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**BYLAWS**  
**of the**  
**SIDEBURN RUN RECREATION ASSOCIATION, INC.**

*Adopted July 16, 1971*

*[Revisions: June 2, 1975; February 11, 1980; December 10, 1980; July 30, 1981; December 2, 1981; December 8, 1983; February 20, 1986; February 24, 1987; September 29, 1987; February 15, 1989; September 7, 1989; October 13, 1999; October 11, 2001; (With provisions adopted 9/19/2002); November 13, 2014; February 22, 2018; Full Revision December 16, 2021;]*

Wherever the context hereafter so requires, the use of the singular shall include the plural.

Wherever a term is shown in italics, its definition may be found in the Glossary at the end of the document.

**INTRODUCTION**

Sideburn Run Recreation Association, Incorporated (SRRA) is a nonstock corporation formed under Chapter 10 of Title 13.1 of the Code of Virginia for the purpose of providing swimming pool and recreational facilities for the use of members of the Corporation, their families and guests. The Bylaws of the Sideburn Run Recreation Association, Inc. provide guidance on the management of the Corporation.

**ARTICLE I. MEMBERSHIP**

SECTION 1. The number of *Bond Memberships* shall total no more than four hundred (400).

SECTION 2. *Bond Memberships* shall be limited to individuals and shall not be issued to partnerships, corporations, or any other institution or association.

SECTION 3. Applicants for *Bond Membership* must: (1) submit a completed and signed application on a form approved by the Board of Directors; (2) await a position on a waiting list, if such a waiting list is in place, until a *Certificate of Membership* becomes available for issuance as required by ARTICLE I, Section 5; and (3) present payment to the Membership Chairperson, payable to the Corporation, paying the current *Membership Fee* in full, annual dues and any other applicable fees.

SECTION 4. *Bond Membership* shall be evidenced by a *Certificate of Membership* (bond) which shall be issued by the Membership Chairperson. A maximum of two adult *Bond Owners name(s)*, as designated on the application form, shall then be entered in the books of the Corporation.

4.1 *Members* for each *Bond Membership* shall be identified annually on an application and may include:

- (i) A maximum of two adults (including the *Bond Owners*),
- (ii) And, any unmarried children/grandchildren twenty-six (26) years of age and under permanently residing with the *Bond Owner*, shall be entitled to use of the swimming pool and related facilities at no additional charge.
- (iii) For an additional fee, additional household *Members* twenty-seven (27) years of

age and older, and married persons twenty-six (26) years of age and under, permanently residing with the *Bond Owner*, shall be entitled to use of the swimming pool and related facilities. The Board of Directors may waive the additional fee for adults, permanently residing with the *Bond Owner*, who meet the criteria defined in the Americans with Disabilities Act (ADA) of 1990 or the ADA Amendments Act (ADAAA) of 2009.

- (iv) All ages referenced above shall be determined as of January 1 of the current year.

SECTION 5. If so required, a waiting list of applicants who have applied for *Bond Membership* will be maintained by the Membership Committee. Applicants from this list will be offered a *Certificate of Membership* in order by the date of receipt of a duly executed application, as required by ARTICLE I, Section 3.

- 5.1 Except that, an applicant purchasing a home owned by a resigning *Bond Owner* shall bypass the waiting list and shall replace the *Bond Membership* of the resigning *Bond Owner*, provided an application and any payments, as required by ARTICLE I, Section 3, are submitted to the Membership Chairperson prior to or concurrent with the *Bond Owner's* resignation. The resigning *Bond Owner* must forfeit their *Certificate of Membership* and a new *Certificate of Membership* must be issued by the Membership Chairperson to the new *Bond Owner*.

SECTION 6. *Members* will be allowed to use the pool facilities upon payment of their annual operating dues, assessments, and other charges for the current season.

- 6.1 Annual operating dues, assessments, and other charges duly approved by the Board of Directors are due no later than April 30 of each year. Any *Bond Owner* failing to pay these fees shall be delinquent on May 1 and subsequently notified. The amount of the annual operating dues, based on the selected membership type from the previous year and as invoiced by the Membership Committee, plus a late fee shall become a lien against the value of the *Certificate of Membership*. Until the lien is resolved, the *Bond Owner(s)* are not in *good standing* with the Corporation.

- 6.1.1 If said lien is not paid in its entirety by June 1, and there is an applicant on the waiting list for a *Bond Membership*, then the delinquent *Bond Membership* shall be canceled. The Membership Chairperson shall notify the Board of Directors of the cancellation. The Treasurer, subject to the provisions of ARTICLE I, Section 11, with or without surrender of the delinquent *Bond Owner's Certificate of Membership* (bond), shall return the value of the *Certificate of Membership* less any indebtedness to the *Bond Owner*.

