

## **POPLARHEIGHTS RECREATION ASSOCIATION BY-LAWS**

These By-Laws adopted at the Board of Directors meeting September 24, 1964, with revisions in 1967; 1970; November 1981; October 19, 1982; October 18, 1983; October 30, 1985; October 14, 1987; October 13, 1993; April 11, 1996; March 18, 1997; July 15, 1997; June 24, 2001; May 26, 2009; October 20, 2009; January 19, 2009; September 17, 2012; February 25, 2016; April 3, 2017; and January 10, 2018.

**POPLAR HEIGHTS RECREATION ASSOCIATION**  
**P.O. Box 355**  
**Falls Church, Virginia 22040**

### **BY-LAWS**

#### **ARTICLE I - TRANSFER AND ISSUE OF STOCK**

**Section 1. Stock Subscriptions.** The Board of Directors is authorized to accept the subscriptions of and to issue the capital stock of the Corporation to a number of shares not to exceed Five Hundred (500).

**Section 2. Classes of Stock.** There shall be one class of stock with one vote per share.

#### **Section 3. Share Transfers**

- a. The owner of each share of stock shall, for all purposes, be the person in whose name the stock appears on the transfer books of the Corporation. Before a share may be transferred on such books, the certificate representing each share must be submitted to the Registrar of the Corporation endorsed in full. To effect transfer, the Registrar shall make appropriate entries on the transfer books and shall issue a new certificate to the transferee. For any stock transfer, the Corporation may require a thirty-(30) day notice prior to such transfer and shall require a transfer fee in such amount as approved by the Board of Directors. No transfer fee will be required for a transfer within a family.
- b. A Shareholder who has paid all annual fees shall have the right to sell and transfer his share to any person who has acquired or is acquiring ownership of the Shareholder's house to serve as the purchaser's residence. A Shareholder may not sell and transfer his/her share to an investor who does not intend to live in the residence.
- c. The sale of shares of stock, other than in accordance with the preceding paragraph, shall be to or by the Corporation at the book value of the stock calculated as of the close of the previous fiscal year.
- d. Honorary Lifetime Membership: PHRA terminated the Honorary Membership program on April 3, 2017. Existing Honorary Members at that time are grandfathered under the then-existing provisions. Honorary Lifetime Membership is not transferrable.

**Section 4. Share Legend.** All shares shall bear an inscription as follows: “The Poplar Heights Recreation Association, Incorporated, is a non-profit corporation, and no dividends shall be declared or paid.”

**Section 5. Voting Entitlement of Shares.** Each share shall be entitled to one vote in matters upon which the Corporation’s shares of stock are entitled to vote. The entitlement to vote shares held in more than one name shall be determined pursuant to Virginia Code Section 13.1- 662.

**Section 6. Limit on Share Ownership.** No person shall own more than one share of stock.

**Section 7. Lost Certificates.** In the event a stock certificate is lost, mutilated or destroyed and the Shareholder so certifies to the satisfaction of the Registrar of the Corporation, there shall be issued to such Shareholder a duplicate certificate marked “Duplicate” which shall entitle the Shareholder to the same rights he had under the original certificate. The Corporation shall charge a minimum fee of \$5.00 for issuance of such a certificate.

## **ARTICLE II - SHAREHOLDERS’ MEETINGS**

**Section 1. Annual Meeting of Shareholders.** The annual meeting of the Shareholders shall be held in October of each year at such time and place as the Board of Directors shall designate. The election to replace Directors with expiring terms or to fill vacant director seats shall take place at the annual meeting. In the event it is impossible to hold the annual meeting in October, the meeting must be held no later than November 30.

**Section 2. Special Meetings of Shareholders.** A special meeting of the Shareholders may be called by the President and shall be called by him on the written request of not fewer than twenty-five (25) Shareholders.

**Section 3. Notice of Meetings.** At least ten (10) calendar days before the date of any annual or special meeting of the Shareholders, the Secretary shall cause written notice thereof to be delivered or mailed to each Shareholder at the address appearing for such Shareholder on the stock transfer book of the Corporation.

**Section 4. Quorum for Shareholder Meetings** An annual or special meeting may convene only when there is a quorum. There is a quorum when one-fifth of the shareholders having voting power are present, whether in person or represented by proxy. If there is not a quorum, the meeting shall recess. If a quorum is not established within two hours after the meeting recesses, then the meeting shall adjourn.

**Section 5. Shareholder List for Meetings.** The Registrar shall close the stock transfer book of the Corporation seven calendar days prior to an annual or special meeting and shall compile a list of the shareholders eligible to vote at that meeting. Shareholders are eligible to vote if at the time the Registrar closes the stock transfer book (i) his/her name(s) appear on the stock transfer book and (ii) his/her current year's annual dues (or inactive fees) have been paid.

