accepted, the application will be kept at the top of the waiting list for one year. Thereafter, any further extension will be at the discretion of the Board.

- d. Non-discrimination: The Club, its Board of Directors and Officers shall not discriminate on the basis of race, color, religion, age, gender, national origin, disability or sexual orientation.

Section 4. Acceptance of Membership. When the applicant shall have been so selected and shall have made the required payments on time, he shall become a member of the club.

Section 5. Transfer and Sale of Stock. Member's stock is non-transferable except in one of the following ways:

- a. Stock may be transferred back to the Club if the member holding such stock moves out of the City of Norfolk; however, such transfer is not obligatory upon the member unless he desires to resign from the Club. Stock transferred back to the Club then shall be held by the transfer agent designated by the Board of Directors for sale and transfer to an approved applicant for membership at the price paid by the seller, or the price set by the club whichever is greater. The stock shall be offered for sale by the transfer agent to the approved applicant holding the highest priority of purchase, the stock being offered for sale in the following order of preference: first, all stock available for sale by the Club; and second, the stock available from former members in the order of the lowest price first, and when two or more shares are offered at the same price, in the order in which received for sale by the transfer agent.
- b. The transfer agent may, upon request of the owner or the owner's representative, transfer the owner's stock to an approved applicant who is the child, parent, or spouse of the owner at any price fixed by the owner or as a gift if so specified by the owner, notwithstanding the provisions of Article II, Section thereof.
- c. Notwithstanding the forgoing, an adult child of a member who has established his or her own residences and makes application for membership in the Club may purchase stock from the Club at a price fixed by the Board of Directors regardless of the number of applicants on the waiting list.
- d. In the case of a divorce, if both parties would like to continue membership in the Club, the original stock would be transferred to one party with the other party being allowed to purchase stock from the Club at a price fixed by the Board of Directors. If application by the other party is made within one year of the divorce, the application fee will be waived and membership will be granted regardless of the number of applications on the waiting list. Thereafter, applications will be handled according to Article II, Section 3.

Section 6. Termination of Membership.

- a. A member guilty of misconduct, and especially any member whose conduct shall be injurious to the character or interest of the Club, or who shall violate the Bylaws or established Rules and Regulations, may be expelled or suspended from the Club by the affirmative vote of not less than six (6) members of the Board of Directors.
- b. Before any member can be expelled, the (10) days' notice in writing that such action will be considered by the Board of Directors at a time and a place mentioned in said notice, together with a written specification of the charge against him. Shall be personally delivered to him, if practicable in the event that personal delivery of said notice is impracticable, the notice shall be sent by certified mail to the member's last known address.
- c. The Board of Directors shall be the sole judge of what constitutes misconduct, what conduct is injurious to the character and interest of the Club, and what constitutes a violation of the Bylaws or established Rules and Regulations of the club. NEITHER THE BOARD OF DIRECTORS AS A BODY NOT ANY MEMBER THEREIN SHALL BE LIABLE TO A MEMBER FOR SUCH TERMINATION.
- d. Any person who, for any cause stated herein shall cease to be a member shall immediately thereafter forfeit all membership privileges.

Section 7. Resignations and Leave of Absences.

- a. A member of the Club may resign at any time but no resignations shall be acceptable until his financial obligations are settled, including payment of delinquent dues, levied fines or other monies due the Club. When the Membership Secretary records such resignation, the privileges and obligations in the Club of said resigning member shall cease.
- b. Resignations of members shall be given in writing accompanied by stock certificates and delivered to the Membership Secretary for presentation at the next Regular or Special meeting of the Board of Directors.
- c. Upon application by a member, the Board of Directors in its discretion and for good cause shown may from time to time grant a leave-of-absence to a member who wishes to remain a shareholder, but does not wish to pay dues. At the expiration of leave-of-absence such member must pay the following years' dues or resign from the Club; and, in this event, the member will be requested to turn in his stock certificate to be sold by the Club to an approved applicant. Requests for leaves-of-absence must be made in writing to the Membership Secretary. The Membership Secretary shall present the request at the Regular or Special meeting of the Board of Directors. The request shall be read aloud, whereupon a voice vote of the board shall be taken, with the majority of those present required for acceptance. Members granted a leave-of-absence should relinquish all pool privileges until their membership is reinstated.

