

BYLAWS

OF THE

**LAKE MONTICELLO
OWNERS' ASSOCIATION**

With amendments through April 22, 2010

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PURPOSE

The Lake Monticello Owners' Association (herein called the "Association") was formed as a non-stock, non-profit corporation for the purpose of providing an organizational framework for cohesive community efforts by and for the benefit of the owners and residents of Lake Monticello, a residential subdivision of Fluvanna County, Virginia.

Among the powers and responsibilities granted the Association under its Articles of Incorporation, the Association is to provide for the necessary operation, administration, and government of Lake Monticello as a community; and is also to provide machinery for the interpretation, application, administration and enforcement of certain restrictions and covenants.

It is also to provide for the attainment of cultural, aesthetic, recreational and general civic advantages for its members.

Wherever herein the term "lot" is used, it shall be deemed to mean, unless the context clearly indicates to the contrary, a numbered residential building lot or Marina Point Condominium unit shown on a plat of Lake Monticello now recorded in the Clerk's Office of the Circuit Court of Fluvanna, Virginia [hereafter the "Clerk's Office"]. Lots shall also mean residential lots created from 'Reserve Areas' shown on the plats of Lake Monticello Subdivision recorded with the presently existing Statements of Subdivision, provided that the lots are designated by a recorded instrument, such as a deed or subdivision plat, by lot and phase number and also provided that the lots are subject to and comply with the covenants, restrictions and reservations contained in the Statements of Subdivision, and further provided that the addition of the new lot does not violate the terms of the October 26, 1974 Agreement between the original developer and the Association.

Any reference to "restrictions" or "covenants" shall, unless the context clearly indicates to the contrary, be deemed to mean the restrictions and covenants imposed upon residential building lots or Marina Point Condominium units in Lake Monticello by a Statement of Subdivision now or hereafter recorded in the Clerk's Office.

ARTICLE 1. OFFICES

Section 1.01 Principal Office.

The principal office of the Association shall be at such place as the Board of Directors shall from time to time by resolution determine.

Section 1.02 Registered Office.

The Registered Office of the Association in Virginia shall be at such place as the Board of Directors shall from time to time by resolution determine, and may, but need not be at the principal office of the Association.

Section 1.03 Other Offices.

The Association may, in addition to its principal office, have offices at such other places either within or without the Commonwealth of Virginia as the Board of Directors may from time to time appoint or as the business of the Association may require.

ARTICLE 2. MEMBERSHIP

Section 2.01 General.

(a) There shall be one class of voting members comprised of owners of residential numbered building lots and Marina Point Condominium units in Lake Monticello (hereafter the "members").

Any person, firm, association, corporation, or other entity which has or shall acquire, by purchase contract or otherwise, any residential building lot or lots or any Marina Point Condominium unit or units or any beneficial interest in such properties in Lake Monticello shall automatically become a member of the Association.

In the event of ownership of a lot by two or more persons, a firm, association, corporation or other entity, no more than two (2) individuals shall be deemed eligible for membership with respect to each lot owned.

Each member shall be entitled to one vote for each lot or Marina Point Condominium unit owned of record in Lake Monticello, exercisable in person or by proxy; provided, however, that where any lot or Marina Point Condominium unit in Lake Monticello is owned by two or more persons, firms, associations or corporations, all of them shall have one vote in the aggregate with respect to such property. In no event shall there be more than one vote per property regardless of the number of joint owners.

(b) If a residential lot or Marina Point Condominium unit is jointly owned by more than one family unit (husband and wife) or by otherwise more than one person, firm, association or other entity, there shall be a full assessment on each of the entities which are members of the Association in accordance with this Section of the Bylaws.

(c) No member may resign, terminate or forfeit his/her membership, nor may any such member be expelled; provided, however, the privileges of membership, such as the right to vote and to use the facilities and amenities may be suspended for non-payment of membership dues and/or assessments or levies or for violation of the rules and regulations.

(d) Wherever herein the term "member" is used it shall be deemed to mean, unless the context clearly indicates to the contrary, a voting member.

(e) For purposes of "member petitions" and "petition candidates" for the Board of Directors, the signature of each person listed as a record owner of a lot or Marina Point Condominium unit at Lake Monticello in the Clerk's Office of the Circuit Court of Fluvanna County shall be counted once regardless of the number of lots or units owned by that person in determining whether the petition contains the minimum number of signatures required by the Bylaws.

A person's signature shall not be counted if that person is not in good standing. A person for purposes of this Section shall include natural persons, partnerships, associations, corporations and trusts.

(f) A member shall be in "good standing" if the member is current in payment of dues, assessments and charges and there are no determinations by the Compliance Committee of violations by the member of the Statements of Subdivision, Bylaws, rules, regulations or policies of the Association, which violations remain uncorrected. In the event that a member is not in good standing with respect to any lot owned by that member, the member's entitlement to vote shall be suspended with regard to each and every lot owned by him. In the event the member is not in good standing, the member's privilege of using the amenities and facilities (including gate access devices) shall be suspended, provided that the following procedure is complied with:

- (i) The member receives a hearing before the Compliance Committee at which the member is granted an opportunity to be heard and to be represented by counsel;
- (ii) The member is given notice of the hearing at least fourteen (14) days prior;
- (iii) The nature of the hearing shall be hand delivered or mailed by registered or certified mail, return receipt requested to the member at the address of record.

The Association may also impose charges in accordance with the Virginia code and with the Association's rules and regulations.

The foregoing notwithstanding, if the Board of Directors, upon the advice of legal counsel, determines by resolution that correction of a violation cannot be enforced, the fact that the violation remains uncorrected shall not cause the member to lose his/her status of "good standing". Further, the Association may consider an application from a member otherwise "not in good standing" if the application is for the purpose of getting approval to correct a violation of the Statements of Subdivision, Bylaws, rules, regulations, or policies of the Association.

The foregoing notwithstanding, any member not in good standing for delinquent payments to the Association may have gate access device privileges restored if such member has entered into a debt repayment plan approved by the General Manager and provided the member remains in compliance with the debt repayment plan. Nothing in this Section is to be construed as denying access to the member's lot(s).

The foregoing notwithstanding, if the Board of Directors duly adopts a resolution waiving enforcement of the Statements of Subdivision, Bylaws, Rules, Regulations or policies because of a violation, the fact that the violation remains uncorrected shall not cause the member to lose his/her status of 'good standing'.

Section 2.02 Life Tenant and Remainderman.

In any case where any lot or Marina Point Condominium unit is held by one or more persons for life with remainder to another or others, only such life tenant or tenants shall be deemed a member or members of the Association until such time as the remainderman or remaindermen shall come into use, possession and enjoyment of such property.

Section 2.03 Trustees.

Where any lot or Marina Point Condominium unit is held in trust, the trustee or trustees and not any beneficiary shall be a member or members of the Association, except that the equitable title owner or owners shall be deemed a member or members in any case where a lot or unit is held under a deed of trust or title is otherwise transferred only for purposes of securing a debt.

Section 2.04 Lessor and Lessee.

As between owner and tenant of any residence, the owner shall be deemed a member of the Association.

Section 2.05 Other Cases.

In any case involving determination of membership not specifically provided for above, the Board of Directors by resolution shall determine which person or persons having an interest in any lot or Marina Point Condominium unit shall be deemed a member or members of the Association.

Section 2.06 Transfer of Membership.

No residential lot owner or Marina Point Condominium unit owner may transfer, assign or otherwise dispose of his membership, except upon transfer of legal title to his residential building lot or Marina Point Condominium unit to the transferee. A copy of the document showing transfer of legal title must be forwarded to the Association to effect transfer of membership. The name and address of the transferee must be shown on or included with the document.

Section 2.07 Non-voting Members.

The Board of Directors shall have the authority to establish other classes of membership comprised of persons, firms, associations or corporations who are not the owners of residential building lots or Marina Point Condominium units in Lake Monticello.

The Board shall define the rights, privileges, fees and assessments associated with each class of membership so established. Such additional classes of members, if established, shall not be voting members of the Association.