## **ARTICLE III - DIRECTORS**

### **Section 1. Board of Directors.**

- a. The property, affairs and business of the Corporation shall be managed under the direction of the Board of Directors, and, except as otherwise expressly provided by law, the Articles of Incorporation or these By-Laws, all of the powers of the Corporation shall be vested in such Board. The Corporation shall have Thirteen (13) Directors. The Board of Directors are responsible for seeing that the Corporation conforms to its Articles of Incorporation, its By-Laws, and applicable Government statutes and regulations. The Board of Directors shall also enforce the Corporation's rules and regulations.
- b. Directors must be Shareholders of the Corporation's stock. A Shareholder shall be eligible to become a director only after he or she has been a Shareholder for at least a full year.
- c. The Directors shall be elected for a term of two (2) years or until their successors have been duly elected. There shall be elected in the odd numbered years six Directors and in the even numbered years seven Directors. Directors may be re-elected to an unlimited number of successive terms.

**Section 2. Voting for Directors.** In voting for Directors each share of the Corporation's stock may cast one vote for each seat to be filled, without accumulation. Thus, for example, a shareholder may not cast six votes for one candidate.

**Section 3. Removal for Failure to Attend Meetings.** If a Director fails to attend regular meetings of the Board of Directors for three consecutive months or otherwise fails to perform any of his duties as a Director, he may be removed from his office by the majority vote of the Board of Directors and the vacancy filled as herein provided.

**Section 4. Filling Vacancies of Board of Directors.** When a vacancy occurs on the Board of Directors, such vacancy may be filled by the Board of Directors at its discretion until the next annual meeting, at which time the Shareholders shall elect a new Director for the balance of the term.

### **Section 5. Procedures for Election of Directors.**

- a **The Spring Newsletter**

(i). The Spring Newsletter will be distributed electronically and will alert members of the date by which they must pay their dues.

(ii). The Spring Newsletter shall briefly explain that:

1. The Shareholder of Record is the person or persons whose names are listed in the PHRA Stock Transfer Book; and

2. Only Shareholders of Record may vote in the annual election and in any other meeting that requires a vote of the Shareholders.

**b. The First Notice of Annual Election Mailed to Each Shareholder**

(i). Thirty days prior to the Election, the Secretary shall (1) mail the First Notice of Annual Election to each Shareholder of Record and (2) post (or have posted) the First Notice of Annual Election on the Web Page and, when the pool is open for the season, on the PHRA Bulletin Board at the pool club house.

(ii). The First Notice shall state the date of the next election.

(iii). The First Notice shall identify the number of vacant seats that must be filled and the term of those vacant seats.

(iv). The First Notice shall explain that only those Shareholders whose names are listed in PHRA's Stock Transfer Book and who have paid their current year's annual dues (or inactive fee) as of seven days prior to the election may vote.

(v). The First Notice shall explain that the address label on the First Notice bears the name of the Shareholder of Record. It shall also explain that the name(s) of the Shareholder of Record should be the same as the name(s) on the stock certificate, which all Shareholders receive when they first become Shareholders. It shall advise Shareholders to contact the Registrar if they have any questions about who should be listed as the Shareholder(s) of Record.

(vi). The First Notice shall explain that if two persons (i.e. both spouses) are listed on the Stock Transfer Book as Shareholders of Record, only one Shareholder may vote in any election or on any matter requiring a Shareholder's vote.

(vii). The First Notice shall explain that PHRA provides a proxy system so that Shareholders of Record who are eligible to vote but who cannot attend the election may vote by either:

1. Executing a General Proxy by designating a family member or another Shareholder who is eligible to vote to vote for them at the meeting; or

2. Executing a Specific Proxy, which is like an absentee ballot.

(viii). The First Notice shall explain that the Proxy Form shall be included in the Second Notice of Election, which shall be sent to the Shareholders ten days prior to the Election.

(ix). The First Notice shall explain that a Shareholder of Record or a family member of the Shareholder of Record who is over the age of 21 is eligible to become a director, but only after the Shareholder of Record has been a member of the PHRA for at least one full year.

(x). The First Notice shall explain that nominations may be made and/or candidacies may be declared up until the President closes the slate immediately prior to the vote at the Election.

(xi). The First Notice shall explain how Shareholders of Record who are eligible to run for a position on the Board may contact the Secretary to let him/her know of that person's intention to run.

(xii). The First Notice shall also include all agenda items that will require the vote of the Shareholders and how to put additional agenda items before the Board.

**c. Second Notice of Election:**

(i). Ten day prior to the Election, the Secretary shall (1) mail the Second Notice of Election to each Shareholder of Record ten days prior to the election and (2) post (or have posted) the Second Notice of Election on the PHRA Web Page and, when the pool is open for the season, the PHRA Bulletin Board at the pool's club house.

(ii). The Second Notice shall state the date of the Election.

(iii). The Second Notice shall briefly repeat that only Shareholders of Record may vote at the election.

(iv). The Second Notice shall state that the person whose name appears on the address label of the Second Notice is the Shareholder of Record. It shall repeat that if two names appear on the address label, then the two Shareholders may cast only one vote between them.

(v). The Second Notice shall repeat that only Shareholders of Record who have paid their current year's annual dues in full as of seven days prior to the election may vote.

(vi). The Second Notice shall again explain who is eligible to run for a vacant seat on the Board.