- 6.1.2 If said lien is not paid in its entirety by June 1, and there is no applicant on the waiting list to replace the *Bond Membership*, the lien (to include the late fee) will carry into each successive season until either the *Bond Owner* redeems their *Certificate of Membership*, subject to the provisions of ARTICLE I, Section 11, or the value of the *Certificate of Membership* has been extinguished due to successive liens. In the latter case, the Membership Chairperson shall present to the Board of Directors the *Bond Membership* for cancellation, and upon approval by the Board of Directors, shall inform the *Bond Owner* of cancellation via a certified letter.

SECTION 7. A *Bond Owner* who, for good cause, will be unable to utilize the pool facilities for the upcoming season, may apply in writing prior to May 1, to temporarily inactivate their *Bond*

*Membership* (known as "let up"). This request must be approved by a two-thirds vote of the Board of Directors, and a let-up fee will be assessed.

SECTION 8. A *Bond Owner* may request in writing that the Membership Chairperson authorize temporary swimming privileges and use of the facilities to the person leasing the *Bond Owner's* residence. These privileges apply to the lessee's household members, in accordance with ARTICLE I, Section 4.1. The *Bond Owner* shall retain voting privileges and the right of redemption, however, foregoes all swimming privileges and use of the facilities during the time this arrangement is in effect.

This arrangement may be canceled when requested in writing by the *Bond Owner* whose privilege is temporarily being used or when the *Bond Owner* ceases to be in *good standing*. In accordance with ARTICLE I, Section 6 and Section 7, the *Bond Owner* remains responsible for the annual operating dues and any fees.

SECTION 9. The *Certificate of Membership* (bond) is not transferable. Redemptions shall be made in accordance with ARTICLE I, Section 11.

9.1 A *Bond Owner* in *good standing* who wishes to gift their *Bond Membership* to a family member may do so, with approval by a majority of the Board of Directors, by first resigning their *Bond Membership* in accordance with ARTICLE I, Section 11. A new *Certificate of Membership* shall be issued to the family member for the value of the original *Certificate of Membership* less any indebtedness. The redemption fee for this transaction shall be waived.

SECTION 10. In the event of a *Bond Owner's* death, all membership rights shall automatically confer on the surviving *Bond Owner*. Any refund of the value of the *Certificate of Membership* following the death of a *Bond Owner*, when the legal ownership of such refund is in doubt, shall await the legal settlement of the estate. Pending this legal settlement, surviving *Members* of the household, as defined in ARTICLE I, Section 4.1, may continue to use and enjoy membership privileges provided all payments are made, as required by ARTICLE I, Section 6.

10.1 In the event of a dissolution of the relationship between *Bond Owners*, they shall declare in writing to the Board of Directors, (1) which *Bond Owner* shall retain ownership of the *Certificate of Membership*, or (2) whether *Bond Membership* will be resigned and to whom refund of any remaining funds is to be paid.

SECTION 11. A *Bond Owner* may resign their membership and request redemption of their *Certificate of Membership* for the original value less any indebtedness by writing to the Membership Chairperson. Resignation may occur at any time, however, the written notice must be sent by April 30 to avoid penalties and fees for the upcoming season.

11.1 No *Certificate of Membership* (bond) shall be redeemed when to do so would cause the Corporation to become insolvent or, as determined by the Board of Directors, when it would place the Corporation in a financial position such that its contractual end-of-season repairs, future maintenance, necessary reserve savings, and monies required for next season's start-up would be insufficient. If this provision is invoked by the Board of Directors, the *Bond Owner* desiring redemption will be placed on a waiting list until the Board of Directors determines that the Corporation is able to resume redemption. Redemption will then be made in the order in which names appear on the waiting list. While on the waiting list, the *Bond Owner* shall retain the right to vote at all regular and special meetings of the Board of Directors.

11.2 When the Board of Directors is able to redeem the value of the *Certificate of Membership* (bond), the *Bond Owner* must return their original *Certificate of Membership* (bond). Such redemptions shall be executed by December 31 of the current calendar year. A bond redemption fee shall be assessed and withheld by the Corporation. The cost of the redemption fees shall be established and published annually by the Board of Directors.

SECTION 12. Upon dissolution of the Corporation, all *Certificates of Membership* (bonds) shall be redeemed after all other liabilities and obligations have been paid. The *Certificates of Membership* will be redeemed proportionately for an amount not to exceed the value of each *Certificate of Membership*. Any excess will be distributed as provided for in the Articles of Incorporation.

SECTION 13. When the number of *Bond Memberships*, excluding those inactivated in accordance with ARTICLE I, Section 7, by April 30 is less than four hundred (400), the Board of Directors may, at its discretion, authorize temporary swimming privileges to *Affiliate Members*.

An *Affiliate Membership* is valid for one season to start, after which continued membership may require a bond purchase, and is subject to all rules and regulations governing the swimming pool. The cost of the privilege shall be set annually by the Board of Directors but shall not be less than that of a *Bond Membership's* annual dues. *Affiliate Members* shall not have any vote, right of redemption or any other rights accorded *Bond Owners*. The *Affiliate Membership* is not transferable.

