

LAKE JAMES HOMES ASSOCIATION BYLAWS

Revised 2011 (est.)

Article I: Name and Location

The name of the corporation is LAKE JAMES HOMES ASSOCIATION, hereinafter referred to as the "Association". The principal office of the Association shall be located at 1269 Belvoir Lane, Virginia Beach, Virginia, 23464. Meetings of Members and the Board of Directors may be held at such place within the City of Virginia Beach as may be designated by the Board of Directors.

Article II: Definitions

Section 1: "Association" shall mean and refer to LAKE JAMES HOMES ASSOCIATION, its successors and assigns.

Section 2: "Board of Directors" or "Board" shall mean and refer to the Board of Directors of the Association.

Section 3: "Common Area" shall mean all real property [including the improvements thereto] owned by the Association for the common use and enjoyment of the members of the Association and so designated in the Declaration [hereinafter defined].

Section 4: "Declaration" shall mean and refer to the DECLARATION OF COVENANTS, CONDITIONS and RESTRICTIONS applicable to the property, recorded in the Clerk's office of the Circuit Court of the City of Virginia Beach, Virginia.

Section 5: "Declarant" shall mean and refer to LAKE JAMES HOMES ASSOCIATION, its successors and assigns.

Section 6: "Lot" shall mean and refer to the numbered lots on the recorded subdivision plat of the property and does not include any of the Common Area.

Section 7: "Member" shall mean and refer to every person or entity that holds a membership in the Association.

Section 8: "Owner" shall mean and refer 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 property, including Contract Sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 9: "Property" shall mean and refer to that certain real property described in the Declaration and such additions as may hereafter be brought within the jurisdiction of the Association.

Article III: Membership

Section 1- Membership: Every person, or entity, who is an Owner of a fee, or undivided fee, interest in any Lot which is subject by the Declaration to assessment by the Association, including Contract Sellers, shall be a Member of the Association. The foregoing is not intended to include persons or entities that hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to, and may not be separated from, ownership of any Lot that is subject to assessment by the Association. Ownership of a Lot shall be the sole qualification for Membership.

Section 2 – Suspension of Membership Rights: During any period in which a Member shall be in default in the payment of any Annual or Special Assessment levied by the Association, the voting right and right-to-use of the recreational facilities of such member may be suspended by the Board, [or any Committee duly appointed by the Board], until such assessment has been paid. Such rights of a Member may also be suspended, after proper Notice and Hearing, for a period not to exceed sixty [60] days, for violation of any rules and regulations established by the Board governing the use of the Common Area and facilities.

Article IV: Property Rights, Rights of Enjoyment

Section 1: Each Member shall be entitled to the use and enjoyment of the Common area and facilities as provided in the Declaration. Any Member may delegate his or her rights of enjoyment of the Common Area and facilities to the members of his or her family, tenants or contract purchasers who reside on the Property. Such Member shall notify the Secretary of the Association, in writing, of the name or names of any such delegation, subject to suspension to the same extent as those of the Member.

Article V: Board of Directors, Selection, Term of Office

Section 1 –Number: The affairs of the Association shall be managed by a Board of nine [9] Directors who must be Members.

Section 2 –Election: At each Annual Meeting, the Members shall elect three [3] Directors to serve for a term of three [3] years. Any vacancy occurring in the Board may be filled by the affirmative vote of a majority of the remaining Directors, though less than a Quorum, [see Article VI, Section 3], of the Board, and if not previously so filled, shall be filled at the next succeeding meeting of the Members of the Association. Any Director elected to fill a vacancy shall serve as such until the expiration of the term of the Director whose position he or she was elected to fill.

Section 3 –Removal: Any Director may be removed from the Board, with or without cause, by a majority vote of the Members. In the event of death, resignation or removal of a Director, his or her successor shall be selected as set forth in Section 2 of this Article.

Section 4 –Compensation: No Director shall receive compensation for any service he or she may render to the Association; however, by Resolution of the Board, any Director may be reimbursed for his or her actual out-of-pocket expenses incurred in the performance of his or her duties as a Director.

Article VI: Meetings of Board of Directors

Section 1 –Regular Meetings: Regular meetings of the Board shall be held monthly, except July and August, [December will be decided by the Board, with notice if cancelled], with notice, at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal Holiday, then that meeting shall be held at the same time on the next available date which is not a legal Holiday.