- (vi) The Second Notice shall identify the Candidates by first and last name.
- (vii) The Second Notice shall also repeat that nominations may be accepted and/or candidacies may be declared up until the President closes the slate immediately prior to the Election.
- (viii) The Second Notice shall identify the Agenda items requiring a vote of the Shareholders of Record.
- (ix) The Second Notice shall repeat that the PHRA provides a proxy system so that Shareholders of Record who cannot attend the Election may vote by a General or a Specific Proxy.
- (x) The Second Notice shall contain the Proxy Form, which shall state that:
  1. Only Shareholders who are eligible to vote may execute a proxy. Shareholders are eligible to vote if their names appear on the Stock Transfer Book as of [date] and they have paid their current year's annual dues (or inactive fee) as of [date]. The [date] shall be the date on which the Registrar closes the Stock Transfer Book and compiles a list of eligible voters, which occurs seven calendar days prior to an election;
  2. All proxies must be received by the time the annual Shareholders' meeting convenes. Proxies that arrive after a candidate or issue have been voted on may not be counted toward that candidate or issue;
  3. Candidates may not collect, deliver, and/or vote Proxies. Any Proxies collected and/or voted by a candidate shall be void;
  4. All Proxies must bear the name and member number of the Shareholder granting the Proxy and must be filled in, signed, and dated in ink by the Shareholder granting the Proxy;
  5. Proxies may not be granted verbally or by e-mail;
  6. A Shareholder who has executed a Proxy, but subsequently attends the election may revoke his/her Proxy prior to the taking of any votes;
  7. All Proxies shall be legible and unambiguous; and
  8. Shareholders shall use the Proxy Form drafted by the PHRA for the purposes of the upcoming Election; Shareholders may not create their own proxy form;
  9. No person shall collect, deliver, and/or vote more than three Proxies.
- (xi) The Proxy Form shall provide for both a General and a Specific Proxy:

1. With respect to a General Proxy, the Form shall state that

**A.** The Shareholder shall identify in writing the first and last name of his/her family member or another Shareholder of Record (who is also eligible to vote) to whom he/she has conveyed the right to vote his/her share by General Proxy;

**B.** A General Proxy grants the individual identified on the General Proxy the authority to vote as he/she wishes;

**C.** Shareholders may not grant the Registrar the right to vote their General Proxies;

**D.** The immediate family member or Shareholder identified on the General Proxy to vote the issuer's General Proxy may hand-deliver the General Proxy to the Registrar at the Election; and

**E.** The Registrar shall distribute any General Proxies that are mailed to the Registrar to the individual designated on the General Proxy to vote that proxy. If no designee is identified or the designee does not attend the meeting, then the Registrar shall void the General Proxy. The voided General Proxy may not be counted to establish a quorum.

2. With respect to a Specific Proxy, the Form shall state:

**A.** A Specific Proxy is like an absentee ballot and provides very specific instructions as to how to vote;

**B.** A Specific Proxy shall be mailed or hand delivered by anyone to the Registrar;

**C.** The Registrar shall record the Shareholder's vote according to what is on the specific Proxy;

**D.** Shareholders of Record may add any candidates or issues to the Specific Proxy; and

**E.** The Specific Proxy shall refer to each issue requiring a vote of the Shareholders and the opportunity to vote for or against the issue. Thus, for example, Issue A shall have a box to check for a "yes" vote and for a "no" vote. A brief summary of each issue with the same reference letter or number (i.e. Issue A and Issue B) shall be attached to the Proxy Form.

**(xii)** The Second Notice shall state that any Proxy Forms that are executed, collected, voted, and/or recorded contrary to these requirements shall be void; and

(xiv) The Proxy Form shall also be available on the Web Page and, during the pool season, at the pool's club-house.

**c. Closing of Stock Transfer Books**

(i). Seven calendar days prior to the election, the Registrar shall compile a list of Shareholders of Record who are eligible to vote, hereinafter called the Eligible Voters List.

(ii). The Shareholders of Record who are eligible to vote are those Shareholders whose names appear on the Stock Transfer Book and whose current year's annual dues have been paid on or before the date on which the Registrar closes the Stock Transfer Book.

**d. Election Procedure**

(i). Each Shareholder of Record or Proxy Bearer shall check in with the Registrar.

(ii). At that time, the Registrar shall hand all General Proxies that were mailed in to the person designated on the General Proxy. If that designated person does not attend the annual meeting, the General Proxy shall be voided and shall not count toward establishing a quorum.

(iii). The Registrar shall then confirm:

1. In the case of Shareholders present to vote, that the Shareholder's name appears on the Eligible Voters List; and

2. In the case of an individual bearing a General Proxy, that:

A. The issuer is on the Eligible Voters List;

B. The bearer is either (i) on the Eligible Voters List or (ii) is the issuer's immediate family member who resides with issuer and for whom the current year's annual dues have been paid;

C. Neither the issuer nor the bearer is a Candidate and intends to declare his/her candidacy; and

D. The Proxy has been properly executed. The Registrar shall reject any General Proxies that do not comply with the By-Laws, the Election Procedures, and the Proxy Instructions by writing an "X" across the face of the proxy.

4. If a Shareholder of Record is on the list of Eligible Voters, then the Registrar shall hand him/her one ballot with his/her Shareholder member number.



5. If a Shareholder of Record who is on the Eligible Voters List also bears a General Proxy, the Registrar shall hand him/her one ballot with his/her Shareholder member number and one ballot(s) with the Shareholder member number(s) of the person(s) who executed the Proxy(ies ) Thus, a Shareholder of Record who has also presented a properly executed General Proxy to the Registrar shall receive two ballots, one with his/her Shareholder member number and one with the Shareholder member number of the Shareholder who executed the General Proxy.