13.1 *Members* for each *Affiliate Membership* shall be identified annually on an application and may include:

- (i) A maximum of two adults,
- (ii) And, any unmarried children/grandchildren twenty-six(26) years of age and under permanently residing with the *Affiliate Member*, shall be entitled to use of the swimming pool and related facilities at no additional charge.
- (iii) For an additional fee, additional household *Members* twenty-seven (27) years of age and older, and married persons twenty-six (26) years of age and under, permanently residing with the *Affiliate Member*, shall be entitled to use of the swimming pool and related facilities. The Board of Directors may waive the additional fee for adults, permanently residing with the *Affiliate Member*, who meet the criteria defined in the Americans with Disabilities Act (ADA) of 1990 or the ADA Amendments Act (ADAAA) of 2009.
- (iv) All ages referenced above shall be determined as of January 1 of the current year.

SECTION 14. Facility privileges, including participation on swim and dive teams, may be temporarily or permanently suspended under the following conditions:

14.1 The Pool Manager on duty is authorized by the Board of Directors to suspend one or more *Members*, for a first violation of SRRA operating rules and regulations, up to twenty-four (24) hours. The Pool Manager will document the violation and suspension in a written report.

14.2 Facility privileges, including participation on swim and dive teams, may be denied for up to three (3) days to one or more *Members* by a two-thirds vote of the Board of Directors for repeated violation of SRRA operating rules and regulations. Each violation shall be documented in a written report in consultation with the manager on

duty.

- 14.3 Subsequent, documented violations of the same or other operating rules and regulations will result in suspension of privileges for a number of days increased incrementally. Prior to the restoration of privileges, the Board of Directors shall obtain from the *Member*, or the *Member's* guardian, an oral or written guarantee of improved behavior for unsafe, disrespectful, or consistent violation of the operating rules.
- 14.4 Facility privileges, including participation on swim and dive teams, may be denied to one or more *Members* by a two-thirds vote of the Board of Directors for egregious misconduct, willful destruction or damage, or attempt thereof, to pool property. Privileges may be reinstated following obtaining an oral or written guarantee of improved behavior for unsafe, disrespectful, or consistent violation of the operating rules or restitution of property damage or an agreement of a payment plan for restitution.
- 14.5 When disciplinary action is repeated, or a *Member* does not comply with a restitution agreement, a *Bond Membership* or an *Affiliate Membership* may be cancelled in its entirety by a two-thirds vote of the Board of Directors. Prior to cancellation, an Officer of the Corporation shall notify in writing, the membership holder, the grounds for such action. Within ten (10) days of receiving the notice of cancellation, the *Member* may request a hearing before the Board of Directors. At the end of the ten-day period, if the Member fails to request a hearing the cancellation shall take effect. If requested, the Board of Directors shall hold the hearing within ten (10) days of receipt of the *Member's* request for a hearing.
- 14.5.1 If a hearing is held, the Board of Directors shall render its decision and inform the *Member* before adjournment of the hearing. The cancellation of the membership shall be sustained by a two-thirds vote of the Board of Directors.
- 14.5.2 Any membership which is canceled based on a hearing before the Board of Directors, may be appealed. An appeal for a hearing before *the Membership* by the *Member* must be requested in writing within ten (10) days following the hearing before the Board of Directors. Reinstatement of the membership requires a majority vote of *the Membership* present at a special meeting called for such purpose in accordance with ARTICLE III, Section 2.
- 14.5.3 Until sustained or rejected by *the Membership* of the Corporation, the action of the Board of Directors shall stand.
- 14.5.4 An appeal for a hearing before *the Membership* of the Corporation is automatically waived by a *Member* foregoing the opportunity of a hearing before the Board of Directors.
- 14.6 If the membership is cancelled, the operating dues shall not be refunded. *Bond Owners* shall be entitled to redemption of the value of their *Certificate of Membership* less any indebtedness (see ARTICLE I, Section 11).

SECTION 15. Guests of members shall be permitted to use the swimming pool and facilities upon such conditions and under such regulations as may be prescribed by the Board of Directors in the Operating Rules and Regulations. The fees for guests will be established and published

annually by the Board of Directors.

## ARTICLE II. DIRECTORS AND OFFICERS

SECTION 1. Nine *Directors* shall be elected to manage the affairs of the Corporation. Each *Director* shall be a *Bond Owner* in *good standing* of the Corporation prior to their appointment or start of their elected term, and for the duration of their term(s).

SECTION 2. Each *Director* shall serve for a term of two calendar years. *Bond Owners* from the same *Bond Membership* may not serve as *Directors* concurrently. A term limit of two consecutive terms is imposed on the *Bond Owner(s)* of each *Bond Membership*. Once two consecutive terms have been served by the *Bond Owner(s)* of a *Bond Membership*, one full term must pass before the *Bond Owner(s)* become eligible to serve again.

