

Bylaws
Lake Margaret Homeowners Association, Inc.

**BYLAWS
OF
LAKE MARGARET HOMEOWNERS ASSOCIATION, INC.**

**ARTICLE I
NAME, PRINCIPAL OFFICE, AND DEFINITIONS**

Section 1. Name. The name of the Association shall be Lake Margaret Homeowners Association, Inc. (hereinafter sometimes referred to as the "Association").

Section 2. Principal Office. The principal office of the Association shall be located as the Board of Directors may determine. The Association may have such other offices, as the Board of Directors may determine or as the affairs of the Association may require.

Section 3. Definitions. The words used in these Bylaws shall have the same meaning as set forth in that Supplemental Declaration of Rights, Restrictions, Affirmative Obligations, and Conditions and Declaration of Covenants, Conditions and Restrictions for Lake Margaret, Section 1 recorded in the Clerk's Office for the Circuit Court of Chesterfield County, Virginia (said Declaration, as amended, renewed, or extended from time to time, is hereinafter sometimes referred to as the "Declaration"), unless the context shall prohibit.

**ARTICLE II
ASSOCIATION: MEMBERSHIP, MEETINGS, QUORUM, VOTING, PROXIES**

Section 1. Membership. The Association shall have one class of membership. Each Owner, by virtue of ownership of a lot subject to the Declaration, shall be a member of the Association.

Section 2. Place of Meetings. Meetings of the Association shall be held at the principal office of the Association or at such other suitable place convenient to the Members as may be designated by the Board of Directors either within the Property or as convenient thereto as possible and practical.

Section 3. Annual Meetings. Annual meetings shall be held at least once a year on a date and at a time set by the Board of Directors.

Section 4. Special Meetings. The President may call special meetings. In addition, it shall be the duty of the President to call a special meeting of the Association if so directed by resolution of the Board of Directors or upon a petition signed by Members representing at least twenty (20%) percent of the total votes of the Association.

Section 5. Notice of Meetings. Written or printed notice stating the location, date, time and purpose of any meeting of the Members shall be delivered, either by hand-delivery or by mail, to each Member entitled to vote at such meeting at least a month but not more than sixty (60) days before the date of the meeting. If notice is by hand-delivery, the officer or agent making such delivery shall certify in writing that notice was delivered. No business shall be transacted at a special meeting except as stated in the notice. If mailed, the notice of a meeting shall be deemed to be delivered when deposited in the United States mail addressed to the Member at his or her address as it appears on the records of the Association, with postage thereon prepaid.

Section 6. Waiver of Notice. Waiver of notice of a meeting of the Members shall be deemed the equivalent of proper notice. Any Member may, in writing, waive notice of any meeting of the Members, either before or after such meeting. Attendance at a meeting by a Member shall be deemed waiver by such Member of notice of the time, date, and place thereof, unless such Member specifically objects to lack of proper notice at the time the meeting is called to order. Attendance at a special meeting shall also be deemed waiver of notice of all business transacted thereat unless objection to the calling or convening of the meeting, of which proper notice was not given, is raised before the business is put to a vote. If notice is not given in accordance with these Bylaws and any Member objects at the beginning of the meeting to the notice given, then the presiding officer shall adjourn the meeting to a later date and proper notice of the new meeting date shall be given to all Members.

Section 7. Voting. There shall be one (1) vote per Lot. Where there is more than one Owner of a Lot those Owners shall decide among themselves how their vote shall be exercised.

Section 8. Proxies. Any Member entitled to vote may do so by written proxy duly executed by the Member, or in cases where more than one (1) person owns a lot, by the person selected by the group to be the voting member, setting forth the meeting at which the proxy is valid. To be valid, a proxy must be in writing, signed by the Member, dated, and filed with the officer designated by the Board prior to the opening of the meeting for which it is to be used. No proxy shall be revocable except by written notice delivered to the Association. A proxy may be revoked if the Member who has given such proxy is in attendance at a meeting. No proxy shall be valid after eleven (11) months from its date of execution unless otherwise specified in the proxy.