6. If an immediate family member bears a General Proxy, then the Registrar shall hand him/her with the ballot of the Shareholder member number of the person who executed the General Proxy.

7. The President shall call the meeting to order.

8. Immediately after calling the meeting to order and prior to conducting any Board business, the President shall request the Registrar to confirm that there is the necessary quorum to convene a duly constituted meeting. The Registrar shall accomplish this task by counting the number of (i) Shareholders who are present and (ii) Shareholders who are represented by proxy. At this time, the Registrar shall reject any Specific Proxies that do not comply with the By-Laws, the Election Procedures, or the Proxy Instructions by writing an "X" across the face of the proxy.

(iv). If there is a Quorum:

1. The President shall convene the meeting;

2. The President shall proceed with the Agenda;

3. At the point in time at which the annual election is the pending Agenda item, the President shall open the floor for the nomination of other Candidates;

4. All nominations shall be seconded;

5. The Registrar shall confirm that each nominated Candidate is eligible to hold office;

6. The Registrar shall void any General Proxies that any newly nominated Candidate bears;

7. The names of all newly nominated Candidates shall be added to all ballots;

8. The names of the newly nominated Candidates shall not be added to any of the Specific Proxies; and

A. The President shall make a final call for nominations. If no further nominations are made, he shall close the slate and:

**B.** The President shall call the vote and the ballots shall be executed; and

**C.** Once executed, the ballots shall be collected (by anyone including the Registrar, but excluding the Candidates and other Officers) and given to the Registrar for tabulation.

**(v).** If there Is No Quorum:

**1.** The Registrar shall announce:

**A.** The number of additional Shareholders of Record needed to establish quorum;

**B.** That the Shareholders have not more than two hours to establish a quorum and the time by which a quorum must be established; and

**C.** Whether a quorum has been established by the time limit or that a quorum has not been established.

**2.** The Board shall establish a date and time for the next election (in which case Steps 4, 5, 6 are repeated); and

**3.** The President shall adjourn the meeting.

#### **e. Tabulation**

**(i).** The Registrar shall count the votes (including the votes made by Specific Proxy) immediately after all votes have been cast. The Registrar may designate other Shareholders of Record to assist him/her in tabulating the votes. No Candidates or other Officers may assist in counting the votes.

**(ii).** Following tabulation, the Registrar shall certify the count in writing by signing and dating a document listing the Candidates' names and the number of votes that each Candidate received.

**(iii).** The Registrar shall report the tabulation results to the current Board President, who shall announce the results at the meeting.

**(iv).** The 6 (or 7) Candidates with the most votes win.

**(v).** In the event of a tie between the fifth and sixth seats (or sixth and seventh seats), the Registrar shall designate one Candidate as "heads" and the other as "tails" and shall flip a two-sided quarter. The Candidate designated with the side of the quarter that appears when the quarter stops moving is the winner.

**(vi).** The Election results shall be posted on the PHRA Bulletin Board and the PHRA Web Page no later than three calendar days following the election.

(vii). The Registrar shall store the executed ballots and all proxies (including the noncomplying proxies) for at least three years or, if the election results are disputed, until such dispute is finally resolved, whichever is longer.

## ARTICLE IV – MEETING OF DIRECTORS

### Section 1. Meetings of Directors.

a. Regular meetings of the Board of Directors shall be held at least once each month or more frequently, if necessary. The President, or in his absence the Vice President, may, where necessary, reschedule or cancel these meetings or call for additional regular meetings. The Board shall give advance notice of such scheduling changes to the shareholders.

b. The President, or in his absence the Vice President may call a special meeting of the Board of Directors upon such notice as the Board of Directors may from time to time prescribe. The President shall call a special meeting upon the written request of any five Directors.

c. Meetings of the Board of Directors shall be open to Shareholders to attend. Executive sessions of the board of directors shall not be open to Shareholders who are not directors. By the vote of the majority of a quorum the Board may vote to enter an executive session to discuss an item of business where confidentiality is required or highly desirable, such as, but not limited to confidential advice from counsel which is legally privileged.

**Section 2. Directors Quorum.** Seven Directors shall constitute a quorum. Directors may not vote on any action by proxy.

**Section 3. Open Meetings.** All meetings other than executive sessions shall be open to the Shareholders. Executive Sessions may be held by the board to discuss privileged information or to receive reports and advice from counsel only upon the vote of a majority of the Board of Directors.

## ARTICLE V – OFFICERS

**Section 1. Corporate Officers.** The Officers of the Corporation shall be President, a Vice President, a Treasurer, an Assistant Treasurer, a Secretary and a Registrar, all of whom shall be elected by the Board of Directors. The President and Vice President shall be elected from the Board of Directors. Unless sooner removed as herein provided, the officers shall hold office until the first meeting of the Board of Directors following the next annual meeting of the Shareholders.

**Section 2. President.** The President shall preside at all meetings of the Shareholders and at all meetings of the Board of Directors. He shall perform such other duties as customarily pertain to the office of the President, including the execution of contracts for the Corporation (as defined

by Article VIII, Section 5) or as he may be directed to perform by resolution by 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 his inability to act.