SECTION 3. An election will occur in November of each year for the *Directors* whose terms will be expiring in that year. Any *Bond Owner* may nominate themselves to the Nominating Committee by October 15. The *Bond Owner* must be in *good standing* as of July 1 of the current year. The Nominating Committee will submit a list of all eligible nominees to the Board of Directors by October 20.

SECTION 4. *Directors* shall not receive any compensation for their services as a *Director* or in any other capacity for the Corporation. Nothing herein shall be construed to preclude any *Director* from being reimbursed for approved out-of-pocket expenses incurred on behalf of the Corporation. *Directors* may receive such discounts or credits afforded to the general membership.

SECTION 5. The Officers of this Corporation shall be a President, a Vice President, a Treasurer, and a Secretary. The Officers shall be elected from among the *Directors* and by the *Directors*, at the first Board of Directors meeting, each calendar year. The Officers shall hold office for one year. The elected Officers shall not constitute an Executive Committee. No *Director* shall serve in more than one Officer position concurrently.

SECTION 6. The President shall preside at the regular meetings of *the Membership* and at all meetings of the Board of Directors. The President shall perform such other duties as customarily pertain to the office of the President, or that may be directed to be performed by resolution of the Board of Directors.

SECTION 7. The Vice President shall have and exercise all the powers of the President during the absence of the latter, or the President's inability to act. The Vice President shall supervise the filing of all reports required by law, including the annual report of the Corporation to be filed with the State Corporation Commission and the annual returns required to be filed with Federal and State authorities. The Vice President shall maintain a detailed description of duties for each Standing Committee described in ARTICLE V.

SECTION 8. The Treasurer shall have custody of all funds, securities, valuable papers, and other assets of the Corporation. The Treasurer shall be responsible for the preparation, maintenance, and provision, when requested, of complete records of revenues, expenditures, assets and liabilities of the Corporation. The Treasurer shall be responsible for the preparation of tax reports and other information as local, State, and Federal laws require. The Treasurer is responsible for ensuring a record of all dues, guest fees, and transactions that establish financial status of the Corporation. The Treasurer shall provide monthly financial reports to the Board of Directors.

SECTION 9. The Secretary shall prepare and maintain full minutes of all meetings of the Board of Directors and shall publish a draft version of the minutes within fourteen (14) days. The Secretary shall give proper notice of and provide a draft agenda for all regular meetings at least ten (10) days prior and shall conduct and have custody of the correspondence of the Corporation. The Secretary shall have custody of the Seal of the Corporation. The Secretary shall file all reports required by law, including the Annual Report of the Corporation to be filed with the State Corporation Commission.

SECTION 10. A *Director* who fails to attend monthly meetings of the Board of Directors for three consecutive months, or six non-consecutive months during a two-year period, or otherwise fails to perform any of their assigned duties as a *Director*, may have their position declared vacant by a two-thirds vote of the Board of Directors.

SECTION 11. Any *Director* of the Corporation may be removed from the Board of Directors for cause by a two-thirds vote of *the Membership* present or represented by proxy at the meeting called for such purpose, but only after an opportunity has been given for that *Director* to be heard.

SECTION 12. Any vacancy occurring in the Board of Directors may be filled by a majority vote of the remaining *Directors*. *Directors* appointed by the Board of Directors shall be approved by a majority vote of *the Membership* present or represented by proxy at the next regular meeting of the *Membership*. A *Director* appointed to fill a vacancy that has more than half its term remaining, that *Director* will be considered to have served a full term.

SECTION 13. Any Officer of the Corporation may be removed from their office by a two-thirds vote of the *Directors* present at a monthly or a special meeting of the Board of Directors, but only after an opportunity has been given for that Officer to be heard.

SECTION 14. When an Officer is absent or otherwise unable to perform their duties, the Board of Directors may, by resolution, designate another *Director*, not currently serving as an Officer, to act temporarily in that office.

### ARTICLE III. MEETINGS OF THE MEMBERSHIP

SECTION 1. An annual meeting of *the Membership* shall be held in February for the purpose of reviewing the annual budget. These meetings shall be held at such time and place as the Board of Directors may designate.

SECTION 2. A special meeting of *the Membership* may be requested by the President, a quorum of the Board of Directors, or upon the written request of not fewer than twenty-five (25) *Bond Memberships*. The special meeting shall be held within thirty (30) days of the request. The agenda for a special meeting may only include those matters requested by the parties calling for the special meeting.

SECTION 3. At least ten (10) days before any *Membership* meeting, the Secretary shall notify by mail or email to each *Bond Owner* via the contact information provided on the records of the Corporation. The notice shall include an agenda and descriptions of the matters to be raised at the meeting.

SECTION 4. At any meeting, twenty-five (25) *Bond Memberships* represented in person, by written proxy to another *Bond Membership* in *good standing*, or where applicable, by written ballot shall constitute a quorum.

SECTION 5. At any meeting, each *Bond Membership* in good standing shall be entitled to one vote. A *Bond Membership* vote may be cast in person, by proxy designated in writing, or by written ballot.