ARTICLE 3. RIGHTS AND PRIVILEGES OF MEMBERS**Section 3.01 Use of Amenities by Owners.**

Residential lot and Marina Point Condominium unit owner members in good standing shall be entitled to full use of all facilities and amenities provided from time to time by the Association in accordance with the provisions of these Bylaws and such rules and regulations as may be adopted from time to time by the Board of Directors.

Section 3.02 Use of Amenities by Non-Voting Members.

[Ref: Note Section 2.07] Non-voting members may be entitled to the use of designated facilities and amenities provided by the Association in accordance with such rules, regulations, terms and conditions as may be adopted from time to time by the Board of Directors.

Section 3.03 Use of Amenities by Guests and Bona Fide Lessees.

(a) Except as may otherwise be provided in these Bylaws, the following non-members may be entitled to the use of facilities and amenities as provided from time to time by the Association in accordance with the provisions of these Bylaws and such rules and regulations as may be adopted by the Board of Directors:

- (1) The spouse, dependents and family members who are in residence with the member.
- (2) Bona fide lessees of Association property owners who actually occupy a residence in Lake Monticello on such a permanent basis as the Board of Directors may determine and the required lessee fee is paid as established by the Board of Directors.
- (3) Bona fide guests of a member, tenant, or non-voting member as defined in *[Ref:]* Section 2.07.

(b) Members shall be responsible for all debts and acts committed by their spouses, dependents, bona fide guests and tenants.

Section 3.04 Charges.

The Board of Directors may establish use charges from time to time for various facilities and amenities provided by the Association, and may provide for the payment of such charges either in the form of credit cards honored by the Association, personal checks made out to the Association or cash.

ARTICLE 4. MEETINGS OF MEMBERS**Section 4.01 -- Annual Meeting Date.**

The annual meeting of the members of the Association, for the purpose of electing directors and for the transaction of such other business as may properly come before the meeting, shall be held on the last Saturday in June unless the Board of Directors, for a good cause so stated, changes the date of the meeting.

Section 4.02 -- Special Meetings of Members.

(a) A special meeting of LMOA members may be called by

- (1) the President or
- (2) a majority of the Board of Directors or
- (3) a petition signed by members in good standing, representing at least 10% of the lots at Lake Monticello [*Ref: Subsection 2.01 (e) shall not be applicable to this subsection*]. For purposes of this subsection, the signature of each member in good standing shall be counted equal to the number of lots owned by the member.

The Association shall charge those members who call a special meeting of members with all costs associated with the call and holding of the special meeting, regardless of the outcome of the proposed issue(s); a bond or letter of credit or deposit in the amount of \$7,000 shall accompany the request for the call. Such costs shall include, but may not be limited to, postage for outbound and return postage paid mail, applicable legal fees, independent auditor fees, printing costs, and cost of staff time.

The Association will provide a statement of costs of the special meeting of members within two (2) weeks of the special meeting. Final settlement of this statement shall be made by the members calling the special meeting within 30 days of the date of the statement, regardless of the amount of the bond, letter of credit or deposit.

The Board shall set a date for the special meeting. The date of the meeting shall be not less than 60 days nor more than 120 days from the date when the petition is received by the Association.

(b) In the event that the Board of Directors levies a special assessment pursuant to the Property Owners' Association Act, Section 55-514 of the Code of Virginia, the notice of the assessment shall advise the members of the right to call a special meeting to rescind or reduce the assessment provided the following conditions are met: [*Ref: Bylaws Section 8.02, Assessments*]

- (i) The Association receives within 60 days from the date of the mailing of the notice of the special assessment a petition signed by members in good standing, representing at least 10% of the lots at Lake Monticello.
- (ii) The request for the meeting shall specify whether the petitioners desire a vote on whether the assessment should be rescinded or reduced, and if reduced, to what amount.

There shall be no cost assessed to the members calling a special meeting for the specific purpose to rescind or reduce a special assessment levied pursuant to the Property Owners' Association Act.

This [*Ref:*] Section 4.02(b) may only be amended, altered or repealed by at least a majority of the Association's members in good standing who are present in person or by proxy at a duly called meeting at which a quorum is present.

(c) In the event that a special meeting is called for the purpose of amending or repealing a rule or a regulation adopted by the Board of Directors, the proponent of the proposal must also submit a member proposal meeting the requirements of [Ref:] Section 4.08. For purposes of this subsection, "special meeting" shall be substituted for "annual meeting" in [Ref:] Section 4.08 if the proposal is to be submitted at a special meeting. Member proposals for the amendment of the Bylaws shall only be considered at an annual meeting, not a special meeting.

Section 4.03 -- Place of Meetings.

Each meeting of the members shall be held at (a) the principal office of the Association, or (b) such other place in the Commonwealth of Virginia, as may be designated in the notice of such meeting.

Section 4.04 -- Notice and Waivers.

(a) The Association shall give written notice of each regular or special meeting of the members. The notice shall be mailed by first-class mail not less than 25 days nor more than 45 days before such meeting to each member entitled to vote at such meeting. The notice shall be directed to such member at his/her mailing address as it appears on the records of the Association.

Such notice of an annual meeting of members shall state the place, day and hour of the meeting; in the case of special meetings of members, the notice shall specifically set forth the purpose or purposes for which the meeting is called.

(b) Notwithstanding the foregoing, a waiver of any notice herein or by law required, if in writing and signed by the person entitled to such notice, whether before or after the time of the event for which notice was required to be given, shall be the equivalent of the giving of such notice.

A member who attends a meeting shall be deemed to have had timely and proper notice of the meeting, unless he attends for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

Notice of any adjourned or recessed meeting need not be given.

Section 4.05 -- Quorum.

Except as otherwise provided by law, at any meeting of the members, the presence in person or by proxy of members holding 20% of the votes entitled to be cast at such meeting shall constitute a quorum for the transaction of business.

In the absence of a quorum at the Annual Meeting called by the President or by the Board of Directors, a majority of the members present in person or represented by proxy and entitled to vote may adjourn the meeting from time to time and place to place until a quorum is obtained.

Special Meetings shall not be adjourned from time to time.

Section 4.06 -- Organization.

The President shall act as Chair of all meetings of members. In his/her absence, the Vice President or, in his/her absence, an individual designated by the President, shall act as Chair of the meeting. The Secretary or an Assistant Secretary, or at the discretion of the Chair, any person designated by him/her, shall act as secretary of the meeting.

Section 4.07 -- Business and Order of Business.

At each Annual Meeting of the Members, such business may be transacted as may properly be brought before such meeting upon motion of the Board of Directors, or upon petition of the members as hereinafter provided.

No action requiring a vote of the membership shall be taken unless the notice of meeting and the Proxy and Ballot provide for voting on such matter(s).

At a Special Meeting of Members, only such business as is stated in the notice of the meeting, upon motion of the Board of Directors or member proposals in accordance with Bylaw requirements may be properly acted upon at the meeting, except as otherwise expressly provided by law or by these Bylaws.

The order of business of all meetings of members shall be determined by the Chairman, but such order of business may be changed by vote of a majority in voting power of the members present in person or by proxy and entitled to vote at the meeting.

Section 4.08 -- Individual Member Petitions

Members in good standing are entitled to solicit signatures of members in good standing in the form of a petition

- (a) to initiate a Member Proposal(s) for an annual or special meeting of members, or
- (b) to declare intent to stand as a candidate for election to the Board of Directors.

A separate petition will be required for each member proposal or candidate declaration.

For the purpose of soliciting petition signatures for a member proposal or candidate declaration, petitioners must be members in good standing and must attest to that status as part of the petitioning process.

Petitions for either member proposals or declarations of candidacy must be signed by no fewer than one hundred fifty (150) individual qualified persons [*Ref: as defined in Bylaw Section 2.01(e)*].

Petition packets, including appropriate forms for member proposals or candidates, petition form, and all related forms and documents, shall be provided by the Association to the member petitioner or his or her designee within 10 days after the Board's confirmation of the date, time and location of the member meeting.

Copies of the member proposal or candidate declaration must accompany the petition when signatures are being solicited.

Completed petition packets, including petitions and all other related forms and documents, must be filed with the Association not later than ninety (90) days prior to the date of an Annual or Special Meeting of Members. The filing deadline date shall be published at the time the petition packets are made available. If the deadline date falls on a weekend, legal holiday or a date on which the Association office is closed, the filing period shall be extended until the close of business on the following business day. The day of the Annual or Special meeting shall not be counted in determining the final filing date.