Section 2 –Special Meetings: Special meetings of the Board shall be held when called by the President of the Association, or by any two [2] Board Members, after notice has been provided as set forth in Section 4 of this Article VI.

Section 3 –Quorum: A majority of the Board shall constitute a Quorum for the transaction of business. Every act or decision determined by a majority of the Board present at a duly held meeting, at which a Quorum is present, shall be regarded as the “Act of the Board”.

Section 4 –Notice: When notice of any meeting of the Board is required, such notice shall be given at least three [3] days previous to such meeting by written notice delivered personally or

sent by mail or e-mail to each Director at his or her address as shown on the records of the Association. Any Board Member may waive notice of any meeting before or after the time of the meeting stated therein. Neither the business to be transacted at nor the purpose of any Regular or Special Meeting of the Board need be specified in the notice or waiver of notice of such meeting, unless specifically required by law, the Articles of Incorporation, these By-Laws or the Declaration.

Section 5 – Proxies: At all meetings of the Board, each Director may vote in person or by written Proxy. All Proxies shall be in writing and filed with the Acting Secretary at such meeting.

Section 6 – Action Taken Without a Meeting: the Board shall have the right to take any action in the absence of a meeting that they could take at a meeting by obtaining the written approval of ALL Directors. Any action so approved shall have the same effect as though taken at a meeting of the Board.

Article VII: Election of Directors

Section 1 – Election: Election to the Board shall be by secret written ballot. At such election, the Members may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Articles of Incorporation. The persons receiving the largest number of votes shall be deemed elected. Cumulative voting shall not be permitted.

Article VIII: Powers and Duties of the Board

Section 1 – Powers: The Board shall have the power to:

- [a] appoint and/or remove Officers of the Association;
- [b] adopt and publish Rules and Regulations governing the use of the Common Areas and facilities; the personal conduct of the Members and their guests; and, to establish penalties, within the limits set forth in the Declaration, the Articles of Incorporation and these By Laws, for the infraction thereof;
- [c] exercise all powers, duties and authority vested in or delegated to the Association and not reserved to the Members by other provision of these By Laws, the Articles of Incorporation or the Declaration;
- [d] employ an independent contractor or such other employee[s] as the Board deems necessary, establish his or her compensation and prescribe his or her duties.

Section 2 – Duties: It shall be the duty of the Board to:

- [a] cause to be kept a complete record of all its acts and corporate affairs and present a statement thereof at the regular Annual or Special Meeting of the Members when such statement is requested in writing by one-fourth [1/4] of the Class A Members [as defined in the Declaration and Articles of Incorporation] who are entitled to vote;
- [b] supervise all Officers of the Association and see that their duties are property performed as more fully provided herein and in the Declaration;
- [c] fix the amount of the annual assessment against each Lot at least thirty [30] days in advance of each annual assessment period as provided in ARTICLE XII; and, send a thirty [30] day advance written notice of the assessment to each Lot Owner;
- [d] foreclose the lien against any property for which assessments are not paid within thirty [30] days after the due date; or, bring action of law against the Owner personally obligated to pay same;
- [e] an appropriate Board Officer, upon demand by any person, shall issue a Certificate bearing the LJHA corporate seal and verifying the assessment on any lot has been paid. A reasonable charge may be made by the Board for the issuance of the Certificate. The verifying Certificate shall be conclusive evidence of such payment;

[f] procure and maintain liability, hazard or other insurance for the protection of the Association and its property;

[g] the Board shall have the right to require all Officers, or employees, having fiscal responsibilities to be bonded;

[h] cause the Common Areas to be maintained.

Article IX: Committees

Section 1: The Board shall appoint such committees as deemed appropriate in carrying out its purpose, such as:

[a] Recreation/Hospitality Committee: shall advise the Board on all matters pertaining to the recreational program, hospitality for Members and activities of the Association; and shall perform such other functions as the Board, in its discretion, determines.

[b] Maintenance Committee: shall advise the Board on all matters pertaining to the maintenance, repair or improvement of the Common Area; and, shall perform such other functions as the Board, in its discretion, determines.

[c] Publicity Committee: shall inform the Members of all activities and functions of the Association; and, shall, after consulting with the Board, make such public releases and announcements as are in the best interest of the Association.