SECTION 6. The Board of Directors shall fix a record date establishing those *Bond Memberships* eligible to attend and vote at a meeting. An alphabetical list of *Bond Memberships*, to include name and contact information, shall be made available for review by any eligible *Bond Owner*. The list will be available two days after notice of the meeting, during the meeting, and up to six (6) months following adjournment of the meeting. A *Bond Owner* is entitled to copy the list at their own expense. Refer to ARTICLE VII, Section 4, for full release of information eligibility requirements and stipulations.

#### ARTICLE IV. MEETINGS OF DIRECTORS

SECTION 1. A regular meeting of the Board of Directors shall be held monthly. The time and place of each meeting shall be fixed by the Secretary. Notice of each meeting and the draft agenda shall be published by the Secretary and made available to *the Membership* ten (10) days prior to the meeting. Meetings shall be open to *the Membership* and held in person or virtually as determined by the Board of Directors.

SECTION 2. Meetings may utilize any means of communication by which all *Directors* participating may simultaneously hear each other, to consider and vote to approve matters pertinent to the Corporation. A *Director* participating via alternative communications is deemed present at the meeting.

SECTION 3. The Board of Directors shall enter into executive session when discussing business regarding individual *Members*, *Directors*, or personnel. The *Directors* may then freely discuss and vote upon the business at hand without outside influence. Affirmative votes taking place during an executive session shall be recorded in minutes which must be approved at another executive session. It is the duty of every *Director* to keep all discussion from an executive session private.

SECTION 4. The President, or if absent, the Vice President, may call a special meeting of the Board of Directors at any time, and shall also do so upon the written request of a quorum of the Directors. When practical, notice of the time, date, location and purpose of the meeting shall be posted on the website and sent via email to *the Membership*.

SECTION 5. Five *Directors* shall constitute a quorum at any meeting of the Board of Directors.

SECTION 6. *Directors* may not vote by proxy at any meeting of the Board of Directors.

#### ARTICLE V. COMMITTEES

SECTION 1. Committees to manage the affairs of the Corporation may include, but not limited to: Budget and Planning Committee, Membership Committee, Nominating Committee, Operations and Maintenance Committee, Social Committee, and Swim and Dive Committee. This Article shall describe the minimum requirements for each committee. A more detailed description of duties shall be kept by the Vice-President and reviewed annually.

SECTION 2. The Chairperson of each Committee shall be appointed by the President from among the *Directors*. The Chairperson of each committee shall engage additional *Members* to do the work of the committee and/or create ad hoc subcommittees. The Chairperson is responsible for ensuring completion of the duties of the committee.

SECTION 3. The President shall be authorized to appoint such other Committees from the *Directors* and *the Membership* as deemed necessary.

SECTION 4. The Budget and Planning Committee shall propose an annual budget; develop and update annually a five-year plan for the Corporation's finances; maintain a list of Capital Renewal and Renovation Projects; review the need for an updated Reserve Study every five years; and update the Reserve Study, as needed.

SECTION 5. The Membership Committee, in coordination with the Operations and Maintenance Committee, shall maintain and update electronic forms and a facility check-in system; maintain a master membership list; issue *Certificate of Memberships* to new *Bond Owners*; collect *membership fees*, manage late or missed payments; process bond redemption requests; and train staff regarding member and guest check-in procedures.

SECTION 6. The Nominating Committee shall conduct a search for eligible *Bond Owners* to add to the ballot for election of *Directors* to be held in November. The Committee shall also tabulate votes.

SECTION 7. The Operations and Maintenance Committee shall prepare and present the rules for the use and operation of the swimming pool and other facilities to the Board of Directors for approval. The Committee shall be responsible for enforcement of these rules. The Chairperson shall provide direction to the Pool Manager. The Committee Chairperson will obtain quotes and present all contracts to the Board of Directors for approval. The Chairperson shall provide oversight of the activities necessary to maintain the grounds, facilities and equipment in good condition; provide recommendations to the Budget and Planning Committee for the annual budget regarding these activities; oversee specific Capital Renewal and Renovation projects as determined by the Board of Directors; oversee contractors to ensure quality and timeliness; and maintain the security camera system, retain video from any security related events, and provide this information to the Board of Directors and law enforcement authorities, as necessary.

SECTION 8. The Social Committee shall prepare a calendar of events for all *Members* for the season; prepare a budget for each event; enlist volunteers to manage and conduct each event; publicize events in advance; and work in conjunction with the Membership Committee and Swim and Dive Committee to avoid calendar conflicts.

SECTION 9. The Swim and Dive Committee shall provide a swim program and a dive program for the Corporation's youth members' participation in a regional developmental organization. The Committee Chairperson shall report all income and expenses monthly; establish participation fee for Board of Director approval; collect receipts for reimbursement and present to the Treasurer monthly; manage Swim and Dive team budget; present coaches' contracts for Board of Directors' approval; and coordinate with the Board of Directors to place events on the pool's master calendar. The Chairperson will serve as a liaison between the Board of Directors and the Swim team and Dive team representatives.