**Section 4. Treasurer.** The Treasurer shall have custody of all funds, valuable papers and other intangible assets of the Corporation. He shall provide and maintain full and complete records of all the assets and liabilities of the Corporation. He shall pay out of funds on hand all of the just debts and obligations of the Corporation whatsoever and make disbursements as specified in Article VII, Section 5. He will prepare and submit at each regular meeting of the Board of Directors and the annual meeting of the Shareholders a financial statement of the condition of the Corporation as of the last day of the preceding month. He shall see to the preparation of such tax reports and returns as local, state and federal agencies may require. Upon approval of the Board, the Treasurer may retain the services of a CPA to assist in the performance of his duties.

**Section 5. Assistant Treasurer.** The Assistant Treasurer shall assist the Treasurer in his duties and shall have and exercise all the powers, authority and duties of the Treasurer during his absence or his inability to act.

**Section 6. Secretary.** The Secretary shall prepare and maintain full minutes of all meetings of the Shareholders and of the Board of Directors. He shall give proper notice of all meetings of the Shareholders. He shall conduct all correspondence of the Corporation.

**Section 7. Registrar.** The Registrar shall maintain the transfer books of the capital stock of the Corporation, and shall be responsible for performance of all necessary actions in connection with the issuance, transfer, purchase, sale and rental of the shares of capital stock of the Corporation. He shall maintain such waiting lists of persons desiring to purchase stock shares and shall conduct such investigations with respect thereto as the Board of Directors shall require.

## ARTICLE VI – COMMITTEES

### Section 1. Committees of the Board of Directors

**a. *Executive Committee.*** The Board of Directors, by resolution adopted by a majority of the number of Directors fixed by these By-Laws, may elect an Executive Committee which shall consist of not less than three (3) Directors, including the President. When the Board of Directors is not in session, the Executive Committee shall have all power vested in the Board of Directors by law, by the Articles of Incorporation, or by these By-Laws, provided that the Executive Committee shall not have power to (i) approve or recommend to Shareholders action that the Virginia Stock Corporation Act requires to be approved by Shareholders; (ii) fill vacancies on the Board or on any of its committees; (iii) amend the Articles of Incorporation pursuant to §13.1-706 of the Virginia Code; (iv) adopt, amend, or repeal the By-Laws; (v) approve a plan of merger not requiring Shareholder approval; or (vi) authorize or approve the issuance or sale or contract for sale of shares.

The Executive Committee shall report at the next regular or special meeting of the Board of Directors all action which the Executive Committee may have taken on behalf of the Board since the last regular or special meeting of the Board of Directors.

**b. *Other Committees.*** The Board of Directors, by resolution adopted by a majority of the number of Directors fixed by these By-Laws, may establish such other standing or special committees of the Board as it may deem advisable, consisting of not less than two Directors; and the members, terms, term of existence and authority of such committees shall be as set forth in the resolutions establishing the same.

**c. *Meetings.*** Regular and special meetings of any Committee established pursuant to this Article may be called and held subject to the same requirements with respect to time, place and notice as are specified in these By-Laws for regular and special meetings of the Board of Directors.

**d. *Quorum and Manner of Acting.*** A majority of the members of any Committee serving at the time of any meeting thereof shall constitute a quorum for the transaction of business at such meeting. The action of a majority of those members present at a Committee meeting at which a quorum is present shall constitute the act of the Committee.

**e. *Term of Office.*** Members of any Committee shall be elected as above provided and shall hold office until their successors are elected by the Board of Directors or until such Committee's term expires or the committee is dissolved by the Board of Directors.

**f. *Resignation and Removal.*** Any member of a Committee may resign at any time by giving written notice of his intention to do so to the President or the Secretary of the Corporation, or may be removed, with or without cause, at any time by such vote of the Board of Directors as would suffice for his election.

**g. *Vacancies.*** Any vacancy occurring in a Committee resulting from any cause whatever may be filled by a majority of the number of Directors fixed by these By-Laws.

**h.** Each committee shall perform such duties as shall be delegated to them from time to time by the Board of Directors, and shall make reports and recommendations to the Board of Directors as appropriate. The President shall be an *ex officio* member of all committees and shall be authorized to appoint such other committees as he shall deem necessary or expedient for the welfare or business of the Corporation.

**i.** The Chairman of each Committee shall, unless appointed by the President, be chosen by the Committee from among their number. Such chairman may appoint advisory subcommittees from among the Shareholders of the Corporation.

