Lake of the Woods Association Inc.,  
Policy Resolution 2015-8  
Amending the Bylaws of the Lake of The Woods Association, Inc.

WHEREAS, a periodic comprehensive review and update of the Bylaws is an association best practice.

THEREFORE, RESOLVED, the Board of Directors hereby approves the following:

ARTICLE I

Section 1. Name. The name of the corporation and the community association shall be Lake of the Woods Association, Inc., (hereinafter sometimes referred to as the “Association” or “LOWA”). The name and its logo are registered with the Virginia State Corporation Commission and are for the exclusive use of the Association. Any other use of the name and or logo without the express written consent of the Board of Directors, hereinafter referred to as the “Board,” is prohibited.

Section 2. Principal Office. The principal office of the Association shall be located at 102 Lakeview Parkway, Locust Grove, Virginia 22508, but meetings of Members and Directors may be held at such places within the Commonwealth of Virginia, as may be designated by the Board.

ARTICLE II

DEFINITIONS

Unless expressly defined in this Article II, below, the words used in these Bylaws shall have the same meaning as set forth in the Declaration of Restrictions Lake of the Woods, dated February 8, 1967, and recorded in the Clerk’s Office of the Circuit Court of Orange County, Virginia, as amended, restated, renewed, or extended from time to time.


3. “Declaration” or “Declarations” means collectively the Declarations of Restrictive Covenants of Lake of the Woods Association, Inc., filed with the Circuit Court of Orange County, Virginia, as amended.

4. "Articles of Incorporation" means the Articles of Incorporation of the Association, as amended.

5. "Bylaws" mean the Bylaws of the Lake of the Woods Association, Inc. as amended.

6. "Board of Directors" means the executive body of the Association exercising the power of the executive body by resolution or bylaw.

7. "Subdivision" means the Subdivision known as Lake of the Woods, which is situated in Orange County, Virginia.
8. “Properties” means and refer to that certain real property described in the Declarations and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

9. “Lot” means and refers to any plot of the land shown upon any recorded subdivision map of the Properties with exception of the Common Area.

10. “Common Area” means all property owned by the Association for the common use and enjoyment of the association members and their families, tenants and guests.

11. “Lot Owner” means and refers to the record Owner, whether one or more persons or entities, of the fee simple title to any Lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

12. "Member" means the Owner (legal or equitable) of one or more numbered residential Lots in Sections 1 through 14, and Sections 16 and 18 of the Subdivision.

13. “Voting Member” means the sole Owner of a Lot, or in the case of multiple Owners of a Lot, the one Member per Lot designated by agreement of the co-Owners of a Lot to cast the vote in Association elections, referendums or at meetings of the Members.

14. "Member in good standing" means a Member who has fully paid and discharged all assessments, fees, charges, and penalties imposed or levied upon him by the Association.

15. "Meeting" or "meetings" means the formal gathering of the Board or Committees where the business of the Association is discussed or transacted.

16. “Proxy vote” means that voting members may authorize another LOWA member or the Secretary of the Association or other officer as directed in the proxy ballot to cast an instructed vote on their behalf at a meeting of the Members.

17. “Proxy ballot” shall refer to the document used by a member to cast a ‘proxy vote’ described in Section 16, above, and which such proxy ballot is more particularly described in Article IV, Section 6 of these Bylaws.

**ARTICLE III**

**MEMBERS OF THE ASSOCIATION**

Section 1: Qualification for Membership. The qualification for membership of the Association shall be those prescribed in Article V.1 of the Articles of Incorporation, with the following provisos:

a. Individual Members. In accordance with the Declaration, in the event of multiple ownership of a Lot, only one person (or family unit, i.e. spouses and dependent children) can be a Member of the Association. The remaining Owners will be considered invited guests solely for purposes of access to the recreational amenities.

b. Corporate Members. For firms or corporations owning single family residential Lots within the Subdivision, the firm or corporation shall designate an employee, officer,
director or partner to act on behalf of the firm or corporate Member, regardless of the number of Lots owned by the firm or corporation.

c. Regardless of the number of Lots owned by a Member, only one set of (two) membership cards will be issued to that Member.

d. There shall be only one class of membership.

e. There shall be no associate members.

f. It is the obligation of the Member to advise the Association of any changes relating to the Membership, including but not limited to principal mailing address, change to rental status, names of tenants or non-family members in residence, phone numbers and email addresses; etc.

ARTICLE IV

MEETING OF MEMBERS

Section 1. *Annual Meetings.* The Annual Meeting of the Members of the Association shall be held at ten o' clock in the morning on Labor Day (the first Monday in September) of each year at a place specified by the Board and stated in the notice of that meeting. Failure to hold the annual meeting at the designated time shall not be considered a waiver of the Association's rights to conduct business nor be considered forfeiture of the charter or dissolution of the Association.

Section 2. *Special Meetings.* A Special Meeting of the Members of the Association may be called at any time by the President, or the Board of Directors, or upon written request of eight hundred (800) of all the Voting Members of the Association who are eligible to vote. A Special Meeting shall also be called to close referendum voting on amendments of the Articles of Incorporation and Declarations.