ARTICLE III. FINANCIAL OBLIGATIONS

Section 1. Price of Stock, Dues, and Initiation and Other Fees

- a. Application Fee – The amount of the Application Fee shall be set by the Aboard of Directors in January of each year.
- b. Initiation Fee – The amount of the Initiation Fees shall be set by the Board of Directors in January of each year.
- c. Stock – The price of the stock shares of the Club shall be set by the Board of Directors in January of each year, except as restricted in Article II, Section 5.
- d. Dues – Annual dues for all classes of membership shall be set by the Board of Directors in January of each year.
- e. Guest fees – The amount of Guest Fees shall be set by the board of Directors in January of each year.

- f. Assessment Fee – The Board of Directors shall notify the membership prior to assessing any additional fees.

Section 2. Payments

- a. Application Fee – Payment shall be made in accordance with Article II, Section 3.c.4.
- b. Initiation Fees – Payments shall be made in accordance with Article II, Section 3.c.10.
- c. Stock – Payment shall be in accordance with Article II, Section 3.c.10.
- d. Dues – The Club shall have sent the bill to each member no later than February 1. Dues must be paid no later than March 1. Members who are delinquent shall be notified by certified letter that they may be dropped in accordance with Article III, Section 4.
- e. Guest Fees – Payment shall be made prior to or upon admittance to the Club facility.
- f. Assessment Fee – Payment shall be made in accordance with Article III, section 1.f.

Section 3. Late Fees. Late Fees levied for dues not paid by March 1 in accordance with Article III, Section 2, may be set by the Board of Directors at its January meeting.

Section 4. Indebtedness. When the dues or other indebtedness of any member shall remain unpaid for a period of one month, proper notice will be sent. Processing fees may be incurred. Any indebtedness may result in suspension of guest privileges or termination of membership and the amount of indebtedness may be deducted from the proceeds of the sale of the stock upon approval by the Board.

Section 5. Reserve Account. A Reserve Account is to be established and maintained by the Club. The value of this account should at all times be in excess of 25% of the total stock value of the Club. The investment instrument(s) of this account are to be approved by the Board of Directors.

ARTICLE IV. GOVERNMENT

Section 1. Board of Directors

- a. The control and management of the Club and its affairs shall be entrusted to a Board of Directors, consisting of a President, a First Vice President, Second Vice President, Membership Secretary, Recording Secretary and a Treasurer and nine (9) Directors.
- b. In addition to the fifteen (15) elected Directors, as above provided, ex-presidents of the Club shall be ex-officio members of the Board of Directors for a period of one year after they cease to hold the office of President.

Section 2. Tenure of Office

- a. The President, First Vice President, Second Vice President, Membership Secretary, Recording Secretary and Treasurer shall be elected by the members of the Club at the Annual Meeting. The President, First Vice President, and Second Vice President shall hold their respective offices for a term of one year not to exceed two terms. The Membership Secretary, Recording Secretary and Treasurer shall hold their respective offices for a term of one year not to exceed three terms.
- b. At each Annual Meeting, Directors shall be elected in such system of rotation as may promote continuity of management for terms of three (3) years.

Section 3. Meetings of the Board

- a. Regular meetings shall be held at least nine (9) times in each fiscal year.
- b. Special meetings may be called by the President of the club or any three (3) of the Directors upon two (2) days notice to each Director of the time and place of the meeting.

Section 4. Quorum. Nine (9) members of the Board of Directors shall constitute a quorum for the transaction of business.

Section 5. Duties and Powers.