## **Section 2. Shareholder Committees**

a. The Board of Directors, by resolution adopted by a majority of the number of Directors fixed by these By-Laws, may establish special committees of the Corporation's Shareholders and Adult Members as it may deem advisable, consisting of not less than two of the Corporation's Shareholders or Adult Members Directors; and the members, terms, term of existence and authority of such committees shall be as set forth in the resolutions establishing the same.

c. *Meetings.* Regular and special meetings of any Committee of Shareholders established pursuant to this Article may be called and held subject to the same requirements with respect to time, place and notice as are specified in these By-Laws for regular and special meetings of the Board of Directors.

d. *Quorum and Manner of Acting.* A majority of the members of any Committee serving at the time of any meeting thereof shall constitute a quorum for the transaction of business at such meeting. The action of a majority of those members present at a Committee meeting at which a quorum is present shall constitute the act of the Committee.

e. *Term of Office.* Members of any Committee shall be elected as above provided and shall hold office until their successors are appointed by the Board of Directors or until such Committee's term expires or the committee is dissolved by the Board of Directors.

f. *Resignation and Removal.* Any member of a Committee may resign at any time by giving written notice of his intention to do so to the President or the Secretary of the Corporation, or may be removed, with or without cause, at any time by such vote of the Board of Directors as would suffice for his election.

g. *Vacancies.* Any vacancy occurring in a Committee resulting from any cause whatever may be filled by a majority of the number of Directors fixed by these By-Laws.

h. Each committee shall perform such duties as shall be delegated to them from time to time by the Board of Directors, and shall make reports and recommendations to the Board of Directors as appropriate. The President shall be an *ex officio* member of all committees and shall be authorized to appoint such other committees as he shall deem necessary or expedient for the welfare or business of the Corporation.

i. The Chairman of each Committee shall, unless appointed by the President, be chosen by the Committee from among their number. Such chairman may appoint advisory subcommittees from among the Shareholders of the Corporation.

## ARTICLE VII - PROPERTY AND FINANCES

**Section 1. Approval of Obligations and Expenditures.** Except for petty cash, any obligation or expenditures of the corporate assets requires the approval of the Board of Directors. An authority to obligate funds shall, without additional authority, constitute the authority to expend the funds so obligated.

## **Section 2. Disposition of Property**

a. Tangible personal property of the Corporation may be sold, disposed of or transferred only after at least nine members of the Board of Directors have approved such transfer.

b. Real property of the Corporation may be transferred only upon affirmative vote of two-thirds of all shares of stock present or represented by proxy at a duly constituted meeting of the Corporation's Shareholders; provided, however, that the property and assets of the Corporation necessary for carrying out the corporate purposes shall be transferred only upon affirmative vote of two-thirds of all of the Corporation's shares of stock.

**Section 3. Depositories for Corporate Funds.** The funds of the Corporation shall be (1) deposited only in national banks, state banks, savings and loan associations, savings banks or trust companies operating in accordance with the laws of the State of Virginia and only in an institution the deposits of which are insured by the Federal Deposit Insurance Corporation, or the Federal Savings and Loan Insurance Corporation, or (2) invested in shares of an investment company which is registered with the Securities and Exchange Commission in accordance with the Investment Company Act of 1940 and which invests its assets only in obligations issued or guaranteed by the United States Government or any agency thereof and backed by the full faith and credit of the United States.

**Section 4. Requirement for Prompt Deposit.** All funds of the Corporation shall be deposited in such depository or depositories qualified under Section 3 above, as the Board of Directors may from time to time by written resolution designate, and shall be so deposited within 72 hours of their receipt; provided, however, that receipts in the aggregate of One Hundred Dollars (\$100.00) or less need not be deposited more often than once a week.

**Section 5. Signatory Authority for Checks.** Disbursements of funds for expenses of the Corporation shall be made by means of electronic transfer, by check or by other reasonable and usual commercial means. Authority to initiate electronic fund transactions shall reside in the Treasurer and checks shall be signed by the Treasurer; provided, however, that the Board of Directors may by specific resolution (i) authorize other corporate officers to have check signing and electronic fund transfer authority and (ii) may provide for the establishment and replenishment of a petty cash fund.

**Section 6. Fidelity Bonds.** The Board of Directors will secure the faithful performance of the Treasurer, Assistant Treasurer and the Registrar by means of an adequate fidelity bond.

**Section 7. Investment of Corporate Funds.** The funds of the Corporation may only be invested in (i) interest bearing debt securities insured by the Federal Government or (ii) as specified in Article VII, Section 3.

**Section 8. Annual Review of Books.** The Board of Directors shall cause the books of the Corporation to be reviewed annually by auditors selected by the Directors who shall neither be

directors nor officers of the Corporation, and the report of the auditors shall be available to the Shareholders at all times.

**Section 9. No Compensation for Officers and Directors.** No Director or Officer of Corporation shall receive a salary.

**Section 10. Reserve Account for Depreciation.** An appropriate reserve account shall be established, budgeted for yearly and added to yearly. Funds from this account shall be used only for the replacement of major Corporation facilities.

**Section 11. Approval of Expenditures in Excess of \$50,000.** Repair, modification or replacement of Corporation facilities in any one fiscal year with costs estimated to be greater than Fifty Thousand Dollars (\$50,000.00) shall be undertaken only upon recommendation of at least seven members of the Board of Directors, approved by a majority of the Shares present or represented by proxy at a duly constituted special meeting, of shareholders notice of which has included the proposed project. The means of funding the project shall be in accordance with Article XI, Section 3, and the project shall not be undertaken without approval of both the project and the method of funding by a majority of the Shares present and voting whether in person or by proxy.

#### **ARTICLE VIII – GENERAL**

**Section 1. Conformity with Law.** All powers, authority, duties and functions of the Shareholders, directors, officers and employees of the Corporation shall be exercised in strict conformity with provisions of all applicable law and regulations, and of the Articles of Incorporation and By-Laws of the Corporation.