Section 4.09 -- Member Proposals

A member in good standing may submit a Member Proposal for member vote at a duly called Annual or Special Meeting of LMOA Members.

(a) A Member Proposal is appropriate for member action only if it involves (i) amendment of the Bylaws; or (ii) repeal or amendment of rules and regulations adopted by the Board of Directors; provided that the proposal does not violate or is not inconsistent with the provisions of the Articles of Incorporation, Bylaws, Statements of Subdivision or law.

(b) Member Proposals must be appropriate for member action, timely, supported by a properly completed petition and meet all requirements for individual member petitions.

(c) Each Member Proposal must be supported by a properly completed Individual Member Petition. The sponsor of each proposal must obtain and complete a petition package from the Association and file the completed forms by the published deadline.

(d) Member Proposals to amend the Bylaws or rules and regulations must specify the section of the Bylaws or rules and regulations and contain the specific language of the proposed amendment. A proposal to repeal must specify the Bylaw, rule or regulation that is proposed for repeal. A proposal shall not contain personal allegations or statements of opinion.

(e) A Member Proposal may be disqualified for inclusion in the LMOA's Proxy Statement and form of proxy and ballot for an Annual or Special meeting of Members if it:

- 1) is not an appropriate subject for action by members
- 2) would require the Association to violate any state or federal law, if implemented
- 3) relates to the enforcement of a personal claim or the redress of a personal grievance against the Association, its management or any person, or if it is designed to result in a benefit to the sponsor or to further a personal interest, which benefit is not shared by the other members at large
- 4) deals with a matter that is not significantly related to the Association's business
- 5) deals with a matter that is beyond the Association's power to implement and/or enforce
- 6) deals with a matter relating to the ordinary business operations of the Association
- 7) relates to an election to office
- 8) is moot
- 9) is either counter to or substantially the same as a proposal by the Board of Directors or another member, which will be included in the proxy materials
- 10) is not in proper form
- 11) is submitted by a member who is not in good standing
- 12) is not supported by a minimum of 150 qualified signatures [*Ref: as defined in Section 2.01(e)*]
- 13) is not in accordance with Bylaw requirements

(f) The sponsor may prepare a statement of not more than one thousand (1,000) words in support of the proposal and submit the statement along with the proposal. If provided, such statement will accompany the proposal in proxy solicitation material for the meeting.

(g) Member proposals and related documents must be received by the Association by the published deadline.

(h) The Board of Directors shall meet not more than fourteen (14) days after the filing deadline to announce its determination whether each member proposal submitted is or is not appropriate for member vote, in accordance with Bylaw requirements. Sponsors will be notified, in writing, of the Board's determination not more than five (5) days after the announcement.

(i) If the proposal is found to be appropriate for member action it shall be included in the proxy solicitation for the Annual or Special meeting of Members.

- 1) The Board may prepare a statement of support for any Member Proposal that is appropriate for member vote. Each statement will accompany the related proposal in the proxy solicitation.
- 2) The Board may prepare a statement in opposition to any Member Proposal that is appropriate for member vote. Each statement of not more than one thousand (1,000) words will accompany the related proposal in the proxy solicitation.

Section 4.10 -- Declaration of Candidacy for Election of Directors

(a) Candidates seeking election to the Board of Directors must submit a Declaration of Candidacy, supported by a properly completed Individual Member Petition and other required documents. Candidates must obtain a petition package, including the following forms, from the Association Office, and file them with the Association by the published deadline:

- 1) A "Declaration of Candidacy and Disclosure" signed by the candidate and witnessed by two other qualified voters of the Association.
- 2) A "Candidate Biographical Statement" completed in its entirety by the candidate; and
- 3) A "Petition of Qualified Members" signed by not less than one hundred fifty (150) members in good standing as defined in [*Ref: Section 2.01(e)*].

(b) Candidates shall meet requirements of Bylaw *[Ref:]* Section 5.02, Number, Term of Office and Qualifications (b), specifically, each candidate shall be

- 1) of legal age
- 2) a member in good standing
- 3) free of felony convictions
- 4) free of any conflict of interest

(c) The Board of Directors shall not endorse any candidate solicitation material and shall not be responsible for any material by a candidate.

(d) The Board of Directors shall meet not more than fourteen (14) days after the filing deadline to announce the names of the candidates certified as having met filing requirements. The candidates shall be notified of their status in writing not more than five (5) days after the meeting.

(e) Candidates certified by the Board as meeting the filing requirements shall be deemed to be the only candidates for election to the Board of Directors.

Section 4.11 --Voting.

(a) At each meeting of the members held for any lawful purpose, each member entitled to vote shall be entitled to one vote for each lot or Marina Point Condominium unit owned by such member.

Consistent with the Articles of Incorporation and the Virginia Non-Stock Corporation Act, members in good standing shall be entitled to vote upon:

- 1) Election of directors *[Ref: Note Section 4.01 and 5.04]*.
- 2) Removal of directors *[Ref: Note Section 5.05]*.
- 3) Amendment, alteration or repeal of the Bylaws *[Ref: Note Section 12.02]*.
- 4) Amendments to the Articles of Incorporation.
- 5) Member Proposals *[Ref: Note Section 4.08]*.

(b) Any member entitled to vote may vote in one of the following two ways:

- 1) by proxy duly appointed by an instrument in writing subscribed by such member (or by his attorney thereunto duly authorized) and delivered or mailed to the Association. Proxies must be received or revoked prior to 5:00PM on a date five business days prior to the meeting of members.
- 2) in person on the day of the meeting of members by requesting and completing a ballot and delivering same to the Association at the meeting, except that any member whose proxy has been delivered and not revoked prior to the registry deadline shall not be allowed to vote in person at the meeting.

Proxies and ballots must set forth the date of execution and the section, lot number(s) of lot(s) owned by the proxy maker.

Proxies and ballots shall be valid only if they specify the meeting for which they are valid and shall be voted as indicated by the member. Proxies and ballots shall list the candidates for election as directors in random order. Proxies and ballots shall provide instructions for voting for candidates according to the number of vacancies.

Proxies and ballots shall provide for voting "For," "Against" or "Abstain" on all other proposals. In the absence of the designation of how the proxy or ballot is to be voted, the proxy or ballot shall be treated as authorizing an abstention.

Proxies and ballots, when obtained for voting, shall be accompanied by authorization forms that will be used for verification that the voter is a member in good standing and eligible to vote. The authorization must be returned at the time the proxy or ballot is voted. Only an original signed and dated proxy or ballot authorization form will be accepted for verification and as a voting authorization.

(c) In the case of any lot or Marina Point Condominium unit owned by two or more persons, the vote attributable to such lot or unit may be exercised in person or by proxy by any of such members.

If more than one of such members owning a single lot or Marina Point Condominium unit shall undertake to exercise the vote attributable thereto at any meeting and they are unable to agree as to how the vote is to be cast, the vote shall be disregarded for all purposes.

(d) If a quorum is present, the affirmative vote of a majority in voting power of the members represented in person or by proxy at the meeting and entitled to vote on the subject matter shall be the act of the members, unless the vote of a greater number is required by the Articles of Incorporation, these Bylaws, or by law.

(e) The vote of all members shall be private and privileged.

(f) The Election Committee shall conduct the receipt, validation, registration, count, and tabulation of proxies and ballots. Proxies and ballots shall be seen only by those persons whose duties require the handling and security of the proxies and ballots. The vote of each member shall be private and privileged.

(g) Proxies shall be delivered personally or mailed not less than twenty-five days nor more than forty-five days before such meeting, to each member entitled to vote at such meeting, and if mailed, it shall be directed to such member at his address as it appears on the records of the Association on the record date.

(h) The Board of Directors has fixed the close of business on Friday, five weeks prior to the duly set date of an Annual Meeting or Special Meeting, as the record date for the determination of members entitled to receive notice and to vote at the Annual Meeting or Special Meeting of the Association.

(i) To be counted, all proxies must be received no later than 5:00PM on a date five business days prior to the meeting of members, at which time all valid proxies will be registered. Only registered proxies will be counted. Any member submitting a proxy and wishing to revoke said proxy must file a written request to revoke the proxy prior to the proxy registration deadline.