Section 3. *Notice of Meetings.* Written notice stating date, time, and place of each Annual and Special Members’ Meeting shall be given by the Secretary of the Association or the person who is designated by the President of the Board to call the meeting, by mailing a copy of such notice not more than fifty (50) nor less than fourteen (14) days before such meeting to each Member entitled to vote, mailed to the Members’ address last appearing on the books of the Association or supplied by such Members to the Association for the purpose of notice. Notice of a Special Meeting shall state the purpose or purposes for which the meeting is called and shall be mailed, as stated above, not more than fifty (50) nor less than seven (7) days before the date of such meeting.

Section 4. *Agenda of Meetings.* At least one week prior to each Annual or Special Meeting of the Members of the Association, an agenda listing separately the matters to be discussed or voted upon at such meeting shall be published in a bulletin or other publication which the Association shall mail to its entire membership. Failure to so publish the agenda shall in no way affect the validity of the action taken at the meeting. The agenda for the Annual Membership Meeting should be, when practical, as follows:
• Call to order
• Pledge of Allegiance
• Secretary establishes a quorum of the membership  
• President’s Remarks and Recognitions
• The Annual Report by the General Manager
• Awards, Certificates and Honors
• Comments from Members in attendance
• Announcement of Board Annual Meeting, date, time and location
• Announcement of next regular Board Meeting
• President announces closing of voting for election of Directors
• Adjournment.

Section 5. Voting Rights. The voting rights of Members of the Association shall be one vote for each subdivided, numbered Lot.

a. If the numbered Lot in the subdivision is owned by one person, the vote shall be cast by that person.

b. If the ownership of a subdivided, numbered Lot is in more than one person’s name, such vote shall be cast by the Voting Member in accordance with their agreement.

c. If the numbered Lot has been subdivided and the deed bringing about the subdivision has been properly recorded in the Office of the Clerk of Orange County, the one (1) whole vote allocated to that numbered Lot shall be allocated to the new Owners in accordance with the percentage of the original Lot each acquires.

Section 6. Methods of Voting. At any meeting at which a vote of the membership is to be taken, the members in good standing may vote by being present in person or by proxy. All voting at meetings of the Members shall be by secret written ballot. Cumulative voting is not permitted.

Proxy Ballots.

a. To be valid, all proxy ballots shall (1) designate and appoint another LOWA member or the Secretary of the Association or other officer as the Proxy Holder to cast votes as directed in the proxy ballot; (2) be in writing and signed and dated by the member entitled to cast the vote; and (3) be received by the Association Secretary prior to the announcement of the closure of the meeting by the presiding officer at the meeting at which the vote is taken. All designated proxy holders must attend the meeting in person for the proxy ballot they are holding to be valid.

b. Proxy ballots shall be used for establishing quorum for meetings of the Association membership.

c. In the event of multiple proxies received for one lot, the proxy with the latest date shall be considered the only valid proxy.

d. All proxies shall be revocable up until the voting is closed by the President (or other presiding officer) at the meeting at which the voting takes place. Revocation must be in writing, signed by the member, stating that the proxy is revoked, and received by the
President (or presiding officer) prior to the announcement of the closure of the meeting by the presiding officer at the meeting at which the vote is taken.

e. Any proxy shall terminate automatically upon the conveyance by a Member of the property to which the vote pertains.

f. All proxies not otherwise terminated or revoked shall expire eleven (11) months after the adjournment of the meeting to which the proxies pertain.

Section 7. Quorum. At any Annual or Special Meeting of the Membership of the Association when the Membership is voting on any question, a quorum shall exist if Members holding one-tenth (1/10) of the votes entitled to be cast, in accordance with these Bylaws, shall be present in person or by proxy. If, however, such quorum shall not be present or represented by proxy at any meeting where a vote is to be taken, the Members entitled to vote thereat shall have the power to adjourn the meeting from time to time, by majority vote of those present, without notice, other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

Section 8. Order and Decorum at Meetings. All meetings of the Association may be conducted in accordance with Robert’s Rules of Order, Newly Revised, or other widely recognized rules governing order and decorum in meetings. A Parliamentarian may be appointed by the Board of Directors.

ARTICLE V

BOARD OF DIRECTORS - SELECTION – TERM OF OFFICE

Section 1. Number and Qualifications. The affairs of this Association shall be managed by a Board of seven (7) Directors, each of whom shall be a Member of the Association in good standing, elected by the Members in good standing. A Director shall not have a conflict of interest as defined by the Virginia Nonstock Corporation Act, and, before election, shall sign a statement attesting that he/she has not been convicted of a felony.

Section 2. Term of Office. The Directors shall be elected for staggered three-year terms. Two Directors shall be elected on Labor Day of each year, and a third Director shall be elected on Labor Day 1983 and on each third year thereafter. No Director shall be elected to serve more than two consecutive full terms without a lapse of at least one year. All Directors shall serve until their successor(s) have been elected at the Annual Membership Meeting, and as certified and seated at the first Board of Directors Meeting following the Annual Membership Meeting.

Section 3. Removal. Any Director may be removed from the Board, with or without cause, at a Special Meeting of the Members of the Association called for that purpose by written petition signed by at least eight hundred (800) valid signatures of Voting Members.