Section 9. Majority. As used in these Bylaws, the term "majority" shall mean those votes totaling more than fifty (50%) percent of the total eligible number. Unless otherwise provided by law or by specific provisions herein, the vote of a majority of the votes entitled to be cast by the Members present or represented by proxy at a meeting at which a quorum is present shall be necessary for the adoption of any matter voted upon by such Members.

Section 10. Quorum. Except as otherwise provided in these Bylaws or in the

Declaration, the presence in person or by proxy of the Members representing twenty percent (20%) of the total eligible votes in the Association shall constitute a quorum at all meetings of the Association.

ARTICLE III
BOARD OF DIRECTORS: NUMBER, ELECTION, POWERS, MEETINGS

A. Composition and Selection.

Section 1. Governing Body; Composition. The affairs of the Association shall be governed by a Board of Directors, each of whom shall have one (1) equal vote. The directors, except those appointed by the Declarant, shall be Members. In the case of a Member which is not a natural person, any officer, director, partner or trust officer of such Member shall be eligible to serve as a director unless otherwise specified by written notice to the Association signed by such Member; provided, no Member may have more than one such representative on the Board at a time.

Section 2. Number of Directors. There shall be between three (3) and five (5) directors. During the Declarant Control Period the directors shall be appointed by the Declarant. Thereafter, the directors will be elected by the Members. Initially there shall be three (3) directors but the number of directors may be changed from time to time by the Declarant during the Declarant Control Period or by majority vote of the Members when directors are elected by the Members. Except during the Declarant Control Period, any directors added due to an increase in the number of directors shall be elected by the Members.

Section 3. Election and Term of Office. Except for directors appointed by the Declarant who shall serve until they are removed by the Declarant or until new directors are elected following the termination of the Declarant Control Period, directors shall serve for one (1) year terms and may be elected to serve any number of consecutive terms.

Section 4. Removal of Directors and Vacancies. Any director elected by the Members may be removed, with or without cause, by the vote of the Members holding a majority of the votes entitled to be cast for the election of such director. Any director whose removal is sought shall be given notice prior to any meeting called for that purpose. Upon removal of a director by the Members, a successor shall be elected by the Members to fill the vacancy for the remainder of the term of the director who vacated the position. The Members shall not have the authority to remove any director appointed by the Declarant, or to fill any vacancy created by the death, resignation, or removal of a director appointed by the Declarant, except following termination of the Declarant Control Period.

Any director elected by the Members who has three (3) consecutive un-excused absences

from Board meetings or who is delinquent in the payment of any assessment or other charge due the Association for more than thirty (30) days may be removed by a majority of the directors present at a regular or special meeting at which a quorum is present.

In the event of a vacancy other than due to removal by the Members, the remaining directors on the Board may appoint a successor to fill the unexpired portion of the term.

B. Meetings.

Section 5. Organizational Meetings. The first meeting of the Board of Directors following each annual meeting of the membership shall be held within ten (10) days thereafter at such time and place as shall be fixed by the Board.

Section 6. Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the directors, but at least two (2) such meetings shall be held each fiscal year. Notice of the time, date, location and purpose of the meeting shall be communicated to directors not less than four (4) days prior to the meeting. Notice may be by mail, hand-delivery or email.

Section 7. Special Meetings. Special meetings of the Board of Directors shall be held when called by written notice signed by the President of the Association or by any two (2) directors. Notice of the time, date, location and purpose of the meeting shall be communicated to directors not less than four (4) days prior to the meeting. Notice may be by mail, hand-delivery or email.

Section 8. Waiver of Notice. Notice of a meeting shall be deemed given to any director who attends the meeting without protesting before or at its commencement about the lack of adequate notice. If notice is not given in accordance with these Bylaws and any director objects at the beginning of the meeting to the notice given, then the presiding officer shall adjourn the meeting to a later date and proper notice of the new meeting date shall be given to all directors.

Section 9. Quorum of Board of Directors. At all meetings of the Board of Directors, a majority of the directors shall constitute a quorum for the transaction of business, and the votes of a majority of the directors present at a meeting at which a quorum is present shall constitute the decision of the Board of Directors.