(j) A member who is not in good standing has the privilege of paying the required dues or other payments up to the convening time of the meeting and thus establish eligibility. In such cases, he/she will be provided a proxy if proxies have not yet been registered. If proxies have been registered, he/she will be provided a ballot which may be cast at the meeting.

(k) Only those individuals duly nominated under [Ref:] Section 4.09 shall be candidates for election to the Board of Directors. No write-in candidate shall be considered and any ballot containing a write-in candidate shall be deemed void and invalid in that regard.

Section 4.12 -- Action Without A Meeting.

Any action required to be taken at a meeting of the members, or which may be taken at any meeting of the members, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the members entitled to vote with respect to the subject matter thereof. Such consent shall have the same force and effect as a unanimous vote.

ARTICLE 5. DIRECTORS**Section 5.01 Powers of the Board of Directors**

The affairs of the Association shall be governed by the Board of Directors, and all corporate powers shall be exercised by the Board of Directors, except as otherwise expressly required by the Articles of Incorporation, by these Bylaws, or by law.

A. General Powers

The Board of Directors shall adopt policies and promulgate such rules and regulations as they deem necessary for the proper operation, administration and government of Lake Monticello as a community and these policies, rules and regulations shall be binding on members of the Association as though they were part of the Bylaws of the Association.

B. Emergency Powers

The Board of Directors shall have the power to declare that an emergency situation exists at Lake Monticello if, in the judgment of the Board, the health, safety and welfare of the community and/or its residents exists. Such power may be exercised whether or not an emergency has been declared by a higher government authority (County, State or Federal), in order to adopt and enforce temporary rules, restrictions or prohibitions which the Board of Directors deems to be in the best interests of the community.

Any rules, restrictions or prohibitions adopted under this Section shall become effective upon adoption and shall remain in effect until rescinded. Notice of the emergency situation and the related rules, restrictions and prohibitions shall be published in the Friday Flyer and broadcast on the Lake Monticello cable television channels. Notice of the rescinding of any such rules, restrictions and prohibitions shall likewise be publicized.

Section 5.02 Number, Term of Office and Qualifications.

(a) Until changed by an amendment to these Bylaws, the number of directors shall be seven. Each director shall hold office for three years following his or her election, or until his or her death, resignation or removal, unless he or she is elected to fill an unexpired term of a director who has died, resigned or was removed.

No decrease in the number of directors by amendment to these Bylaws shall have the effect of shortening the term of any incumbent director.

No person is eligible to be elected by the members to serve more than six consecutive member-elected years on the Board. If a person is elected a director by the Board of Directors to serve the remainder of a term due to a vacancy, such time served as a Board-elected director shall not be counted in determining the number of consecutive years a person can be elected by the members to the Board of Directors.

(b) Individuals nominated for, elected to and thereafter serving as a Director on the Board of Directors must be of legal age, a member of the Association in good standing and not have been convicted of a felony. If a director receives any compensation from the Association or any of its subsidiaries as an employee or as a contractor for supplies or services during his/her term of office on the Board of Directors, he/she shall be disqualified from serving the remainder of his/her term. If the father, mother, brother, sister, spouse, son, daughter, son-in-law, daughter-in-law, sister-in-law or brother-in-law of a director is a full time employee of the Association or any of its subsidiaries or is under contract with, or regularly provides supplies or services to the Association for pay in excess of \$3,000.00 in any consecutive twelve (12) month period during a director's term of office on the Board of Directors, he/she shall be disqualified from serving the remainder of his/her term. No person shall be qualified to be a candidate for or to serve on the Board of Directors if he is engaged in, is the owner of, is employed as the agent of, officer or employee of a person, corporation or firm engaged in the business of home construction or buying and selling real estate in the Lake Monticello subdivision.

Section 5.03 Nominations. (REPEALED)**Section 5.04 Election of Directors.**

Directors shall be elected at each annual meeting of the members, or, if the election of directors shall not be held on the day designated for any annual meeting or at any adjournment of such meeting, the Board of Directors shall cause the election to be held at a special meeting of the members as soon thereafter as may be practical. In any election of directors, a quorum being present, the persons receiving the greatest number of votes shall be elected to the terms of office being filled at that election in the following order: the three year terms of office shall be filled first, followed by any terms of two years and then by any terms of one year. *[Ref: Note Sections 4.01 Annual Meeting Date and 4.05 Quorum]*

In the event of a tie when there are more candidates than seats to be filled, or when terms of less than three years are being filled, the Election Committee shall cause the candidates who receive an equal number of votes to draw lots, and the winner shall be seated on the Board or fill the term with the highest number of years.

Section 5.05 Removal.

Any director may be removed at any time, either with or without cause, by such vote as would suffice for his/her election given in person or by proxy at a special meeting of the members called expressly for that purpose, at which a quorum shall be present.

Section 5.06 Organization.

At each meeting of the Board of Directors, the President, or in his absence the Vice President, or in his absence a director chosen by the majority of the directors present, shall act as Chairman. The Secretary or an Assistant Secretary, or in the discretion of the Chairman, any person appointed by him, shall act as Secretary of the meeting.

Section 5.07 Place and Notice of Meeting.

The Board of Directors may hold its meetings at such place or places within or without the Commonwealth of Virginia as the Board of Directors may from time to time by resolution determine, or (unless contrary to resolution of the Board of Directors), at such places as shall be specified in the respective notices or waivers of notice thereof.

Section 5.08 Organizational Meetings.

The Board of Directors may meet, without notice of such meeting, for the purpose of organization, the election of officers and the transaction of other business, on the same day as, at the place which, and as soon as practical after each annual election of directors is held.

Such meeting may be held at any other time or place specified in a notice given as hereinafter provided for special meetings of the Board of Directors, or in a waiver of notice thereof. *[Ref: Note Section 5.10 Special Meetings]*

Section 5.09 Regular Meetings.

Regular meetings of the Board of Directors may be held at such times and places as may be fixed from time to time by action of the Board of Directors. Unless required by resolution of the Board of Directors, notice of any such meeting need not be given.

Section 5.10 Special Meetings.

Special meetings of the Board of Directors shall be held whenever called by the President, or by any two or more directors. Notice of each such meeting shall be mailed to each director addressed to him at his residence or usual place of business, at least five (5) days before the date on which the meeting is to be held; or such notice shall be sent to each director at such place by telegraph or cable or be delivered to him

personally or by telephone not later than twenty-four (24) hours before the time at which the meeting is to be held.

Every such notice shall state: the purpose, time, and place of the meeting. Notice of any adjourned or recessed meeting of the directors need not be given.

Section 5.11 Waivers of Notice of Special Meetings.

Anything in these Bylaws or in any resolution adopted by the Board of Directors to the contrary notwithstanding, proper notice of any meeting of the Board of Directors shall be deemed to have been given to any director if such notice shall be waived by him in writing (including telegraph or cable) before or after the meeting. A director who attends a meeting shall be deemed to have had timely and proper notice thereof, unless he attends for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

Section 5.12 Quorum and Manner of Acting.

A majority of the number of directors at the time fixed by these Bylaws shall constitute a quorum for the transaction of business.

The act of a majority of the directors present at any meeting at which a quorum is present shall be the act of the Board of Directors.

In the absence of a quorum, a majority of the directors present may adjourn the meeting from time to time until a quorum be had. The directors shall act only as a Board and the individual directors shall have no power as such.

Section 5.13 Resignations.

Any director may resign at any time, orally, or in writing, by notifying the President or the Secretary.

Such resignation shall take effect at the time therein specified; and, unless otherwise specified, the acceptance of such resignation shall not be necessary to make it effective.

Section 5.14 Vacancies.