Section 4. Resignation. A Director may resign at any time by delivering written notice to the President and/or the Board of Directors. A resignation is effective when the notice is delivered unless the notice specifies a later effective date. If a resignation is made effective at a later time, the Board may fill the pending vacancy before the effective time if the Board provides that the successor does not take office until the effective time.
Section 5. **Vacancies.** In the event of death, resignation or removal of a director, his or her successor shall be selected by the remaining Directors and shall serve until a replacement has been elected at the next Annual Membership Meeting. In the event of the need to elect a Director to an unexpired one or two year term, along with Directors for three year terms, those candidates receiving the highest number of votes will be elected to serve the three year terms, and those candidates receiving the next highest numbers of votes will be elected to serve the unexpired two or one year term(s), respectively as to the highest number of votes received to the lowest.

Section 6. **Compensation.** No Director shall receive compensation for any service he/she may render to the Association. However, any Director may be reimbursed for his actual expenses incurred in the performance of his/her duties.

**ARTICLE VI**

**NOMINATION AND ELECTION OF DIRECTORS**

Section 1. **Nominating Committee.** The Board of Directors shall establish a Nominating Committee whose duty it shall be to solicit and present candidates, for formal acceptance by the Board, for the general election to fill Board vacancies for terms expiring in September of each year, and for vacancies for unexpired terms.

Section 2. **Nominations by application.** Candidates must submit their applications to the General Manager’s Office no later than 4 pm on April 30. Within three business days of the receipt of a candidate’s application, and confirmation of the candidate’s good standing, the General Manager will publish the name of the candidate on the Association Website, on the Association cable television channel, and on the Holcomb Building Member Services bulletin board.

Candidates must use the standard candidate application form that is available at the Holcomb Building or on the Association website.

Section 3. **Nomination by Petition.** Candidates may also run for the Board of Directors by submitting a petition signed by at least 250 Voting Members who are eligible to vote in the election, one signature per Lot. Petitions must be submitted to the General Manager’s Office no later than 4 pm on May 15. All approved nominees shall be given the same rights and privileges during the election process as those nominees who are recommended by the Nominating Committee and accepted by the Board. Within three business days after the validation of a candidate’s petition, and confirmation of the candidate’s good standing, the General Manager will publish the name of the candidate on the Association website, on the Association cable television channel, and on the Holcomb Building Member Services bulletin board.

Candidates must use the standard petition form that is available at the Holcomb Building or on the Association website.

Section 4. **Submission of Candidates.** The Nominating Committee shall ensure that the list of candidates shall be received by the Board no later than 4 pm on May 31. The Committee shall endeavor to present a list of qualified candidates that number no fewer than the number of vacancies plus one. The Board shall accept the slate of nominees and announce the names of the nominees at the first Board Meeting in June.
Section 5. **Elections.** An Elections Committee shall be established by the Board of Directors to complete all the responsibilities required in the Elections Charter, procedures required for the election process for Directors, as well as a referendum or any other election process where a vote of the Members is required. The Committee Chair shall request assistance and coordinate with the General Manager and the Board Liaison for those tasks requiring assistance from the Board and staff. Election to the Board of Directors shall be by secret written ballot. The Association Secretary, Director of Finance, and the Chair of the Elections Committee shall validate that the Voting Members are in good standing.

No ballots or proxy ballots shall be accepted after the close of the election at the Annual Membership Meeting. The Elections Committee shall count the votes at the close of the election. A recount of the votes shall be required if there are twenty (20) or less votes between candidates when the outcome could change the results of the election, and shall be done immediately following the first count. In the event of a tie, a drawing of names will be conducted and the first name drawn shall be declared elected to the Board.

The Elections Committee will list the names of the candidates for three year terms in the order of the number of valid votes received by each, and then, in like manner, the names of any candidates to fill unexpired terms. The Board of Directors shall certify the election of those candidates in the order of votes received. The results of the election shall be submitted to the President and the General Manager when the count is completed.

**ARTICLE VII**

**MEETINGS OF THE BOARD**

Section 1. **Regular Meetings.** Meetings of the Board of Directors may be scheduled at regular intervals or called at any time by the President or by a majority of the Board of Directors. The President or Vice President shall preside over the meetings. In the event that both offices are vacant, then the remaining Directors shall appoint a member of the Board to preside over the meeting.

Section 2. **Executive Sessions.** The Board may convene in executive session for a period during any meeting to consider those matters authorized for executive session in the VPOAAA. No vote taken in executive session shall become effective unless the Board, following the executive session, reconvenes in open meeting and affirms such vote.

Section 3. **Special Meetings.** Special Meetings of the Board of Directors shall be held when called by the President of the Association, or by any two Directors.

Section 4. **Organizational Meeting of Newly Elected Board.** The New Board shall, and shall have authority to, hold an organizational Meeting within seven (7) days after the Annual Membership Meeting for the purpose of seating the new Directors, acknowledging the efforts of the departing Directors, organizing, electing new Officers and considering any other business that properly may come before the Board.

Section 5. **Quorum.** A majority of the number of Directors shall constitute a quorum for the transaction of business. All seven (7) members of the Board may cast their vote on matters that
require a vote. Every act or decision done or made by a majority of the Directors present at a
duly held meeting at which a quorum is present shall be regarded as the act of the Board.

Section 6. Notice of Meetings. Notice of the place, date and time of each regular meeting shall
be posted where it is reasonably calculated to be available to a majority of the Members, at the
same time that it is provided to the Directors. For purposes of this section, notice shall be given
to each Director at least three (3) days in advance of such meeting unless all Directors sign a
waiver of such notice. In the event of an emergency, as determined by the Board, Notice of a
Board Meeting shall be given at a time and in a manner that is reasonable, if possible, under the
circumstances.