- a. It shall be the duty of the Board of Directors to carry out the object and purpose of the Club, subject to the Bylaws. They shall have the power to admit members and to suspend and expel members by ballot; to fill any vacancy that may occur in any

office or in the membership of the Board until the next succeeding Annual meeting or until his successor or successors are elected and qualified; to establish such employment positions as may be deemed necessary or desirable and to appoint, direct and dismiss all employees of the Club; to make and amend rules for admission of visitors to the facilities; to make and amend rules for the use of the Club by its members and guests and for their conduct while in the Club and such other rules and regulations not inconsistent with these Bylaws, that they may deem necessary, and to fix and remit penalties of the violation of the Bylaws and Rules and Regulations.

- b. For the better execution of their powers and duties, the Board of Directors shall appoint from their own number, and or from the members of the Club, such committees as occasion may require and as they deem necessary; and they shall define the duties thereof.
- c. The Board of Directors shall have the power to remove any member of the Board of any committee by an affirmative vote of two thirds of the members of the Board present at any Regular or special meeting thereof.

Section 6. Executive Committee. The Executive Committee shall consist of the President, the First Vice President, the Second Vice President, the Membership Secretary, the Recording Secretary, and the Treasurer, which shall have, and exercise the authority of the Board of Directors except as expressly restricted by the law or resolution. The Executive Committee shall keep minutes of its meetings, which shall be read at the next meeting of the Board of Directors.

Section 7. Annual Report. The Board of Directors shall present to the Club, at each Annual Meeting, a report as to the conditions of the club and of its property and an account of the financial transactions in the past year. This report and account shall be printed and mailed to each member of the Club at least ten (10) days before the Annual Meeting.

ARTICLE V. OFFICERS

Section 1. Personnel. The Officers of the Club shall be a President, a First Vice President, a Second Vice President, a Membership Secretary, a Recording Secretary, and a Treasurer.

Section 2. Duties.

- a. President – The President shall preside at all meetings of the Club and of the Board of Directors and shall have general supervision over the affairs of the Club, its property and employees. He or she shall be ex-officio a member of all committees.
- b. First Vice President – The First Vice President shall have designated supervision over the employees of the Club, the membership of the Club, and the enforcement of the rules for its members and guests. In absence of the President, the First Vice President shall perform his or her duties. Should neither be present at any meeting, the Second Vice President shall perform his or her duties.
- c. Second Vice President – The Second vice President shall have designated supervision over the equipment, general maintenance and operation of the Club, including such capital improvements as may be approved by the Board. In the absence of the President, and Vice President, the Second Vice President shall perform his or her duties. Should none of the above officers be present at any meeting, a chairman shall be chosen by vote.
- d. Recording Secretary – The Recording Secretary shall keep the records of the meetings of the Club and of the Board of Directors and shall mail notices of all meetings of the Club and the Board of Directors to members not later than 10 days prior to the meeting, as provided by the Bylaws, and shall perform such other duties as may from time to time be fixed by the Board.
- e. Membership Secretary – The Membership Secretary shall keep the corporate seal of the Club and the list of members. He or she shall conduct all correspondence excepting that pertaining to the office of the Treasurer. He or she shall administer all

stock transactions for the Club and perform such other duties as may from time to time be fixed by the board.

- f. Treasurer – The treasurer shall collect and discharge the funds as directed by the Board. He or she shall keep the accounts in books belonging to the Club, which shall be at all times open to the inspection of the Board of Directors, to whom he or she shall make monthly reports in writing of the money received and paid out.

ARTICLE VI. FISCAL POLICIES

Section 1. Fiscal Year. The fiscal year shall be from October 1 through September 30.

Section 2. Bonding. The Treasurer, upon assuming the duties of his office, shall give a bond in the sum as shall be prescribed by the Board of Directors, the premium thereof, if any, to be paid for by said Club. He or she shall be required to furnish to the Club such bond in such amount, as the Board of Directors shall from time to time direct.

Section 3. Authority and Form of Signature. All checks, drafts or orders for the payment of money shall be signed by either the Treasurer, the President, the Recording Secretary, or Membership Secretary or by such executive employee of the Club as the Board of Directors may from time to time designate.

ARTICLE VII. MEETINGS AND ELECTIONS

Section 1. Annual Meeting.