At the discretion of the Board of Directors, any vacancy on the Board of Directors, caused by death, resignation, removal, disqualification, or any other cause other than an increase in the number of directors, may be filled by any of the following ways:

- (1) The Board may choose a candidate from the election of directors at the previous Annual Meeting of Members. Any duly nominated candidate having received the greatest number of votes from the previous election of directors, and not having been elected in accordance with Bylaw [Ref:] Section 5.04, may be deemed to be elected, to fill the vacancy for the unexpired balance of the term of the vacancy to be filled.
- (2) The Board may call for a Special Meeting of the Members to fill the vacancy.
- (3) The Board may allow the vacancy to remain until the next annual meeting of the membership.
- (4) The vacancy may be filled by a member who receives the affirmative vote of a majority of the remaining directors then in office, at any regular or special meeting of the Board of Directors. The term of a director elected by the Board of Directors to fill a vacancy expires at the next members' meeting at which directors are elected.

Section 5.15 Action Without a Meeting.

Any action required to be taken at a meeting of the directors, or which may be taken at any meeting of the directors or of a committee of directors, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the directors, or all of the members of the committee of directors, as the case may be. Such consent shall have the same force and effect as a unanimous vote.

Section 5.16 Steering Committee.

The Board of Directors may, by resolution, adopted by a vote of a majority of the number of directors at the time fixed by these Bylaws, designate no more than three of their officers including in each case the President, as a Steering Committee.

While the Board of Directors is not in session, the Steering Committee, if there then be such a committee, shall have and exercise the authority of the Board of Directors in the management of the business and affairs of the Association, subject to the restrictions hereinafter set out and further subject to such limitations upon its authority as the Board may from time to time, impose. [*Ref: Note Section 6.09 Treasurer*]

Section 5.17 Committees.

(a) The Board of Directors may, by resolution of a majority of the directors present at any meeting at which a quorum is present, designate such committees, operating and standing, as it sees fit, to advise and assist the Board in carrying out its responsibilities. The composition and specific powers and duties of each committee shall be delineated in a charter approved by the Board.

(b) Special committees may be appointed to perform some special task, secure more information, investigate a situation, and bring back a report or a recommendation to the Board. These shall be considered temporary committees which cease to function when they have completed their duties and brought in a report.

(c) Unless specified otherwise by the Board of Directors in the Policy Manual, a majority of any committee shall constitute a quorum for the transaction of business, and the act of a majority of those present at any meeting at which a quorum is present shall be the act of the committee. [*Ref: Note Section 13.01 Corporate Records*] Members of any such committee shall act only as a committee and the individual members shall have no power as such.

(d) The Board of Directors shall have the power at any time to change the members of, fill vacancies in, revise charters and discharge any such committee, either with or without cause.

The appointment of any director to any such committee, if not sooner terminated, shall automatically terminate upon the expiration of his term as a director or upon the earlier cessation of his membership on the Board of Directors.

ARTICLE 6. OFFICERS

Section 6.01 Officers.

The officers of the Association shall be a President, a Treasurer, and a Secretary, and when elected, one or more Vice Presidents, and the holders of such other offices as may be established in accordance with the provisions of [Ref:] Section 6.03 of this Article.

Any two or more offices may be held by the same person; provided only that the same person shall not hold the office of both President and Secretary.

Except as provided in [Ref:] Section 6.11, all officers must be directors.

Section 6.02 Election, Term of Office and Qualifications.

The officers shall be elected annually by the Board of Directors, as soon as practical after the election of directors in each year. Each officer shall hold office until his successor shall have been duly chosen and shall qualify, or until his death, resignation or removal in the manner hereinafter provided.

Section 6.03 Subordinate Officers.

The Board of Directors may from time to time establish officers in addition to those designated in [Ref:] Section 6.01 with such duties as are provided in these Bylaws, or as they may from time to time determine.

Section 6.04 Removal.

Any officer may be removed, either with or without cause, by resolution declaring such removal to be in the best interest of the Association and adopted at any regular or special meeting of the Board of Directors by a majority of the directors then in office.

Section 6.05 Resignation.

Any officer may resign at any time by giving oral or written notice to the Board of Directors or the President or the Secretary.

Any such resignation shall take effect at the date of receipt of such notice or at any later time therein specified; and, unless otherwise specified, the acceptance of such resignation shall not be necessary to make it effective.

Section 6.06 Vacancies.

A vacancy in any office because of death, resignation, removal, disqualification or any other cause shall be filled for the unexpired portion of the term by the Board of Directors.

Section 6.07 President.

The President shall be a director and shall be the chief executive and administrative officer of the Corporation and have general supervision of the business of the Corporation subject, however, to the control of the Board of Directors.

In general he/she shall perform all duties incident to the Office of President and such other duties as may from time to time be assigned to him/her by the Board of Directors, and shall have such other powers and authorities as are elsewhere in these Bylaws conferred upon him/her.

Section 6.08 Vice President(s).

The Vice President(s) shall perform such duties as from time to time may be assigned to them by the Board of Directors, or by the President, and shall have such other powers and authorities as are elsewhere in these Bylaws conferred upon them.

Section 6.09 Treasurer.

Except as may otherwise be specifically provided by the Board of Directors, the Treasurer shall be the person responsible for oversight of the financial affairs of the Association. As such, he will keep the Board apprised, on at least a monthly basis, of any significant changes in the financial status of the Association.

This oversight function of financial management is not limited to the following, but will include the adequacy of procedures used to: (1) safeguard all funds and securities, (2) receive and deposit monies paid to the Association from any source whatsoever, in such banks, trust companies or other depositories as selected in accordance with the provisions of these Bylaws, (3) disburse funds from the authorized depositories of the Association against proper vouchers, and (4) enter in the records of accounts, full and adequate information of all monies received and paid by the Association.

The Treasurer, with concurrence of the Steering Committee, will be responsible for investment of the funds in the Regular and Reserve Savings Accounts.

In general he/she shall perform all the duties incident to the Office of Treasurer.

Section 6.10 Secretary.

The Secretary shall act as Secretary of all meetings of the members and of the Board of Directors, shall keep the minutes thereof in the proper book or books to be provided for that purpose; shall see that all notices required to be given by the Association are duly given and served; shall be the custodian of the seal of the Association and shall affix the seal or cause it to be affixed to all documents the execution of which on behalf of the Association under its corporate seal is duly authorized; shall have charge of the books, records and papers of the Association relating to its organization and management as a corporation; shall, in general, perform all the duties incident to the Office of Secretary.

Section 6.11 Assistant Treasurers and Assistant Secretaries.

Assistant Treasurers and Assistant Secretaries shall be appointed by the Board of Directors and shall perform such duties as shall be assigned to them by the Board of Directors. Assistant Treasurers and Assistant Secretaries need not be members of the Association. Assistant Treasurers and Assistant Secretaries may be removed from their positions with or without cause by the Board.

ARTICLE 7. ENVIRONMENTAL CONTROL COMMITTEE**Section 7.01 Appointment.**

The Board of Directors shall appoint an Environmental Control Committee for the purpose of exercising rights vested in the Statement of Subdivision (Covenants, Restrictions, and Reservations) of each Section of the Lake Monticello community.

Section 7.02 Organization.

(a) The Environmental Control Committee shall consist of three members appointed by, and serving at the pleasure of the Board of Directors.

(b) The Environmental Control Committee shall keep correct and complete written minutes of all of its proceedings and hearings, which minutes shall be kept at the principal office of the Association.

Section 7.03 Statement of Criteria.

(a) All rules and regulations pertaining to the ECC shall be consistent with the Statement of Subdivision, Covenants and Restrictions and be approved by the Board of Directors. These rules and regulations, once approved, shall constitute the Policies contained in [Ref:] Chapter Thirteen of the LMOA Policy Manual, entitled LMOA Environmental Controls.

The Environmental Control Committee may initiate, or may be requested by the Board of Directors to provide recommendations regarding revisions to or interpretation of these rules and regulations.

(b) The Environmental Control Committee shall adopt and follow the criteria and processes it deems necessary to conduct its business, constantly enforce the LMOA environmental control policies, and formalize its determinations.

Section 7.04 DELETED.**Section 7.05 Fees.**

A fee shall be assessed for residential plans submitted to the Environmental Control Committee. Fees for other structure plans and services may be assessed as determined by the Board of Directors. These fees shall be payable into the general funds of the Association.

Section 7.06 Compensation.

Members of the Environmental Control Committee, who are not members of the Board of Directors, shall be entitled to such compensation, if any, as may be fixed by the Board of Directors.

Section 7.07 Appeals Process.