Section 7. Agenda. The Board shall provide a designated period of time during a meeting to
allow Members an opportunity to comment on any matter relating to the Association. During a
meeting at which the agenda is limited to specific topics, or at a Special Meeting, the comments
of Members may be limited to the topics listed on the meeting agenda.

ARTICLE VIII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall have all powers granted to it by the Code of
Virginia, the Articles of Incorporation, and the Declarations, and such powers as may be
necessary to fulfill its responsibilities thereunder. Individual Directors shall have only such
authority as may be specifically delegated to them by the Board. Specifically, the Board shall
have the power to:

a. Adopt and publish rules and regulations governing the use of the Common Area and
facilities, and the personal conduct of the members and their families, tenants, and guests
thereon, and the use of and conduct on the Lots, and to establish penalties for the
infraction thereof;

b. Suspend the voting rights and right to use of the recreational facilities of a Member
during any period in which such member shall be in default in the payment of any
assessment levied by the Association. Such rights may also be suspended for continuing
violations of the Declarations;

c. Exercise for the Association all powers, duties and authority vested in or delegated to this
Association and not reserved to the membership by other provisions of the Bylaws, the
Articles of Incorporation, or the Declarations;

d. Declare the Officer position of a Director to be vacant in the event such Director shall
be absent from three (3) consecutive regular meetings of the Board of Directors;

e. Employ a General Manager, an independent contractor, or such other employees as they
deem necessary, and to prescribe their duties; and (See Article XII below.)

f. Adopting and amending Bylaws, Rules and Regulations, and Committee Charters.
Section 2: Duties. Each elected Director has a duty to act and make decisions that are in the best interests of the corporation, which is Lake of the Woods Association, Inc., and in accordance with the Declarations, Articles, these Bylaws and applicable Virginia law. The principal duties of the Board are to:

a. Establish and supervise the carrying out of policies which will further and promote the community welfare and property Owners in the Subdivision through maintenance and efficient operation of all facilities owned by the Association;

b. Provide for the security and enhancement of the Subdivision by enforcement of the Declarations, the Articles of Incorporation, the Bylaws, and the Rules and Regulations adopted by the Board from time to time, and by setting charges and penalties for violations pursuant to the Declarations;

c. Determine the fiscal needs of the Association, review and approve an annual budget, levy appropriate charges on the Lot Owners, tenants and users of the various facilities, supervise the collection, investment and disbursement of funds, and provide an annual financial report to all Lot Owners;

d. Plan for future replacement, expansion, acquisition, use and disposal of land, facilities, and equipment owned by the Association;

e. Cause to be kept a complete record of all its acts and corporate affairs, and to present a statement thereof to the Members at the Annual Meeting of the Members, or at any Special Meeting when such statement is requested in writing by eight hundred (800) of the members who are eligible to vote;

f. Ensure policies and programs are properly carried out through the General Manager, who supervises the vendors, agents and employees of the Association to ensure their duties are properly performed;

g. Fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period; send written notice of each assessment to every Lot Owner subject thereto at least thirty (30) days in advance of each annual assessment period;

h. Produce and maintain adequate liability and hazard insurance on property owned by the Association;

i. Cause all Officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate or required by law;

j. Cause the common areas and amenities to be maintained;

k. Selecting and appointing the Officers of the Association and members of committees;

l. Providing for the maintenance of adequate communication with the Members of the Association;
m. Establishing an organizational structure and employing, through the GM, an adequate, effective and efficient staff to carry out the prescribed security, maintenance and operational functions;

n. Consulting with those committees which report to the Board, and evaluating and utilizing their advice and assistance to the maximum feasible extent; and

o. Issuing, through the GM, upon demand by any Lot Owner, a certificate setting forth whether or not that Lot has any unpaid assessment. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment.

ARTICLE IX

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Officers. The Officers of this Association shall be a President, Vice President, and Secretary who shall at all times be Directors. The office of Treasurer, and such other Officers as the Board may from time to time create by resolution, may be filled by a Director or any other member of the Association. The President, Vice President and Treasurer shall be bonded, at the expense of the Association, if deemed appropriate by the Board or as required by law.

Section 2. Election of Officers of the Association. The election of Officers shall take place at the Annual Meeting of the Board following each Annual Membership Meeting as follows:

(a) Elect President of the Association

(b) Elect Vice President of the Association

(c) Elect Secretary of the Association

(d) Elect Treasurer of the Association

The nominee securing the largest number of votes for each office shall be elected. Cumulative voting shall not be permitted.

Section 3. Term. The Board shall elect the Officers of this Association annually and each shall hold office for one (1) year unless he/she shall sooner resign, or shall be removed, or otherwise become disqualified to serve.

Section 4. Special Appointments. The Board may elect other such Officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 5. Resignation and Removal. Any Officer may be removed from office with or without cause by majority vote of the Board. Any Officer may resign at any time giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.
Section 6. **Vacancies.** A vacancy in any office may be filled by appointment by the Board. The Officer appointed to such vacancy shall serve for the remainder of the term of the Officer he/she replaces.

Section 7. **Multiple Offices.** Except as otherwise provided in the Articles of Incorporation, no person shall simultaneously hold more than one office except in the case of special offices created pursuant to Section 4 of this Article (Special Appointments).