**Section 2. Removal of Directors.** Any Director of the Corporation may be removed from office by the affirmative vote of not less than two-thirds of the Shares present either in person or represented by proxy at a duly constituted special shareholders' meeting, but only after the Director has had an opportunity to address the shareholders at such meeting. Any officer of the Corporation may be removed from office by the affirmative vote of all (other than the director being removed as an officer) of the Directors present at a regular or special meeting of the Board of Directors, the officer has had an opportunity to address the Directors at such meeting.

**Section 3. Substitute Officers.** When any officer is absent or otherwise unable to perform the duties of his office, the Board of Directors may by resolution designate another member of the Board of Directors to act temporarily in his place.

**Section 4. Maintenance of Records.** Copies of the organization papers of the Corporation, its By-Laws, and any amendments thereto, and the transfer books of the Corporation shall be preserved in a place of safekeeping. Returns of elections and proceedings of all meetings of the Directors and Shareholders shall be recorded in the minute books. The minutes of all meetings shall be signed by the President or Secretary, or by those acting in their places.



**Section 5. Written Contracts for Material Expenditures.** Capital additions and maintenance projects that have been duly approved by the Board and that exceed an expenditure of Five Hundred Dollars (\$500.00) shall not be undertaken unless and until there is a written contract by and between the Poplar Heights Recreation Association and the party or parties selected to perform the services and accomplish the work contemplated.

**Section 6. Definition of Member”** A Member of the Corporation is/are the owner(s) of a share of the Corporation’s stock, a shareholder and members of his/their immediate family. An Adult Member shall mean a member aged 21 years or older. For purposes of this definition a member’s “immediate family” shall mean spouses, ancestors, descendants, children and adopted children and siblings of the member who reside in the member’s residence whether or not absent therefrom on a temporary basis such as school, college or military or governmental duties.

## **ARTICLE IX - SUSPENSION OR REVOCATION OF THE USE PRIVILEGE**

**Section 1. Termination or Suspension of Member Use Privileges.** The Board of Directors may deny the use of the recreation facilities of the Corporation to any person upon a finding that such person has violated any rule or regulation of the Corporation, or upon a determination that such action is necessary in order to carry out the principal purpose of the Corporation as expressed in Article III of the Corporation’s Articles of Incorporation.

**Section 2. Approval of Long Term Denial of Use.** Denial of privileges to any person for more than one week shall be only by action of at least two-thirds of the Directors. Notice of the proposed action must be made available to each Director and the individual against whom the penalties are contemplated. Permanent revocation by the Board shall be void on the written petition by the person against whom the Board action has been taken, signed by one-third of the Shareholders and submitted to the Board of Directors within 60 days after the Member has been notified in writing by the Board of Directors. Any person against whom any action under this Section is contemplated shall be notified at least five days in advance of that fact and be given a reasonable opportunity to be heard by the Board, except that this provision may be waived in emergency by unanimous action of Board members present at any regular or special meeting.

**Section 3. Permanent Revocation of Use Privileges.** If the privileges of any person are permanently revoked, in order to carry out the principal purpose of the Corporation as expressed in Article III of the Corporation’s Articles of Incorporation, the Corporation shall promptly offer to purchase the share (if any) held by such person at the book value established at the close of the preceding year, less any debts owed the Corporation, and shall refund any payments made by such person attributable to the period after revocation.

### **Section 4. Suspension of Privileges of Minors**

Anything in this Article to the contrary notwithstanding, the Board of Directors may suspend or delegate to any appropriate committee or person the power to suspend for a period not exceeding one week any person under 18 years of age for violation of the rules and regulations. Should the occasion warrant, such suspension may be immediate and without hearing.

## **ARTICLE X - USE OF THE RECREATION FACILITIES OF THE CORPORATION**

**Section 1. Rules Pertaining to Member Use.** Members, as defined by Article VIII, Section 6, shall be eligible to use the recreation facilities of the Corporation in accordance with the established rules and regulations of the Corporation upon payment of all of their monetary obligations to the Corporation.

### **Section 2. Rental of Use Privileges**

(a) Shareholder's privileges to use the Corporation's facilities may be rented by the Corporation for its own benefit and the Corporation may retain all proceeds of such rental if the Shareholder fails to meet the requirements of Article XI, Section 1(b), or if he elects to pay the inactive membership fee provided for by Article XI, Section 1(c).

(b) Upon written request by a Shareholder, a renter of the Shareholder's residence, acceptable to the Board of Directors and meeting all other requirements for membership herein, is to be given an option to rent the first available share of stock in the Corporation.

**Section 3. Non-Profit Use.** Upon such terms and conditions, including fees, as the Board of Directors may specify, non-profit organizations may be allowed the use of the recreation facilities, but only at such times as will cause the least amount of inconvenience to the Shareholders.

## **ARTICLE XI - FEES FOR THE USE OF RECREATION FACILITIES**

### **Section 1. Determination of Annual Fee**

(a) The annual fee specified in Section 1 of Article X for the privilege of using the facilities of the Corporation by Members shall be such amount as the Board may specify. This annual fee shall include each Shareholder's portion of the budgeted expenses for the next operating season, any deficit from the last operating season, appropriate depreciation of Corporation property, and shall include the amount of the fee to be levied in lieu of work required (as provided for under Article XII, Section 1) from the Shareholder. A fee levied for labor is to be reimbursed to the Shareholder upon his presentation to the Treasurer of evidence that such work has been satisfactorily completed.