[d] Financial Review Committee: shall supervise the Annual Review of the Association's books and approve the Annual Budget and Statement of Receipts and Expenditures to be presented to the Members at the regular Annual Meeting, as provided in ARTICLE XI, Section 8 (d). The Treasurer shall be an Ex-Officio Member of the Audit Committee.

[e] Architectural Committee: shall exercise those duties and responsibilities as set forth in the Declaration along with any other duties and responsibilities established by the Board.

[f] Lake Quality/Management Environmental Committee: shall oversee and identify water quality issues with the lake; conduct professional annual water analysis of the lake; purchase chemicals for lake spraying; determine timeline and application for installation of chemicals on the lake; coordinate Volunteers for lake spraying and other activities concerning the lake; dialogue with City officials and other agencies / businesses concerning lake issues; report budgetary needs to the Budget Committee on a timely basis; monitor expenses and maintain the approved budgeted funds; and, report all activities of the Committee to the Board.

[g] Security Committee: shall advise the Board on all Security matters affecting both the common areas and Homeowner property and shall make recommendations to the Board regarding types of Security services required. Once approved by the Board, shall acquire the services of a bonded company to provide selected Security services for the common areas. The Committee shall provide oversight for Security services to ensure contract compliance and initial all invoices for compensation.

[h] Budget Committee: shall receive budget input from all Board Members and Committee Chairs; create a balanced Budget appropriate to fulfill the Mission of the organization; recommend appropriate fiscal action specific to dues, assessments, individual line items, coverage and reporting; present proposed Budget to the Board for approval; present approved Budget at the Annual Meeting; and, monitor Budget throughout the year for compliance.

Section 2: It shall be the duties of each Committee to receive complaints from Members on any matter involving Association functions, duties and activities within its field of responsibility and dispose of such complaints as deemed appropriate, or refer them to such other committee, Director or Officer of the Association as may be concerned with the matter presented.

Article X: Meetings of Members

Section 1 – Annual Meetings: The Annual Meeting of the Members shall be held the First Tuesday of February at the hour of Eight o'clock in the evening [8:00 PM].

Section 2 – Special Meetings: Special Meetings of the Members may be called at any time by the President, by the Board or upon written request of the Members who are entitled to vote one-fourth [1/4] of all the votes of the entire Membership.

Section 3 – Notice of Meetings: Notice of each meeting shall be in writing, not less than ten [10] nor more than fifty [50] days before the date of such meeting, to each Member, personally or by mailing a copy to the Member entitled to vote, by or at the direction of the Secretary or the person authorized to call the meeting. Postage for mailed copies shall be prepaid and the notice addressed to the Member at his or her address last appearing on the books of the Association, or at such other address as shall be supplied by such Member for the purpose of notice. Such notice shall specify the place, day and hour of the meeting; and, in the case of a Special Meeting, the purpose of the meeting. If the applicable statutes of the Commonwealth of Virginia require a longer period of notice, such statutory requirement shall apply.

Section 4 – Quorum: A Quorum shall be constituted by the presence of Members at the meeting, in person, or by Proxy, entitled to cast one-tenth [1/10] of the votes for any action, except as otherwise provided in the Article of Incorporation, the Declaration or these By Laws. If, however, a Quorum shall not be present, or represented by written Proxy filed with the Secretary, at any meeting, the members present and entitled to vote shall have the power to adjourn the meeting from time to time, without notice other than the announcement at the meeting, until a Quorum shall be present.

Section 5 – Proxies: At all meetings of the Members, each Member may vote in person, or by Proxy. All Proxies shall be in writing and filed with the Secretary. Each Proxy shall be revocable and shall automatically cease upon conveyance of any Lot ownership by the Member.

Article XI: Officers and Their Duties

Section 1 – Enumeration of Officers: The Officers of the Association shall be a President and Vice President who shall, at all times, be Members of the Board; a Secretary, a Treasurer and such other officers as the Board may from time to time, by Resolution create.

Section 2 – Election of Officers: The election of Officers shall take place at the first meeting of the Board following each Annual Meeting of the Members.

Section 3 – Term of Office: The Officers of the Association shall be elected annually by the Board and each shall hold office for a term of one [1] year, unless he or she shall resign, be removed or otherwise disqualified to serve.