Section 8. **Duties.** The Duties of the Officers are as follows:

a. **Officers Generally.** Each Officer of the Association may have check signing authority as designated by the Board of Directors. Each signer may sign checks for $1,000 or less. All checks that are greater than $1,000 require two authorized signatures.

b. **President.** The President shall serve as President of the Association. He/she shall set the agenda and preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments; and shall co-sign checks and promissory notes. The President is the primary representative of the Association in relationships with outside individuals and organizations. The President shall actively participate in the budget process and, specifically, shall review the salary levels of the employees with the General Manager or his designee each year during the budget process.

c. **Vice President.** The Vice President shall act in the place and stead of the President in the event of his absence, inability or refusal to act, or when specifically requested by the President. The Vice President also shall supervise the functions of all the Committees; review applications from volunteers who wish to serve on committees, consult with the respective Chairs, and present the names to the Board for approval. The Vice President shall perform any other duties as may be placed upon him by the Board or the President from time to time.

d. **Secretary.** The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the Members; and, perform such other duties as required by the Board, including, but not limited to, the following:

   i. Shall, through the General Manager, cause to be kept, a complete and accurate list of the names and addresses, including current mailing addresses, of all Members of the Association;

   ii. Shall, through the GM, be the custodian of the records (except the financial records) of the Association and of any die or other instrument usable in affixing the seal of the Association to paper;

   iii. Shall certify to the eligibility of the Members to vote at any meeting and shall be authorized to certify the validity of proxy ballots and ballots upon their submission to the Association in accordance with these Bylaws;
iv. Shall function as the Board Liaison to the Elections Committee;

e. **Treasurer.** The Treasurer shall serve as the Financial Officer of the Association and as liaison to the Association's Finance Committee and Auditor. The Treasurer shall, through the General Manager, cause to be kept complete financial records of the Association, including such books, ledgers, computer accounting software and other records of financial transactions as generally accepted accounting principles dictate and the Board of Directors requests. The Treasurer shall monitor the financial statements and operational reports on a monthly basis including income by source, expenditures by purpose and category, assets, liabilities and members’ equity as may be required by the Board. The Treasurer shall ensure that all funds of the Association are kept in the name of the Association, in banks and other depositories as approved by the Board of Directors and in compliance with the relevant provisions of the VPOAA, and shall ensure that disbursements from such funds are in accordance with the approved budgets, Board-approved policies and/or other duly authorized procedures. The Treasurer shall provide oversight of adherence to the annual operating and capital budgets, and replacement reserve schedules, and ensure that safeguards are in place to protect the Association's Members’ Net Equity. The Treasurer shall review the Association's annual independently audited financial statements and reports and bring the final draft to the Board for its acceptance.

**ARTICLE X.**

**COMMITTEES**

Section 1. **General.** The overall mission of Lake of the Woods Committees is to add value to the Association by advising and assisting the Board of Directors and the General Manager in carrying out their responsibilities to the Association. Their specific responsibilities and special characteristics or exceptions, if any, shall be delineated in their respective charters and approved by the Board of Directors. The Board may appoint or dissolve any committee as it deems in the best interest of the Association, except that the following committees contemplated by Article II.6 of the Articles of Incorporation, shall be required:

a. **Environmental Control Committee (ECC).** The specific powers and duties of this committee are granted and set forth in the Declaration, as amended. In addition, the Board may assign other duties and procedures to the committee which, in the opinion of the Board, will benefit the Association.

   (i) **Composition:** The committee shall be composed of not more than seven (7) members but not less than three (3) members in good standing appointed by the Board of Directors for three-year staggered terms. After completing one three-year term, a member may be re-appointed for a second three-year term, but may not thereafter be re-appointed again until after the lapse of one year. However, a member appointed to fill an unexpired term may then be appointed and/or re-appointed to serve two consecutive terms. Any vacancy on the committee shall be filled through appointment by the Board to serve out the unexpired term.
(ii) Liability: The members and former members of the ECC shall be indemnified, at Association expense, to the extent of coverage under the Association's Directors and Officers Liability Policy, against expenses actually and reasonably incurred by them in connection with the defense of any claim, action, suit or proceeding against them by reason of being or having been such member.

b. Finance Committee. The purpose of the Finance Committee is to advise the Board on financial management and policy issues, and to provide to the Board financial analyses and projections to aid the Board in managing the efficient and effective use of the Members’ annual assessment and the other fees paid by the Members of the Association.

c. Legal and Compliance Committee (LCC). The LCC functions as the regulation enforcement arm of the Board. The LCC holds hearings and resolves allegations of violations of the Declaration and Rules and Regulations established by the Association.

d. Maintenance and Ecology Committee (M&E). The M & E Committee assists the Director of Facilities and the General Manager in evaluating the physical condition of all Association-owned facilities, grounds and equipment. The committee monitors current operations and assists with long-term planning.

Section 2. Authority. Unless otherwise provided in the Declarations or as required by law, all committees function as advisors to the Board and have only that specific authority granted to it by the Board as outlined in the Committee Responsibility Section of its charter. Under no circumstances shall the committee Chair or any other committee member give direction to any LOWA personnel in dealing with committee matters except as approved by the General Manager. Additionally, no personal financial gain shall accrue from service on a LOWA Committee, except that requests for reimbursement of direct expenses, with receipts attached, may be submitted to the GM with the approval of the committee Chair.