9.1 In addition to the Chairperson, the Committee shall also include the Swim Team Representative(s), the Dive Team Representative(s), and the Swim and Dive Account Manager. Each volunteer shall be approved by the Board of Directors.

9.2 The Swim Team Representative(s), the Dive Team Representative(s), and the Swim and Dive Account Manager may not serve as an Officer on the Board of Directors simultaneously.

## ARTICLE VI. PROPERTY AND FINANCES

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

SECTION 2. Tangible personal property of the Corporation may be transferred only after approval by a two-thirds vote of the Board of Directors. In general, tangible personal property is a moveable item that is real, material, substantive, and not permanently affixed to any real property. Examples of business tangible property include pool furniture, computer hardware, specialized tools, machinery, equipment, and vehicles.

SECTION 3. Real property of the Corporation may be encumbered, purchased, transferred or substantially improved only after a vote of approval of fifty-five (55) percent of *the Membership* present or represented by proxy at a duly held meeting. Substantially improved means: improvements made during any one calendar year or the most recent nine-month period costing in excess of fifteen thousand dollars (\$15,000). Repairs or replacements with material or parts of superior quality shall not be considered a substantial improvement. Notice to *the Membership* concerning the proposed expenditure(s) shall include realistic minimum and maximum cost estimates, methods of funding, justification for same, and other pertinent information.

SECTION 4. The funds of the Corporation, except as otherwise provided by these Bylaws, may be invested only in obligations of or insured by the United States Government. The funds may not be loaned to or invested with any Officer, *Director*, or *Member* of the Corporation.

SECTION 5. All funds of the Corporation shall be deposited in a Federally insured, qualified depository or depositories as the Board of Directors may from time to time by written resolution designate and shall be so deposited within seventy-two (72) hours, excluding Sundays and holidays, of their receipt; provided however, that cash receipts in the aggregate of two-hundred dollars (\$200) or less and checks payable to the Corporation need not be deposited more often than once a week.

SECTION 6. The Board of Directors shall maintain in full force sufficient insurance that provides: general liability coverage for the Corporation; liability coverage for the Directors and Officers acting in good faith; property insurance that covers the assets of the Corporation; Workers' Compensation insurance that covers employees in accordance with state law; insurance that covers loss to the Corporation due to malfeasance on the part of Officers, Directors, or volunteers.

SECTION 7. An annual budget shall be prepared by the Budget and Planning Committee and duly approved by the Board of Directors. The annual budget, the schedule of *Membership Fees*, annual operating dues, and other fees applicable to the operation of the Corporation shall be presented to the *Bond Members* at the annual meeting of *the Membership* in February.

7.1 The accounts of the Corporation shall be reviewed annually as of September 30 by someone outside of the Budget and Planning Committee and shall be audited every five (5) years. Each review will be available at the annual meeting of *the Membership* in February. Each audit will be available on the fifth year and will be available at the annual meeting of *the Membership* in February.

7.2 A financial report, to include the budget actuals against plan, and updated balance

sheet, will be presented at every monthly meeting of the Board of Directors.

SECTION 8. All disbursements shall be supported by invoices or receipts representing the amounts. The Treasurer shall report payment of approved budgeted expenses to the Board of Directors at their monthly meeting. Unbudgeted expenses or expenses which exceed ten percent (10%) of their budgeted amount must be reviewed and approved by the Board of Directors.

SECTION 9. The Board of Directors shall maintain a separate Capital Renewal and Renovation Account. By September 30 each year, the Board of Directors must deposit, at a minimum, an amount of ten thousand dollars (\$10,000) into this account. In any given year, if the Corporation is unable to deposit the required amount of ten thousand dollars (\$10,000), the Board of Directors shall notify *Bond Owners* of such with an explanation by September 30.

9.1 No funds may be withdrawn or transferred from the Capital Renewal and Renovation Account except by notice to *the Membership* and a majority vote of *the Membership* present or represented by proxy at an annual meeting, or special meeting called for that purpose.

SECTION 10. In compliance with ARTICLE I, Section 11, regarding the bond redemption process, the Board of Directors shall maintain a dedicated line of accounting for bond redemptions. The cost of the *Certificate of Membership* paid by each new *Bond Owner* applicant will be deposited into this account. No funds may be withdrawn from this account until such time as a *Bond Owner* resigns and requests redemption of the value of their *Certificate of Membership*.

10.1 At the close of the financial fiscal year, if any excess proceeds have been earned by the Corporation, a minimum of twenty percent (20%) but not to exceed forty percent (40%) shall be deposited into the Bond Redemption Account until the account is fully funded to pay out all *Certificates of Membership*.

10.2 With a vote of two-thirds of *the Membership* present or represented by proxy at the meeting called for such purpose, the Board of Directors may utilize money from this account for other purposes.

10.3 At the close of the financial fiscal year, if the Bond Redemption Fund is fully funded, any excess funds may be reallocated by the Board of Directors to operational needs.