(a) It is the policy of the Board of Directors to provide a fair and equitable appeal process to be available and applied uniformly to all property owners. Hearings shall be conducted with proper notice-and-comment procedures assuring due process.

(b) The Board of Directors may ask to have interested parties appear before it to present facts pertinent to the appeal. The ECC shall have a representative present to present its case. A property owner has the right to be represented by counsel or a spokesperson.

(c) It is expected that all statements and documentation presented shall be accurate, complete, and with the proper verification. Each pertinent controlling document shall be identified and properly considered by the Board of Directors.

(d) An appeal to the Board of Directors shall only be after the ECC has rendered its final decision. The appeal to the Board of Directors shall be in writing and shall be received within thirty (30) calendar days of the date of the ECC's final decision.

- (e) The hearing shall be held in open session with the right of property owners to address the Board of Directors.
- (f) Following the hearing, a vote of the Board of Directors shall be taken in open session. A letter stating the decision shall be hand delivered or mailed by registered or certified mail, return receipt requested, to the applicant at the address of record with the LMOA within the time frame stated in the Virginia Property Owners' Association Act, which is within three days of the hearing.
- (g) The decision of the Board of Directors shall be final without the applicant having further right of appeal to the Lake Monticello Owners' Association.

ARTICLE 8. DUES AND ASSESSMENTS**Section 8.01 Dues.**

(a) The Board of Directors shall, from time to time, establish such membership dues as it may deem necessary for the adequate performance by the Association of its functions, including particularly maintenance of roads and other non-private areas in Lake Monticello; however, such dues may be increased by the Board of Directors beyond the dues of a current year by not more than three percent (3%) for the upcoming calendar year. Dues may be made payable at such intervals as the Board of Directors may from time to time determine.

Dues shall be assessed on a per lot basis; provided however, the Board of Directors may from time to time provide rules for the adjustment of assessments in any case where a residential lot is jointly owned or where a member owns more than one residential lot. *[Ref: (a) approved Special Members Meeting December 16, 1989]*

(b) Any assessment not paid within 30 days from the date it is due and payable shall bear interest at the rate of 1 1/2% per month (an annual rate of 18%) until paid. *[Ref: (a) and (b) approved Special Members Meeting October 23, 1982]*

Section 8.02 Assessments.

Notwithstanding *[Ref:]* Section 8.01, the Board of Directors may make a special assessment or charge against any member or members for special services rendered, including any case in which such special assessment is specifically provided for in the restrictions and covenants. Such special assessment or charge shall reflect the actual costs of any such special services rendered by the Association.

No special assessment shall be made against the entire membership unless approved by the membership by a majority of votes cast, in person or by proxy, at a duly called Special or Annual Meeting of the Members.

Section 8.03 Property Transfer Fee.

There shall be a Property Transfer Fee of \$650.00 imposed on the Purchaser upon the purchase or transfer of an improved or unimproved residential lot or Marina Point unit in accordance with the following:

A. The Property Transfer Fee shall be used only to fund capital improvements.

B. The Property Transfer Fee shall be maintained in a separate reserve account.

C. The Property Transfer Fee shall be due and payable to the Association within three (3) business days after the deed or installment purchase contract transferring ownership of the lot or unit is recorded in the Clerk's Office of the Circuit Court of Fluvanna County, except as provided by *[Ref:]* D. and E. of this *[Ref:]* Section 8.03.

D. No Property Transfer Fee shall be imposed on any gratuitous transfer of a lot or unit between any of the following family members: spouses, parent and child, siblings, grandparent and grandchild, or a lot or unit transferred by an owner to a trust of which the owner is the beneficiary. There shall be no Property Transfer Fee due for property transfers to the Association.

E. Payment of the Property Transfer Fee shall be suspended upon transfer of an unimproved lot if the purchaser delivers to the Association within three (3) business days after the deed or installment purchase contract is recorded in said Clerk's Office a sworn affidavit declaring the purchaser's intention to resell such lot within twelve (12) months of its acquisition as an improved lot. If the Property Transfer Fee is not paid within such twelve (12) month period as a result of the subsequent resale of the improved lot, the Property Transfer Fee shall become due and payable immediately.

F. A purchaser shall not be a member in good standing until receipt by the Association of the Property Transfer Fee.

Section 8.04 Loss of Voting Rights.

Any member who shall not have paid any dues or assessments payable by him within 30 days after the same shall become due and payable, shall not be entitled to vote as a member and shall be denied the use of facilities while such arrearage continues. Nothing in this Section is to be construed as denying access to the member's lot(s).

Section 8.05 Attorney's Fees and Collection Cost

Any property owner who is delinquent in payment to the Association of dues, assessments, improved property fees, tenant fees, property transfer fees or any other fee properly due to the Association shall be liable for any and all attorney's fees, collection agency fees and costs incurred by the Association as a result of actions taken due to the property owner's delinquency in payment.

Section 8.06 Amendment.

Notwithstanding the provisions of *[Ref:]* Article 12 of these Bylaws dealing with amendments hereto generally, no provision of this *[Ref:]* Article 8 of these Bylaws nor any other provision hereof dealing with members' financial obligations to the Association, shall be amended except by the members at a special meeting called for that purpose, or at an annual meeting where notice of the proposed change accompanied the notice of meeting, upon the affirmative vote of a majority in voting power of the members present or represented by proxy at a meeting at which a quorum is present.

[Ref:] Section 8.06 of Article 8, however, shall be amended only upon the affirmative vote, given in like manner, of a majority in voting power of the members present or represented by proxy at a meeting at which a quorum is present.

ARTICLE 9. CONTRACTS, CHECKS, DRAFTS, BANK ACCOUNTS, ETC.**Section 9.01 Responsibility.**

The Board of Directors shall insure the proper preparation and integrity of the consolidated financial statements of the corporation. The financial statements shall be prepared in accordance with generally accepted accounting principles.

Section 9.02 Execution of Contracts and Other Documents.

The Board of Directors, except as by law or by these Bylaws otherwise require, may authorize any officer or officers, agent or agents, in the name of and on behalf of the Association to enter into any contract or execute any deed or other instrument, and any such authority may be general or confined to specific instances.

The President, Vice President and the General Manager of the Association are authorized to sign contracts, agreements, deeds, or any other documents requiring signature of an authorized person of the corporation, unless the Board of Directors requires by resolution that it only be signed by a specific officer or person, or as specifically required by statute. The action of the General Manager signing any documents in behalf of the Association prior to the adoption of this provision shall be, and hereby is, ratified. (Approved by the Board of Directors on May 22, 2008.)

Section 9.03 Checks, Drafts, Etc.

All checks, drafts, and other orders for payment of money out of funds of the Association shall be signed on behalf of the Association in such manner as shall from time to time be determined by resolution of the Board of Directors.

Section 9.04 Deposits.

The funds of the Association not otherwise employed shall be deposited from time to time to the order of the Association in such banks, trust companies or other depositories as the Board of Directors may from time to time select.

Section 9.05 Annual Audit.

The Board of Directors shall cause an annual audit of the accounts of the Association to be performed by a firm of Certified Public Accountants.

Section 9.06 Audit Committee.

An Audit Committee shall serve as the primary interface between the auditor and the Board of Directors. In addition this Committee shall have duties and responsibilities as delineated in a Charter as approved by the Board of Directors.

The Committee shall consist of no less than three members in good standing of the Association. At least one member of this Committee must have professional credentials in accounting.

ARTICLE 10. COMPLIANCE COMMITTEE

Section 10.01 Purpose.

The Compliance Committee shall have as its sole purpose the adjudication of both the Rules and Regulations as adopted by the Board of Directors (where not otherwise vested in another committee of the Association) and the several Covenants, Restrictions and Reservations as applying to the entire subdivision (the use and enjoyment of each lot and the Association owned Common Areas and amenities within the community) by members, guests thereof, tenants in residence, or authorized agents of the Association or its members including the Developer, Builders, Realtors, Contractors and Public Utility representatives.

Section 10.02 Membership/Qualifications.

The Compliance Committee shall be a permanent operating committee of three (3) and shall consist of past members of the Board of Directors provided that no such member shall serve on this Committee if he still be a director.

The Committee shall be appointed annually by the Board of Directors. At that time, an alphabetical list of no less than 10 eligible directors shall be approved to serve as alternates for the Committee.