Section 3. Reporting Responsibility. The committees report to the Board. In addition to committee meeting minutes, oral and written reports shall be given periodically at the Board's monthly meeting at least as often as specified in the committee charter. When a committee approves a motion requesting Board action, that motion will be forwarded in writing to the Board with a copy to the General Manager. A brief annual report of the committee's activities during the preceding year shall be submitted to the Board by August 1 of each year, using a Board approved format.

Section 4. Composition. Unless otherwise provided in the Declarations or as required by law, the provisions of this Section 4 shall apply to all committees. All committee members shall be appointed by the Board from LOWA Members in good standing. Each committee shall be composed of not less than seven (7) voting members appointed for three-year staggered terms. A committee may have as many alternates and advisors as needed to perform committee activities, as requested by the Committee Chair, and as approve by the Board. Any voting member vacancy whether by term expiration, resignation, or removal shall be filled through appointment by the Board with the Chair's recommendation. Family members occupying the same LOWA household may not serve on the same committee during the same time period. The Board may also grant exceptions to the number of voting members who may serve on a committee at any
given time, based on the needs of that committee to carry out its mission. Such exceptions shall be stated under "Special Characteristics" of the respective Committee Charter. A member of the Board may serve as liaison to a committee without voting privileges.

Section 5. Organization. The committee will elect the following officers from its committee members during its first meeting in September of each year for a one (1) year term and forward its new structure to the Vice President of the Board with a copy to the General Manager:

a. Chairperson (Chair). The Chair is responsible for calling and conducting meetings, setting and submitting the agenda, and periodically, providing written and oral reports on committee activities to the Board and community as specified in the committee charter. The Chair must be a voting member of the committee.

b. Vice Chairperson (Vice-Chair). In the absence of the Chair, the Vice-Chair performs all the duties of the Chair. Vice-Chair must be a voting member of the committee.

c. Secretary. To be elected by the voting members of the Committee, or in absence of a vote, may be appointed by the Chair. The Secretary takes the minutes of all meetings, submits them in draft form to all Committee members. Following approval by the Committee, the Secretary submits the approved minutes to the Board of Directors, General Manager, Communications Coordinator, and all Committee members. In the absence of both the Chair and Vice-Chair, the Secretary shall act as Chair pro-tempore.

Section 6. Meetings. The following apply to all meetings of the LOWA committees:

a. Open Meetings. Subject to Section 55-510.1 of the VPOAA, all committee meetings shall be open to all members. Minutes shall be recorded and shall be available to all association members.

b. Executive Sessions. Committees may convene in executive session for a period during any meeting in accordance with Section 55-510.1 of the VPOAA.

c. Notice of Meetings. Notice of the time, date and place of each meeting of a committee shall be published at least three (3) business days in advance in a manner where it is reasonably calculated to be available to a majority of the Lot Owners.

d. Agenda. The Committee shall provide a designated period of time during a meeting to allow members an opportunity to comment on any matter relating to the association. During a meeting at which the agenda is limited to specific topics the comments of members may be limited to the topics listed on the meeting agenda.

e. Electronic Participation. Committee members may elect to participate in meetings via telephonic, video conference, or other electronic means subject to the availability of such equipment by LOWA, so long as two (2) committee members are present in person at the meeting place included in the Notice. LOWA is not responsible for providing equipment to individual committee members to facilitate their participation.
f. **Order and Decorum at Meetings.** All meetings of the Association shall be conducted in accordance with Robert's Rules of Order, Newly Revised, or other widely recognized rules governing order and decorum in meetings.

Section 7. **Voting.** A quorum, or simple majority, of voting members needs to be present in order for a committee to vote on any motions presented at the committee meeting. Alternates, beginning with the alternate with the most longevity, shall be considered voting members when a quorum is not present. Advisers have no voting privileges. Voting by secret or written ballot is prohibited in any open committee meeting. Absentee or proxy voting is not permitted.

Section 8. **Tenure.** When a voting member's term expires, resigns, or is removed from the committee the Board shall fill the vacancy, considering the Chair's recommendations. The term begins at date of appointment as a voting member, and ends three years after that date. After completing one three-year term, a voting member may be reappointed for a second three-year term, but may not thereafter be re-appointed again until after the lapse of at least one year.

Section 9. **Communication.**

a. **Information Gathering.** Committee members must have prior approval of the General Manager to contact third parties as necessary to gather information to carry out committee responsibilities.

b. **LOWA Legal Counsel and/or Government Representatives.** Committee members must have prior approval of the General Manager to initiate contact with LOWA Counsel and/or Government Representatives on official LOWA business.

c. **Press.** If approved by the General Manager and the committee Chair, committee members may inform local news media of LOWA-scheduled events and LOWA participation in outside events. All other contacts with the media on official LOWA matters will be conducted through the General Manager.

**ARTICLE XI**

**EMPLOYEES AND CONTRACTORS**

Section 1. **General Manager.** The Board of Directors shall hire a General Manager ("GM") to be responsible for the day-to-day management, operations, maintenance and security of all the Association's properties and personnel in accordance with the Association's Articles of Incorporation, Declaration, Bylaws, Rules and Regulations, and Policy Statements, and applicable Virginia law. The GM shall report to the Board of Directors. The President of the Board is the main interface between the entire Board and the GM. Matters of employment and compensation of the GM will be subject to the approval of the Board of Directors. His employment contract shall be signed by the President or Vice President and attested to by the Secretary of the Association. The GM shall have the authority to sign checks for $1,000 or less. Checks greater than $1,000 must have a second authorized signature of an Officer of the Association. The GM has the authority to incur obligations and accomplish repairs or replacements exceeding $5,000 per item that are determined by the GM to be an emergency. Supporting documentation shall be submitted in writing to the Board of Directors in a timely manner. During any temporary absence, the GM shall appoint an Acting General Manager from among the Assistant General Manager, Director of Facilities and the Director of Finance to
assume his duties. Such absence should be brought to the attention of the Board of Directors promptly, or in advance, if possible.

