



Lake of the Woods Association, Inc.

102 Lakeview Parkway
Locust Grove, Virginia 22508

Telephone (540) 972-2237

Fax (540) 972-2243

LAKE OF THE WOODS ASSOCIATION, INC.

BOARD OF DIRECTORS SPECIAL RESOLUTION

(Adopting Special Assessment to Fund Modifications to and Maintenance of the Lake of the Woods Dam)

WHEREAS, the Lake of the Woods Main Dam is a recreational facility owned by the Association and a portion of the Lake of the Woods Common Areas; and,

WHEREAS, under the Declaration of Restrictions of Lake of the Woods, Inc. (the "Declaration") the Association is responsible for the maintenance, repair and upkeep of property conveyed to the Association, including all recreational facilities and amenities; and,

WHEREAS, the Commonwealth of Virginia has mandated that the Association cause certain modifications to be made to the Lake of the Woods Main Dam; and,

WHEREAS, the Board of Directors finds that it is in the best interest of the Association to comply with the requirements of the Commonwealth of Virginia with respect to the Main Dam; and,

WHEREAS, the Virginia Property Owners Associations Act authorizes the Board of Directors to levy a special assessment if the proceeds are used primarily for areas of association responsibility, including capital expenditures; and,

WHEREAS, the Board has concluded that the expenses of bringing the Main Dam into compliance with the requirements of the Commonwealth of Virginia and the expenses should be paid with the proceeds of a special assessment; and,

WHEREAS, the Board deems it appropriate and in the best interest of the Association and its members to permit the members to elect to pay the special assessment in one, two or three installments but that those who choose to pay the special assessment in more than one installment should pay a reasonable rate of interest on the deferred installments in order that all owners are treated fairly.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors hereby adopts a special assessment in the amount of ONE THOUSAND TWO HUNDRED (\$1,200) against each Lake of the Woods Lot. The said special assessment shall be due and payable on December 1, 2009. Notwithstanding the foregoing, any Lot owner may:

1. pay the special assessment in two installments of six hundred dollars (\$600.00) each, plus interest at the rate of 6% per annum on all amounts paid after December 1, 2009. Those installments shall be due on December 1, 2009 (principal only) and on June, 1, 2010 (principal and accrued interest); or, 2. pay the said special assessment in three installments of four hundred dollars (\$400.00) each, plus interest at the rate of 6% per annum on all amounts paid after December 1, 2009. Those installments shall be payable on December 1, 2009 (principal only), and on June 1, 2010 (principal and accrued interest) and August 1, 2010 (principal and accrued interest).

AND IT IS FURTHER, RESOLVED, that the proceeds of the said special assessment shall be used primarily for Lake of the Woods Main Dam and spillway maintenance and for modifications necessary to comply with the requirements of the Commonwealth of Virginia, including, without limitation, the repayment of any financing obtained for these purposes.

DULY ADOPTED at a regular meeting of the Board of Directors of Lake of the Woods Association, Inc., on October 3, 2009.

Bruce Kay, President

ATTEST: _____
Margaret Darby, Secretary