SECTION 11. The Board of Directors shall publish the current schedule of *Membership Fees*, annual operating dues, and other fees applicable to the operation of the Corporation annually in its Operating Rules and Regulations prior to April 30.

SECTION 12. The Board of Directors has authorized the establishment of a separate Swim and Dive operating account for the convenience of the Swim and Dive Committee appointed under ARTICLE V, Section 10. This account will be under the control of the Corporate Treasurer according to ARTICLE II, Section 8.

12.1 The Swim and Dive operating account will be maintained at a minimum balance necessary to minimize avoidable fees and account expenses, and at an appropriate level to accommodate the regular cash flow of the account. The Corporate Treasurer shall deposit sufficient funds as necessary to maintain an appropriate level in the account or transfer excess funds, if necessary, to maximize short-term

interest accrual. The amount deposited or transferred shall be determined by the Corporate Treasurer at a level that benefits the Corporation.

- 12.2 The Swim and Dive Committee shall designate a Swim and Dive Account Manager from the *Members* who, if approved by the Board of Directors, will be named as co signatory on the Swim and Dive operating account for the duration of the Swim and Dive season. The Swim and Dive Account Manager will operate under the supervision of the Corporate Treasurer.
- 12.3 The Swim and Dive Committee will develop an annual Swim and Dive program for Members; recommend associated fees; propose fundraisers to defray program costs; and identify and recommend prospective Swim and Dive Coaches. The Swim and Dive Committee shall make no contract commitments for coaches' salaries that obligate the Corporation without prior approval of the Board of Directors. The overall Swim and Dive program and budget will be approved by the Board of Directors before the annual February meeting.
- 12.4 The Board of Directors has authorized the Swim and Dive Committee to charge a fixed fee to *Members* who wish to participate in planned swim and dive activities. The fees collected are intended for the sole purpose of supporting swim and dive activities. All fees shall be approved by the Board of Directors before the annual February meeting.
- 12.5 The Board of Directors has authorized the Swim and Dive Committee to raise additional swim and dive funds on behalf of the Corporation by conducting fundraising activities either on or off the property. The net funds collected are intended for the sole purpose of supporting swim and dive activities. All fundraising activities will be approved in advance by the Board of Directors.
- 12.6 Disbursements from the Swim and Dive operating account shall be in accordance with the Board of Directors-approved Swim and Dive Committee budget. The Swim and Dive Account Manager will manage the approved Swim and Dive budget; manage and deposit all Swim and Dive revenue; and account for all Swim and Dive expenditures.
- 12.7 The Chairperson of the Swim and Dive Committee will report the status of the Swim and Dive operating account at the monthly Board of Directors meeting. A Monthly Cash Flow Report will include a statement of all fees collected; all fundraising activities and associated expenses; all funds disbursed; and the resulting cash balance. No disbursement shall exceed its budgeted line item by two-hundred fifty dollars (\$250) without the prior approval of the Board of Directors.
- 12.8 The Swim and Dive Account Manager may be removed from the position and as co signatory on the account, by majority vote of the Board of Directors for failure to perform their assigned duties. All Swim and Dive funds shall then be deposited and disbursed solely by the Treasurer until such time as a new Swim and Dive Account Manager is recommended by the Swim and Dive Committee and approved by the Board of Directors.

## ARTICLE VII. GENERAL PROVISIONS

SECTION 1. All powers, authority, duties, and functions of the Directors and Officers of the Corporation shall be exercised in strict conformity with applicable provisions of the Code of

Virginia Title 13.1 Corporations: Chapter 10. Virginia Nonstock Corporation Act, the Articles of Incorporation of 2012, and the current Bylaws of the Corporation, in that order.

SECTION 2. Records and reports of the Corporation shall be preserved in a place of safekeeping according to the following schedule:

- 2.1 Retain indefinitely: the original, revised, and current versions of the Article(s) of Incorporation; the original, revised, and current bylaws including any amendments currently in effect.
- 2.2 Retain for a minimum of seven (7) years: minutes from Board of Directors meetings (including actions taken outside of a meeting and reports from committees); appropriate accounting records; minutes of all meetings of *the Membership*; and written communications to *the Membership*.
- 2.3 Retain current copies of: Membership List (in alphabetical order containing names and contact information); a list of the names and addresses of its current *Directors*; and the most recent annual report delivered to the Commonwealth of Virginia State Corporation Commission.

SECTION 3. The Board of Directors must allow *Bond Owners* to inspect the Corporation's records identified in ARTICLE VII, Section 3 upon request when, in accordance with the Code of Virginia Title 13.1 Corporations: Chapter 10. Virginia Nonstock Corporation Act Article 15. Records and Reports, the request meets the following requirements:

- 3.1 The *Bond Owner* must give a written request of the specific items to be inspected at least five days in advance of the requested inspection date.
- 3.2 The *Bond Owner* must have been a member of record for at least six months preceding the request; the request is in good faith and for a pool-related purpose; the request must describe the purpose and why the requested records are connected to that purpose.
- 3.3 The *Bond Owner* must sign the corporation's Data Retention and Confidentiality Agreement. Failure to comply with the agreement may lead to disciplinary action.
- 3.4 The *Bond Owner* must agree to pay for any fees involved with retrieving, printing, or otherwise providing the records.