Section 2. **Recording Secretary.** The Recording Secretary shall record each meeting of the Board in writing and present said minutes for approval at the Board’s next regular meeting.

Section 3. **Independent Contractors, Suppliers, and Vendors.** The Board of Directors may contract for outside services that may be deemed cost effective and to be in the best interests of the Association. The GM or his designees have the authority to sign purchase orders for items that are approved in the current fiscal year budget. The GM or his designees have the authority to sign contracts that are $25,000 or less in value that is a part of the current fiscal year approved budget. All purchase orders and contracts must be made in the name of the Association. All contracts greater than $25,000 must be approved by the Board and signed by the President, Vice President or Treasurer and attested to by the Secretary of the Association.

**ARTICLE XII**

**ASSESSMENTS**

Section 1: **General.** As more fully provided in the Articles of Incorporation and the Declaration, each Lot Owner is obligated to pay the Association annual and special assessments that are secured by a continuing lien upon the Owner’s Lot. Assessments not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of the delinquency at the highest rate permitted by law. If the assessment is not paid within sixty (60) days after the due date, the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property, and interest, costs, and reasonable attorney’s fees of any such action shall be added to the amount of such assessment. No Owner may waive, or otherwise escape, liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot. The Board may approve, via contractual agreement, a collection agent to service delinquent accounts.

Section 2: **Single Payment Plan:** All annual assessments are due and payable on or before May 1 each year.

Section 3: **Semi-Annual Payment Plan:** The first semi-annual installment of the annual assessment is due and payable on or before May 1 each year. The remaining installment is due and payable on or before November 1. If a Member elects to enroll in a semi-annual payment plan, the Member must submit the appropriate election form to the Finance Department on or before May 1, annually, along with the first installment payment.

Section 4: **Quarterly Payment Plan:** The first quarterly installment of the annual assessment is due and payable on or before May 1 each year. The remaining three installments are due and payable on or before the first day of August, November and February. If a Member elects to enroll in a quarterly payment plan, the Member must submit the appropriate election form to the Finance Department on or before May 1, annually, along with the first installment payment.
Section 5: Payment Options Surcharges. When a Member adopts a payment plan other than the Single Payment Plan, a surcharge shall be added to each installment payment as determined by management and approved by the Board.

ARTICLE XIII

FINANCIAL AND INVESTMENT MANAGEMENT

Section 1: Association Debt Financing. Pursuant to Article II (10) of the Articles of Incorporation, the Association may borrow money, and pledge security and or its rights to any assessments for reasons and purposes as determined by the Board of Directors to be in the best interests of the Association.

Section 2. Expiration of Approved Capital Projects. Capital projects that have been approved by the Board will automatically terminate twenty four (24) months after the date of approval, if the project(s) has not been started, unless the Board re-approves said project(s).

Section 3. Investment Guidelines. The Board of Directors has a fiduciary responsibility to promote, maintain, create and preserve a peaceful enjoyment of the property and the protection of property values in the Association. The objective of these guidelines is to provide financial stability, safety of principal, liquidity and accessibility of funds, and yield on investments, while at the same time minimizing market and investment risk. The Board also has a legal responsibility to all Lot Owners to ensure that restricted reserve funds are invested properly and that the funds are available when needed. For these reasons the Board of Directors, through the GM, shall contract with financial institutions that carry a high quality rating of A or better within the financial industry, and that have Series 7 Federally Licensed Representatives who can work with the Investment Committee to meet the goals as outlined in Section 4 of this Article. The Treasurer may, with the approval of the Board, consult with professional investment advisors, if and when required. Establishing or terminating any banking or investment account with any financial institution requires the approval of the Board of Directors.

Section 4: Goals and Objectives. In rank order, by safety, liquidity and yield, as follows:

a. Ensure the preservation of principal
b. Structure maturities to ensure availability of funds when needed by laddering the maturities.
c. Mitigate the effects of interest rate volatility on all fixed income investments.
d. Minimize any investment costs.
e. Ensure that deposits in one financial institution do not exceed the required FDIC Insured coverage limit. This objective may be waived in the case of the primary banking relationship where funds are needed to meet day-to-day operating needs.

Section 5: Investment Strategy.

Excess funds that are not needed for day to day operations of the Association, including the Board-restricted reserves, shall be invested in a timely manner in interest bearing accounts.
Monies needed for operating expenses shall be invested in low-risk money market account(s) or held in a low-risk checking account.

The investment strategy shall be constructive and provide consistency and continuity that is in the best interests of the Association. Funds shall be invested for terms not to exceed 3 years in any of the following type of instruments:

a. Money Market Funds that are FDIC Insured.
b. Certificates of Deposit that are FDIC Insured.
c. Certificates of Deposit Account Registry Service (CDARS) not to exceed insured limits.
e. U.S. Treasury Notes.