(b) The annual fee and all other monetary obligations for which a specific due date has not been established, shall be payable to the Treasurer of the Corporation on or before April 30 of each year. Payments received after this date must be accompanied by a fine which is to be determined annually by the Board of Directors. In the event payment shall not be made on or before April 30, all membership and use privileges of any Shareholder shall be automatically suspended. Membership so suspended may be reinstated only upon application for reinstatement made in writing to the Board of Directors accompanied by payment of all debts in full plus a fine for each debt owed the Corporation. In the event the Shareholder fails to make application to the Board of Directors for reinstatement,

accompanied by the required payment on or before April 30, the Board shall have the right to rent the privilege of the Shareholder to selected applicants pursuant to Section 2 of Article X.

(c) Notwithstanding the provisions of Section 1 (a) and (b) above, any Shareholder, who, by written notice to the Corporation, elects not to utilize the Corporation's facilities for any operating season, may on or before May 1 or other designated due date, pay an inactive fee in an amount to be set by the Board. Such inactive fee shall be in lieu of and in full substitution for the regular annual fee hereunder and the obligation imposed under Article XII hereof. In the event a Shareholder elects to pay the inactive fee, the Board shall have the right to rent the use privilege applicable to such share to selected applicants pursuant to Section 2 of this Article.

(d) The same penalties and procedures as are specified in Article XI, Section 1(b) with respect to the annual fee will also apply to each charge and assessment.

(e) If a Shareholder fails to pay an inactive fee, the amount of that fee, plus the applicable fine, shall be deducted by the Registrar from the book value of the share. If a Shareholder fails to pay an inactive fee by the end of the swim season in the year for which such fee is due, the Registrar shall advise the Shareholder, in writing and by certified mail, return-receipt requested, that all outstanding fees and fines must be paid within fifteen (15) days. If the Shareholder does not pay all outstanding fees and fines within the stated time period, then the share will be forfeited, marked cancelled on the books of the Corporation and the outstanding book value balance of the share either paid to the Shareholder on demand or held in escrow for a period not longer than two (2) years.

## **Section 2. Rental of Shareholder Home.**

a. Those persons renting the household of a Shareholder during the Shareholders temporary absence such as military or diplomatic assignments, will be rented the Shareholders share subject to the approval of the Board but at the same rate set by the Board for renting the use privilege in effect for the operating season, notwithstanding the fact that the amount may exceed the annual fee for Members.

b. All applications for a rental of the use privilege applicable to an inactive share or for the purchase of a share, except as to a person renting the household of a Member, will be filed with the Registrar of the Association and be given an order of precedence for action by the Board based upon a rule of "first-in, first-out."

**Section 3. Adoption of Capital Adjustments.** Increases other than operating cost adjustments shall be called capital adjustments and shall be adopted only upon recommendation of the Board of Directors, approved by two-thirds of the Shareholders present at a duly constituted meeting, the notice of which has included the proposed action.

**Section 4. Guest Use.** Guests eligible to use the facilities of the Corporation pursuant to the applicable rules and regulations shall pay a fee to be established by the Board. The Board of

Directors may make special provision for out-of-town guests staying at the homes of Shareholders for extended periods.

## **ARTICLE XII - MAINTENANCE AND OPERATION OF THE FACILITIES**

**Section 1. Shareholder Involvement.** The Board of Directors may by resolution request the assistance of the Shareholders to do work which may be necessary or desirable to operate or maintain Corporation facilities. The burden of such work shall be shared equitably.

**Section 2. Supervision of Shareholder Involvement.** The Board of Directors may delegate to any committee or person the management and supervision of the service to be requested under this Article.

## **ARTICLE XIII - AMENDMENTS TO BY-LAWS**

**Section 1. Amendments by the Board of Directors.** Amendments to the By-Laws may be adopted by the Board of Directors, In order to approve an amendment to these By-Laws the directors shall place the amendment on the agenda to be discussed at a directors meeting and may only vote on such amendment at a duly called meeting held subsequent to such first meeting where voting on the By-Laws is on the agenda for the meeting. Such amendments shall be valid unless they would eliminate voting rights expressly granted to the Shareholders by these By-Laws or unless they are rejected or altered by the Shareholders in accordance with Article XIII, Section 2. Amendments may be adopted by affirmative vote of the majority of the Directors present, except that a two-thirds vote of those present shall be required to change any By-Laws requiring two-thirds of the Directors to approve a particular action.

Notification of the proposed change must be provided by email to Shareholders at least two weeks before final action is taken on the proposal.

**Section 2. Amendments by Shareholders.** Voting Shareholders present at a duly held meeting may amend, modify, reject or alter these By-Laws, provided that the proposed text of the amendment has been made available to the Secretary of the Corporation at least fifteen days before the meeting for inclusion in the meeting notice. Amendments may be adopted by affirmative vote of the majority of the voting Shareholders present, except that a two-thirds vote of those present shall be required to change any By-Laws requiring two-thirds of the Shareholders to approve a particular action.