Section 4 – Special Appointments: The Board may elect such other 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 the Board. Any Officer may resign at any time by giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt or at any later time specified therein. 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 in the same manner prescribed for regular elections. The Officer elected to fill a vacancy shall serve for the remainder of the term of the Officer he or she replaces.

Section 7 – Multiple Offices: The Offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one [1] of any of the other offices, except in the case of Special Offices created pursuant to Section 4 of this ARTICLE XI.

Section 8 – Duties: The duties of the Officers shall be:

[a] President: The President shall preside at all meetings of the Board and of the Members; see that Orders and Resolutions of the Board are executed; sign all leases, mortgages, deeds and other written instruments in the name and on behalf of the Association; co-sign all checks and promissory notes; have possession of the corporate seal of the Association and affix same to all documents necessitating said seal; keep a current membership record [listing names, addresses and 'phone numbers for contact]; and, perform such other duties as required by the Board.

[b] Vice President: The Vice President shall act in the place and stead of the President in the event of the President's absence, inability or refusal to act; and, exercise and discharge such other duties as may be required of him or her by the Board

[c] Secretary: The Secretary shall: serve Notice of Meetings of the Board and Members; record the Minutes of each meeting of the Board and of the Members, including the legislative actions; produce the Newsletter; provide current Website information to facilitate communication to the Members; and, perform such other duties as are required by the Board.

[d] Treasurer: The Treasurer shall receive and deposit in the appropriate bank account[s] all monies of the Association; post the dues receipts to the appropriate Lot Number in a Ledger of continuing record; disburse all funds as directed by Resolution of the Board with the appropriate account number; sign all checks of the Association[two signatures are required on each disbursement]; keep proper books of account; submit the Association's financial records to the Annual Financial Review Committee at the completion of the fiscal year.

Article XII: Assessments

Section 1 – Creation of Lien and Personal Obligatory Assessments: By the Declaration, each Member is deemed to covenant and agree to pay to the Association:

[a] Annual Assessments or charges;

[b] Special Assessments for capital improvements.

The Annual and Special Assessments, together with such applicable interest and costs of collection, as hereinafter provided, shall be on the land and continue upon the specific Lot upon which that assessment is made until fully paid. Each Assessment, plus applicable costs, including interest and attorney fees, shall be the personal obligation of the Lot Owner at the time the Assessment fell due and shall not pass to successors in title unless expressly assumed by them.

Section 2 – Purpose of Assessments: The Assessments levied by the Association shall be used exclusively for the purpose of promoting the recreation, health, safety and welfare of the residents who live in Lake James and for the ownership, improvement, operation and maintenance of the Common Area and the improvements thereon.

Section 3 – Basis and Maximum of Annual Assessments: From and after January 1 of the year immediately following the title conveyance of the first Lot to an Owner, the maximum Annual Assessment imposed may be increased each year, on a percentage basis, without a vote of the Membership, based on the Annual Increase of the National Consumer Price Index [CPI] as most recently published by the United States Bureau of Labor Statistics. By a vote of two-thirds [2/3] of the Members who are voting in person at a meeting duly called for this purpose, the maximum Annual Assessment may be increased above the amount specified above. After consideration of

current operating and maintenance costs, the Board may fix the Annual Assessment at an amount not in excess of the maximum to meet future needs.

Section 4 – Special Assessments for Capital Improvements: In addition to the Annual Assessments authorized above, the Association may levy, in any Assessment year, a Special Assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a described capital improvement upon the Common Area, including the necessary fixtures and personal property related thereto, provided that such Assessment shall have the assent of two-thirds [2/3] vote of the Members who are voting in person at a meeting duly called for that purpose. Written notice stating the purpose of the meeting shall be sent to all Members, not less than thirty [30] days nor more than sixty [60] days in advance of the meeting.

Section 5 – Uniform Rate: Both Annual and Special Assessment must be fixed at a uniform rate for all Lots and may be collected on a monthly basis.

Section 6 – Quorum for any Action Authorized Under Sections 3 and 4: At the first meeting called for Annual or Special Assessments [Section 3 and 4 above] the presence, in person, of Members entitled to cast sixty percent [60%] of all votes of the Members shall constitute a QUORUM. If the required Quorum is not in attendance at any meeting, another meeting may be called, subject to NOTICE as set forth in Sections 3 and 4 above. The required Quorum at any subsequent meeting shall be one-half [1/2] of the required Quorum at the preceding meeting. No subsequent meeting shall be held more than sixty [60] days following the preceding meeting.