## ARTICLE VIII. AMENDMENTS TO BYLAWS

SECTION 1. Bylaws may be amended or revised as needed by the Board of Directors and/or *the Membership* in accordance with the rules set forth below in ARTICLE VIII, Sections 2 through 4. An amendment consists of a simple addition or removal of words, sentences or paragraphs from the Bylaws. A revision constitutes more extensive changes through multiple Articles or Sections of the Bylaws resulting in a replacement of the entire Bylaws document.

SECTION 2. The Board of Directors may recommend amendments to the Bylaws as necessary. *The Membership* shall be notified of any recommended amendments to the Bylaws along with supporting reasoning within ten (10) days after the decision by the Board of Directors. A duly held meeting of *the Membership* to approve, amend or reject the recommended amendments will

be held within thirty (30) days after the decision by the Board of Directors. The recommended amendments shall be adopted by a two-thirds vote of *the Membership* present or represented by proxy at the meeting called for such purpose.

SECTION 3. The Board of Directors, or a special committee established for such purpose, may make revisions to the Bylaws. The revisions are not valid until approved by a two-thirds vote of the *Membership* present or represented by proxy at a duly held meeting of *the Membership*. A notice of such meeting, including the proposed revisions along with supporting reasoning, shall be sent to *the Membership* by the Secretary no less than sixty (60) days before the scheduled meeting date for their review and questions. This special meeting may be concurrent with the annual meeting of *the Membership*.

SECTION 4. *The Membership* may propose an amendment to the Bylaws by any of the following methods:

4.1 A *Bond Owner* may communicate a proposed amendment along with supporting reasoning directly to the Board of Directors for consideration.

4.2 A *Bond Owner* may communicate a proposed amendment along with supporting reasoning at any meeting of *the Membership*. The proposed amendment along with supporting reasoning will be submitted for a vote at a separate meeting of *the Membership* to be held within thirty (30) days of the proposal. At that meeting, the amendment may be adopted, amended or rejected by a two-thirds vote of *the Membership* present or represented by proxy at the meeting called for such purpose.

4.3 A group of at least twenty-five (25) *Bond Owners* may call a special meeting, according to the rules in ARTICLE III, Section 2, for consideration of a proposed amendment. The proposed amendment along with supporting reasoning will be sent with the meeting notice to *the Membership*. At that meeting, the amendment may be adopted, amended or rejected by a two-thirds vote of *the Membership* present or represented by proxy at the meeting called for such purpose.

SECTION 5. Once an amendment or revision is duly adopted by *the Membership*, the Secretary shall be responsible for ensuring the amended or revised Bylaws are published, and records are kept in accordance with ARTICLE VII, Section 3.

## **Glossary**

### **Affiliate Member**

*Affiliate Members* are persons who are entitled to temporary swimming privileges in accordance with the bylaws. *Affiliate Members* must provide an application for swimming privileges identifying the *Members* to be granted swimming privileges in accordance with ARTICLE I, Section 13.

### **Affiliate Membership**

An *Affiliate Membership* begins on the day the *Affiliate Member* completes an application form and provides payment in full of the current season's annual dues and any applicable fees. The *Affiliate Membership* is valid for one season and ends on Labor Day of that season.

### **Bond Membership**

*Bond Memberships*, collectively referred to as *the Membership*, are evidenced by a *Certificate of Membership* (Bond) issued by the Membership Chairperson. Each *Bond Membership* shall be entitled to one vote.

### **Bond Owners**

*Bond Owners* are the persons named on the *Certificate of Membership*.

### **Certificate of Membership**

A *Certificate of Membership*, also referred to as a Bond, is a document naming one or two owners of the bond (*Bond Owners*).

### **Good Standing**

A *Bond Membership* whose dues are paid with no lien on the *Certificate of Membership* is considered in Good Standing. If a lien is placed against the *Certificate of Membership* in accordance with ARTICLE I, Section 6.1, the *Bond Membership* is no longer in Good Standing until the lien is resolved.

### **Director**

A *Director* is a *Bond Owner* elected by *the Membership* to serve on the Board of Directors. Each Director holds an equal vote in all matters of the board.

### **Member**

A *Member* is any person named on an approved and paid membership application. The swimming privileges and responsibilities for following the rules and regulations are the same for *Bond Memberships* as well as *Affiliate Memberships*.

### **Membership Fee**

The *Membership Fee* is the fee collected at the time of application for membership. The *Membership Fee* includes the cost of a new *Certificate of Membership* and may include additional fees as determined by the Board of Directors and published annually in the Rules and Regulations.