In the event of a temporary vacancy caused by illness, vacation, disqualification because of a conflict of interest, etc. of a permanent member of the Compliance Committee, past members of the Board of Directors shall serve as alternate members retaining the same rights and obligations as a permanent member during the period of assigned duty; such individual shall serve at the call of either the Compliance Committee Chairman or the President of the Association.

In the event of a permanent vacancy, the Board of Directors shall appoint a past member of the Board of Directors to fill such vacancy.

Section 10.03 Charges.

A schedule of charges shall be established and/or revised by the Board of Directors and set forth in the Rules and Regulations of the Association. The assessment of a charge is vested solely in the Compliance Committee except in those instances where a violation of law has occurred and enforcement thereof is vested in State and County authorities.

Section 10.04 Records of Proceedings.

The Compliance Committee shall keep accurate and complete written minutes of all of its proceedings and hearings which minutes shall be kept at the principal office of the Association.

Section 10.05 Executive Sessions.

The Compliance Committee is authorized to meet in executive sessions; meetings will be open as the general rule.

ARTICLE 11. MISCELLANEOUS**Section 11.01 Seal.**

The corporate seal shall contain the name of the Association, the year of its creation, and the words "Corporate Seal, Virginia", and shall be in such form as may be approved by the Board of Directors.

Section 11.02 Fiscal Year.

The fiscal year of the Association shall commence the first day of January and shall end on the last day of December in each year.

Section 11.03 Acquisition, Sale and Disposition of LMOA Assets.

(a) Major Assets. No major physical facility, structure, or real property, or major asset, such as, golf course, tennis courts, or clubhouse, shall be acquired, sold or disposed of unless so approved by a resolution of the Board of Directors and by the vote of at least a majority of the Association members in good standing who are present in person or by proxy at a duly called meeting at which a quorum is present.

(b) Amendments. This [Ref:] Section 11.03 may only be amended, altered or repealed by at least a majority of the Association members in good standing who are present in person or by proxy at a duly called meeting at which a quorum is present. (Approved by a simple majority vote by the members at the June 25, 1988 Annual Meeting and amended June 29, 1991 Annual Meeting)

ARTICLE 12. AMENDMENTS**Section 12.01 By the Directors.**

Except as otherwise expressly limited, the Board of Directors by an affirmative vote of at least three-fourths (3/4) of its total members shall have the power to establish, to make, alter, amend, or repeal any of the Bylaws of the Association at any regular or special meeting of the Board. This power shall not be exercised by the Steering Committee.

Section 12.02 By the Members.

At any annual or special meeting, Bylaws may be adopted, and all Bylaws shall be subject to amendment, alteration or repeal by a majority of the members entitled to vote. Pursuant to resolution adopted by a majority of the members entitled to vote, the members may provide that certain Bylaws by them adopted, approved or designated may not be amended, altered or repealed except by a certain specified vote of the members.

This [Ref:] Section 12.02 may not be amended, altered or repealed by the Board of Directors.

ARTICLE 13. RECORDS AND REPORTS.**Section 13.01 Corporate Records.**

The Association shall keep detailed records of its operation and administration including income received and expenses incurred and including as permanent records: (1) minutes of all meetings of its members and Board of Directors, (2) a record of all actions taken by the members or Board of Directors without a meeting, and (3) a record of all actions taken by a committee of the Board of Directors in place of the Board of Directors on behalf of the Association. The Board minutes are to be presented at the next meeting, and after correction, adopted by the Board of Directors. Each sitting director shall be provided a copy of meeting minutes prior to approval of the minutes.

Section 13.02 Access to Association Records.

Member access to LMOA's records will be governed by existing State Law, currently the Property Owners' Association Act (POAA), Section 55-510. According to this act, certain records and documents may be withheld from public inspection and copying. The Board of Directors will establish policies to implement reasonable rules for member access to these records and to set reasonable fees for obtaining such access.

Section 13.03 Policies, Procedures, Rules and Regulations

(a) The Board of Directors of the Association shall have the power to establish, adopt, and enforce rules and regulations with respect to use of the common areas and with respect to such other areas of responsibility assigned to the Association by the Covenants and restrictions, its Articles of Incorporation, and the law.

(b) The Board of Directors shall through motions or resolutions approve proper written policies, procedures, rules and regulations statements to govern and manage the Association which statements shall be kept in the proper book or books to be provided for that purpose. Proper publishing of said policies, procedures, rules and regulations shall be made to the membership.

Section 13.04 Administrative Controls and Reporting to the Membership

- 1) All financial decisions made by the Board of Directors shall be clearly stated in the meeting minutes of the Board and indexed to the approved Budget.
- 2) An accurate and current LMOA line item budget shall be maintained.
- 3) Prior to final decisions on the annual LMOA Budget by the Board of Directors, the Board of Directors shall hold one open meeting to receive comments from the members with regard to budget matters and reports.
- 4) No less than three times a year plus at the annual meeting, the Board of Directors shall report in writing to the membership any issues which impact the Association and its financial status. The financial statement shall include but not be limited to: (a) a report of change in financial position, (b) revenues, and expenditures (c) projected end-of-year revenues and expenditures, (d) fixed assets and earnings, and (e) status of dues and liens.

**AMENDMENTS
LMOA BYLAWS**

Listed below are the approved changes made to the Bylaws by the members or by the Board, in accordance with provisions of the Bylaws, beginning with the June 24, 1989 Annual Meeting of LMOA Members:

Annual Meeting of Members Minutes 6/24/89	Article 8, Section 8.05, Amendment. Amended to state that the section may be amended only by affirmative vote of majority in voting power of members present or represented by proxy at meeting where quorum is present
BOD Minutes 7/24/89	Section 5.02 Number, Term of Office and Qualifications. (b)
BOD Minutes 9/26/89	Section 4.02 Special Meetings. (a)
Special Meeting of Members Minutes 12/16/89	Section 8.01 Dues (a)
BOD Minutes 1/24/91	Various sections to reflect 6/30/90 changes to Articles of Incorporation regarding Marina Point condominium units.
BOD Minutes 12/13/90, 1/24/91 and 2/18/91	Section 5.03 Nominations. (Repealed) Repealed Subsection 5.03(a) The Nominating Committee. Amended Subsection 5.03(b) Individual Member Petitions and renumbered as Section 4.09 Repealed Subsection 5.03(c) Date Definition and incorporated language into Section 4.09(d) Moved Subsection 5.03(d) Ballots/Proxies to Section 4.10(g) through (k) Repealed Subsection 5.03(e) Conflict of Interest Disclosure and incorporated language into Section 4.09(b)
	Section 4.07 Business and Order of Business. Repealed that part of the section dealing with Member Proposals and established a new Section 4.08 Member Proposals
	Section 4.08 Member Proposals. Established new section dealing with Member Proposals
	Section 4.09 Individual Member Petitions - Election of Directors. Amended Section 5.03(b) dealing with individual member petitions and renumbered as Section 4.09
	Section 4.08 Voting. Renumbered as Section 4.10 Voting and amended by incorporating Subsection 5.03(d) Ballots and Proxies as Subsections (g) through (k)
	Section 4.09 Action Without A Meeting. Renumbered as Section 4.11
BOD Minutes 3/14/91	Section 5.16 Executive Committee. Amended by changing committee to Steering Committee