Section 7 – Annual Assessments, Date of Commencement/Due Dates: The Annual Assessment provided for herein shall COMMENCE for all Lots on the first day of the month following the conveyance of the Common Area to the Association. The Board shall fix the amount of the Annual Assessment against each Lot at least thirty [30] days in advance of each Annual Assessment period; but, in the absence of such action by the Board, the Annual Assessment shall be in the amount last fixed. Written notice of the Annual Assessment shall be sent to every Owner, subject thereto. The Due Date shall be established by the Board. The Association shall, upon demand at any time, furnish a Certificate in writing, signed by an Officer of the Association, setting forth whether the Assessment[s] on a specified Lot has been paid. A reasonable charge may be made by the Board for the issuance of such Certificate, which shall be conclusive evidence of payment in full.

Section 8 – Nonpayment of Assessment(s), Effect of and Remedies of the Association: Any Assessment, which is not paid when due, shall be deemed delinquent. If the Assessment is not paid within thirty [30] days after the due date, the Assessment may bear interest from the due date at a rate not to exceed ten percent [10%]. The Association may bring an action of Law against the Owner personally obligated to pay same or foreclose the lien against the Lot. In either case, interest, costs and reasonable Attorney fees incurred shall be added to the amount of such Assessment. No Owner may waive, or otherwise escape, liability for the Assessment provided for herein by nonuse of the Common Area or abandonment of his or her Lot.

Section 9 – Subordination of the Lien to Mortgages: The Lien of the Assessment[s] provided for herein shall be subordinate to the Lien of any First Mortgage or First Deed of Trust. Sale, or transfer, of any Lot shall not affect the Assessment Lien. Foreclosure of any First Mortgage or First Deed of Trust shall extinguish such Lien for Assessments due prior to such Foreclosure [and such Lien shall attach to any excess proceeds of the Foreclosure]; but, no such Foreclosure, or Lien, shall relieve such Lot from the liability for any Assessment thereafter becoming due.

Section 10 – Exempt Property: The following property, subject to the Declaration, shall be EXEMPT from the Assessments created herein:

[a] all Property dedicated to, and accepted by, a local public authority;

[b] the Common Area;

[c] all Property owned by a charitable, or non-profit organization which are exempt from taxation by the laws of the Commonwealth of Virginia.

However, no land, or improvements thereon, devoted to dwelling use, shall be exempt from said Assessments.

Article XIII: Books and Records

The Declaration, Articles of Incorporation, By Laws, books, records and other papers of the Association shall be available for inspection, during reasonable business hours, by any Member at the principal office of the Association where copies may be purchased at a reasonable cost.

Article XIV: Corporate Seal

The Association shall have a seal, in circular form, having within its circumference the words:

LAKE JAMES HOMES ASSOCIATION

in the safe keeping by the President who shall affix the Seal to appropriate documents.

Article XV: Amendments

Section 1: These By Laws may be Amended, at a Regular or Special Meeting of the Members, by a vote of a majority of the Quorum of Members present in person, or by written Proxy, except the Federal Housing Administration [FHA] and/or the Veterans Administration [VA] shall have the right to veto Amendments

Section 2: In the case of any conflict between the Articles of Incorporation and these By Laws, the Articles of Incorporation shall control. In the case of any conflict between the Declaration and these By Laws, the Declaration shall control.

Article XVI: Miscellaneous

The Fiscal Year of the Association shall begin on the First day of January and end on the Thirty-first day of December each year.

IN WITNESS WHEREOF, We, the elected Members of the Board of the LAKE JAMES HOMES ASSOCIATION, do hereby witness and declare these By Laws to be Amended in compliance with the vote of the Members of this Association on this _____ day of _____, Two Thousand and _____.

Larry E. Stampe, Director /President

Tom Randolph, Director /Vice President

Carol Dalton Cash, Director /Secretary

Ruth Hodges Fraser, Director/Treasurer

Tom Cox, Director

Patti Langman, Director

Bill Murray, Director

Gary Nelson, Director

Felix Usis, Director