- a. The Annual Meeting and Election of the Board of Directors shall be held within the first two weeks of November at such convenient place as the Board of Directors may designate.
- b. The Recording Secretary shall give ten (10) days' notice by mail of the date, hour and place of the Annual Meeting and where such election shall be held, and enclose therewith a proxy and a copy of the ticket containing all the names of the candidates nominated, in accordance with the provisions of the Bylaws.

Section 2. Special Meetings. Special meetings of the Club may be called at any time by order of the President, or by four (4) members of the Board of Directors. Ten percent (10%) of the stockholding members of the Club may call a Special Meeting, with or without the consent of the Board of Directors by posting over their own signatures a notice stating the purpose of such meeting, the Recording Secretary of the Club shall be notified; and said notice shall be posted on the Club bulletin board, which shall be kept in a conspicuous place on Club grounds. The call for a Special Meeting shall be mailed by the Recording Secretary to each member ten (10) days prior to the time of such meeting, and no business other than that specified in the call and notice shall be transacted. Special Meetings, pertaining to the same subject, may not be called more than once per session.

Section 3. Quorum. Thirty (30) members present, or represented by proxy shall constitute a quorum at any Regular or Special Meeting of the Club.

Section 4. Order of Business. The order of business of the Annual Meeting of the Club shall be as follows:

- a. Reading of the Minutes
- b. Membership Secretary's Report
- c. Treasurer's Report
- d. Committee Reports
- e. Elections
- f. General Business

Section 5. Rules of Order. The Rules of Order as contained in Robert's Rules of Order Newly Revised, when not inconsistent with these Bylaws, shall govern the meetings of the Club and of the Board of Directors.

Section 6. Nominating Committee. The Board of Directors shall appoint a Nominating Committee consisting of three (3) stockholding members of the Club, one (1) shall be member of said Board. It shall be the duty of such Nominating Committee to nominate and have placed

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on the bulletin board of the Club, on or before the fifteenth day of August of each year, a list of candidates for such offices as are to be filled at said Annual Election. No member of the Nominating Committee or his immediate family shall be nominated as a candidate for office for the current year.

Section 7. Members' Ticket. Ten percent (10%) or more stockholding members of the Club may nominate other candidates over their signatures, not less than two (2) weeks prior to the Annual Election, and shall file a copy of said nomination with the Recording Secretary. The Recording Secretary shall cause the names of all legally posted candidates to be printed alphabetically on one ticket.

Section 8. Right to Vote. No member shall be permitted to vote at the Annual Meeting or Election whose indebtedness to the Club remains unpaid.

Section 9. Tellers. The Board of Directors at their meeting preceding the Election shall appoint one (1) stockholding member who shall not be a member of the Board of Directors, to be Teller of the Annual Election. Such Teller shall receive and count the ballots cast at each election and certify the results to the Recording Secretary. The person receiving a Plurality of the votes cast of those present, or represented by proxy, shall be declared elected.

ARTICLE VIII. POLICIES AND PROCEDURES

Section 1. Policies and Procedures. The Board of Directors shall establish the policies and procedures governing the Club. Such policies and procedures shall include:

- a. Guests and guests' privileges
- b. Club hours and use of Club facilities by members and guests
- c. Such other matters as may require regulating.

Section 2. Complaints. All complaints in regard to employees or the management of the swimming pool must be addressed in writing to the President. Provided however in cases of emergency concerning the conduct of an employee, complaining may be made verbally to the Club Manager.

ARTICLE IX. AMENDMENTS

These bylaws may be modified, altered or amended at any regular meeting, at any adjourned session thereof, or at any Special meeting called for that purpose by a two-thirds (2/3) vote of the members of said Club present or represented by proxy, at such meeting at which a quorum has been ascertained (Article VII, Section 3).

Any amendments of these Bylaws shall be proposed in writing to the Membership Secretary, and notice of such amendments shall be given by the Recording Secretary to each member of the Club not less than ten (10) days prior to the meeting at which such amendments are to be voted upon.