Return on investment (ROI) should also be a criterion in the investment selection process. Investments may be made in longer-term instruments, more than 3 years to maturity, with prior approval from the Board of Directors.

Section 6: Investment Committee. The Investment Committee will be chaired by the Treasurer. The President of the Board, the Treasurer, the General Manager, the Director of Finance and the Chair of the Finance Committee will serve as members of this Committee. After discussion with the client representative from the financial institution regarding investments, this Committee shall vote on the investment suggestions given, before any action is taken.

The Committee shall review all investment activities, cash positions and security holdings each month. The Accounting Department shall prepare a monthly investment summary identifying the cash and security holdings of the Board Restricted Investments separate and apart from the Operating Funds. This report shall be an integral part of the monthly financial reporting that is distributed to the members of the Board and the Finance Committee. It will also be made available to voting members in good standing on a regular basis.

ARTICLE XIV

BOOKS AND RECORDS

Section 1. Pursuant to the VPOAA, the books, records and papers of the Association shall, at all times during reasonable business hours, be subject to inspection by any Member of the Association in good standing. Any documents and proceedings relating to matters considered by the Board in executive session may be withheld from examination or publication. The Declaration, the Articles of Incorporation and the Bylaws of the Association shall be made available for inspection by any Member at the principal office of the Association, where copies may be purchased at reasonable cost. The costs for providing copies of Association books and records shall be set forth in a cost schedule prepared in accordance with Section 55-510(D) of the VPOAA.
Section 2. The Board shall establish a policy for the retention and destruction of the Association’s books and records in accordance with the requirements of the Association’s Declaration, Bylaws, Articles of Incorporation, and federal and state statutes.

ARTICLE XV.

MISCELLANEOUS

Section 1. Fiscal Year. The fiscal year of the Association shall begin on the first day of May in each year and end on the last day of April the next subsequent year.

Section 2. Audit. The Board shall obtain an independent audit each year of the financial statements and the underlying records of the Association in accordance with auditing standards generally accepted in the United States. The Auditor shall render an opinion as to whether the statements are fairly presented and are free from material misstatement.

Section 3. Corporate Seal. The seal of the Association shall be in the form of a circle, about the upper periphery of which shall appear the words "Lake of the Woods Association, Inc." (or an appropriate abbreviation thereof), and about the lower periphery of which shall appear the word "Virginia". In the center of the seal shall appear the word "Seal". When the affixing of the seal of the Association to any instrument shall be appropriate, the affixing shall be done by means of a metal die capable of impressing the seal on paper. The affixed seal shall be stamped by a black inkpad to allow for viewing of the seal on photocopies and digital files.

Section 4. Outside Relationships.

a. Information Gathering. With the approval of the General Manager, committee members may contact third parties as necessary to gather information to carry out committee responsibilities.

b. LOWA Legal Counsel and/or Government Representatives. Except as otherwise authorized by the Board of Directors, only the General Manager and the President of the Board have the authority to initiate contact with LOWA Legal Counsel or Government Representatives on official LOWA business.

c. Media. With approval from the General Manager, committee members may inform local news media of LOWA-sponsored events and LOWA participation in outside events. Only the General Manager and the President of the Board have the authority to speak to the media on behalf of the Association.

Section 5. Precedence. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.
ARTICLE XVI

AMENDMENTS

These Bylaws may be amended by the Board of Directors, at a regular meeting or at a special meeting of the Board of Directors called for this purpose. The Bylaws are amended according to the following procedure:

Step 1: Any proposed amendment to the Bylaws and or the Rules and Regulations may come from any Member of the Association, any of the advisory committees, the GM, or any member of the Board of Directors. All proposed amendments must be submitted to the Board of Directors who shall determine if the proposal has enough merit to send to the Rules Committee and Association Attorney for review.

Step 2. The Rules Committee will conduct research to determine if the proposal is ambiguous, redundant, or in conflict with the Declaration, Bylaws, Articles or applicable law. If the Rules Committee determines that the proposal is ambiguous, redundant, or conflicting, it shall report this conclusion to the Board; otherwise, the Rules Committee shall prepare a resolution using appropriate language in congruence with the Declaration, Bylaws, Articles and applicable law and submit the resolution to the Board.

Step 3. After receiving the reports from the Attorney and the Rules Committee, the Board may approve, modify or reject the resolution. If approved, the Board shall forward it to the General Manager for publication in the “Lake Currents”. The Association Members will then have two weeks from the date of the “Lake Currents” to forward written comments to the Board on the proposed new or amended Bylaws provisions.

Step 4. The Board shall take into consideration the comments received from the Members and shall adopt, reject or modify the proposed amendment. Following the designated two weeks for comments and final approval by the Board, the approved amendment shall be incorporated into the Bylaws. An affirmative vote of a majority of Directors on the Board is required for any amendment to the Bylaws to become effective. The Board shall, upon adoption, announce the effective date of the amendment.

Effective: Immediately

LAKE OF THE WOODS ASSOCIATION, INC.

By: [Signature]

J. Michael Rugless, President

ATTEST:

I, as Secretary for Lake of the Woods Association, Inc., hereby attest that the foregoing Policy Resolution 2015-8 was adopted by the Board of Directors at a duly-held and noticed Board of Directors meeting held on the 17th day of June, 2015.

[Signature]

Louisa Rucker, Secretary