Annual Meeting of Members Minutes 6/29/91	Section 11.03 Acquisition, Sale and Disposition of LMOA Assets. (a)
BOD Minutes 3/25/93	Section 2.01 General. Added Subsection 2.01(f) which defines the term "in good standing"
BOD Minutes 5/27/93	Amendments to bring Bylaws into compliance with statutory and case law as of May 1993 Purpose paragraph - Defined the term "lot" to include newly created lots from reserve areas Section 2.01 General. Revised language on ownership of multiple lots to be consistent with language in Articles of Incorporation Did <u>not</u> amend Section 4.02 Special Meetings since two proposals to amend this Section were being presented to the full membership for a vote at the 21st Annual Meeting Section 4.08 Member Proposals. Clarified language in Subsection 4.08(c)(1) and added Subsection 4.08(c)(10) which addresses the proper form for a member proposal Section 5.04 Election of Directors. Added language addressing the respective terms of office to be filled Section 10.03 Charges. Deleted reference to "fines and penalties" to be consistent with authority contained in POAA Section 13.02(b) Access to Association Records. Clarified types of information exempt from disclosure
BOD Minutes 6/17/93	Section 2.01(f) Clarified the definition of the term "in good standing"
21st Annual Meeting 6/26/93	Section 4.02 Special Meetings. Reduced from 20% to 10% the number of petition signatures required to call a Special Meeting of Members
BOD Minutes 7/22/92	Section 13.02 Access to Association Records. Included information on employee salaries as association information to be made available to members
BOD Minutes 11/18/93	Section 2.01(f) Allowed "good standing" status to be allowed for the purpose of correcting violations confirmed by the Compliance Committee
BOD Minutes 2/24/94	Section 2.01(f) Effect on "good standing" when a waiver resolution is adopted by the Board
BOD Minutes 5/3/94	Section 5.04(a.1) Terms of office being filled at election
22nd Annual Meeting, 6/25/94	Section 8.01(a) Dues. Membership dues not to exceed \$290, increased from \$265
23rd Annual Meeting, 6/24/95	Section 5.14 Vacancies. Procedure for filling vacancies on Board of Directors

BOD Minutes 9/28/95	Section 5.02 Number, Term of Office and Qualifications. Directors' Conflict of Interest. Amended to bring into line with Articles of Incorporation as amended at 24th Annual Meeting of Members on June 21, 1995
24th Annual Meeting, 6/29/96	Section 8.02 Assessments. Limits special assessments to the actual costs of the special service rendered and prohibits assessments against the entire membership unless approved by a majority of votes at an Annual or Special Meeting of members
BOD Minutes 2/26/98	Section 2.01 General. Amended to bring into compliance with Code of Virginia, §55-513 Property Owners' Assn. Act, as amended July, 1997: member privileges can be suspended for nonpayment of dues, fees, assessments only as a result of finding of a Compliance Committee hearing
BOD Minutes 3/26/98	Section 2.01 General. Replaced the word "may" with the word "shall" in (f) following the words "(including gate cards)" to make it consistent with Article 8, paragraph 8.03, Dues and Assessments
26th Annual Meeting, 6/27/98	Section 8.01 (a) Dues. Increased membership dues not to exceed \$340 (from \$290)
BOD Minutes 7/23/98	Section 5.14 Vacancies. Expanded the means by which the Board may fill a vacancy that exists on the Board for any reason.
BOD Minutes 4/22/99	Section 2.01 General. Amended (f) to allow members not in good standing for delinquencies to have their gate card privileges reinstated as long as they maintain an approved payment.
BOD Minutes 2/24/00	Section 13.02 Access to Association Documents. The entire section was replaced with current wording so that access to association documents is governed by the Property Owners' Association Act.
BOD Minutes 4/27/00	Section 5.16 Steering Committee. Limited the Steering Committee to four members (from four or more) with the normal composition being the Officers of the Corporation.
BOD Minutes 5/25/00	Section 5.04 Election of Directors. Added second paragraph for procedure in the event of a tie.
BOD Minutes 1/25/01	Section 7.07, Appeals Process. Added section regarding appeal of ECC decisions.
BOD Minutes 3/22/01	Section 4.02, Special Meetings. Amended section regarding amount of deposit/letter of credit/bond required for member-called meetings, and stipulated requirements for statement and settlement of costs. Section 4.10, Voting. Removed structure of the Election Committee, which is appropriately specified in PM 16.08, Election Committee Charter, and reflects the actual validation and tabulation of votes as part of the responsibilities of the Election Committee
BOD Minutes, April 26, 2001	Section 7.07, Appeals Process. Changed reference in (f) from first class mail to certified mail to bring back into compliance with POAA. This reverses a change made in error on Jan 25, 2001.
BOD Minutes, Feb. 28, 2002	Section 4.10, Voting. Removed the word "prepaid" as it regards return proxy envelopes, thereby making LMOA proxies irrevocable.

- 30th Annual Meeting, 6/29/02 **Article 8, Dues & Assessments.**
Section 8.01, Dues. Amended to remove dues ceiling of \$340 and to authorize the Board to impose an annual dues increase of up to 3%.
Section 8.03, Property Transfer Fee. Inserted authorization for Property Transfer Fee of \$500 for transfer of residential lots and condominium units.
Sections 8.03, Loss of Voting Rights, through 8.05, Amendment. Renumbered to accommodate the insertion of Property Transfer Fee as 8.03.
- BOD Minutes, Sept. 26, 2002 **Article 5, Directors**
Section 5.01: Retitled Powers of the Board of Directors, and restructured to specify both **General Powers** and **Emergency Powers** of the Board of Directors. Added emergency powers.
 The Bylaws were also reformatted to begin each Article on a new page, to provide for easier editing in the future.
- BoD Minutes, Dec. 19, 2002 **Article 5, Directors**
Section 5.02 (a): Eliminated the restriction prohibiting an incumbent member of the Board to be elected to a successive term of office, for an incumbent director who was elected by the Board of Directors for a term of twelve months or less.
- BOD Minutes, April 24, 2003 **Article 5, Directors**
 Section 5.02 (a): Rescinded the amendment adopted on December 19, 2002, based in a legal opinion that the December vote was invalid due to a presumed conflict of interest.
- BOD Meeting, November 20, 2003 **Article 4 – Meetings of Members**
Section 4.10 – Voting: Rewritten to provide a process for secrecy of proxies cast at meetings of members.
Article 5 – Directors
Section 5.02 – Number, Term of Office and Qualifications: Amended to increase to two the number of consecutive member-elected terms to which a person may be elected as a director
- Annual Meeting of Members: June 25, 2005 **Article 5 – Directors**
Section 5.02 – Number, Term of Office and Qualifications: Amended to decrease to seven the number of directors; removed requirement for one-third of the directors to be elected each year.
Article 8, Section 8.05: Collection: Retitled *Attorney’s Fees and Collection Cost* Rewritten to state that property owners delinquent in payment of fees to the Association shall be liable for attorney’s fees, collection agency fees and costs incurred by the Association as a result of actions taken due to the delinquency.
- BOD Meeting, July 1, 2005 **Article 5 – Directors**
Section 5.16 - Steering Committee: Reduced size of committee to three officers and changed quorum requirement.
- BOD Meeting August 25, 2005 **Article 5 - Directors**
Section 5.17 -- Committees. Amended quorum requirements
- BOD Meeting March 22, 2007 **Article 2. Membership**
Section 2.01 General. Replace ‘gate card’ with ‘gate access device.’
- BOD Meeting May 22, 2008 **Article 9. Contracts, Checks, Drafts, Bank Accounts, Etc.**

Section 9.02 Execution of Contracts and Other Documents: add specific language on signatures.

36th Annual Meeting of Members, June 28, 2008

Article 8. Dues and Assessments

Section 8.03 Increase Property Transfer Fee from \$500 to \$650

BOD Meeting October 23, 2008

Article 7. Environmental Control Committee

Sections 7.02, 7.03 and 7.04 to eliminate the appearance that the Environmental Control Committee has authority to adopt rules and regulations (only the Board of Directors has this authority) and clarify the role of the Environmental Control Committee.

Administrative changes:

5.02 and 5.04 capitalize 'Board'

7.07 correct 'he' to 'the'

9.02 insert approval date of May 22, 2008

13.01 capitalize 'Board of Directors'

Labeled all references to sections of the Policy Manual with 'Ref:'

- 3.02**
- 4.02, 4.08, 4.09, 4.10**
- 5.04, 5.08, 5.14, 5.16, 5.17**
- 6.01, 6.03**
- 7.03**
- 8.01, 8.02, 8.03, 8.06**
- 11.03**
- 12.02**

BOD meeting of February 25, 2010:

Article 4, Meetings of Members

Extensive amendments to re-organize and clarify requirements related to annual and special meetings of members throughout the entire Article 4. Some sections re-ordered and re-numbered.

BOD Meeting of April 22, 2010

Article 4, Meetings of Members

Section 4.11 – Deleted Non-Association proxies

This edition of the Bylaws reflects amendments made through April 22, 2010.