Section 10. Compensation. No director shall receive any compensation from the Association for acting as such. Any director may be reimbursed for expenses incurred on behalf of the Association upon approval of a majority of the other directors. Nothing herein shall prohibit the Association from compensating a director, or any entity with which a director is affiliated, for services or supplies furnished to the Association in a capacity other than as a director pursuant to a contract or agreement with the Association, provided that such director's

interest was made known to the Board prior to entering into such contract and such contract was approved by a majority of the Board of Directors, excluding the interested director.

Section 11. Conduct of Meetings. The President, or in his or her absence the Vice President shall preside, over all meetings of the Board of Directors, and the Secretary shall keep a minute book of meetings of the Board of Directors, recording therein all resolutions adopted by the Board of Directors and all transactions and proceedings occurring at such meetings.

Section 12. Open Meetings. All meetings of the Board shall be open to all Members. Subject to reasonable rules adopted by the Board, the Board shall provide a designated time during a Board meeting to allow Members an opportunity to comment on any matter relating to the Association. Notwithstanding the above, the President may adjourn any meeting of the Board of Directors and reconvene in executive session, excluding Members, but only in strict conformance with the procedures specified in Section 55-510.1(C) of the Virginia Property Owners' Association Act, Section 55-508 et seq. of the Code of Virginia, 1950, as amended.

Section 13. Action Without a Formal Meeting. Any action to be taken at a meeting of the directors or any action that may be taken at a meeting of the 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, and such consent shall have the same force and effect as a unanimous vote.

C. Powers and Duties.

Section 14. Powers. The Board of Directors shall have all of the powers and duties necessary for the administration of the Association's affairs and for performing all responsibilities and exercising all rights of the Association as set forth in the Declaration, the Articles of Incorporation, these Bylaws and as provided by law. The Board may do or cause to be done all acts and things as are permitted by the Declaration, the Articles, these Bylaws and by law and which are not by the Declaration, Articles, these Bylaws, or Virginia law directed to be done and exercised exclusively by the Members.

In addition to the duties imposed by these Bylaws or by any resolution of the Association that may hereafter be adopted, the Board of Directors shall have the power to establish policies relating to, and shall be responsible for performing or causing to be performed, the following, in way of explanation, but not limitation:

- (a) preparation and adoption of annual budgets;
- (b) making assessments to defray the common expenses and establishing the means and methods of collecting such assessments;
- (c) designating, hiring, and dismissing the personnel and contractors necessary

for the operation of the Association and, where appropriate, providing for the compensation of such personnel and contractors and for the purchase of equipment, supplies, and materials to be used by such personnel in the performance of their duties;

(d) collecting the assessments, depositing the proceeds thereof in a federally insured bank depository which it shall approve, and using the proceeds to operate the Association; provided, any reserve fund may be deposited, in the directors' best business judgment, in federally insured depositories other than banks;

(e) making and amending rules and regulations;

(f) opening of bank accounts on behalf of the Association and designating the signatories required;

(g) enforcing by legal means the provisions of the Declaration, these Bylaws, and the rules and regulations adopted by it and bringing any proceedings which may be instituted on behalf of or against the owners concerning the Association;

(h) obtaining and carrying appropriate insurance coverage, paying the costs thereof, and filing and adjusting claims, as appropriate;

(i) paying the cost of all services rendered to the Association or its Members and not chargeable directly to specific owners;

(j) keeping books with detailed accounts of the receipts and expenditures affecting the Association and its administration, specifying the maintenance and repair expenses and any other expenses incurred;

(k) making available to any prospective purchaser of a tract, any owner, and the holders, insurers, and guarantors of a first Mortgage on any Lot, current copies of the Declaration, the Bylaws, rules and all other books, records, and financial statements of the Association; and

(l) indemnifying a director, officer or committee member, or former director, officer or committee member of the Association in accordance with Virginia law and the Declaration and Articles of Incorporation.

Section 15. Management. The Board of Directors may employ for the Association a professional management agent or agents at a compensation established by the Board of Directors to perform such duties and services as the Board of Directors shall authorize. The Board of Directors may delegate to one of its members the authority to act on behalf of the Board of Directors on all matters relating to the duties of the managing agent or manager, if any, which

might arise between meetings of the Board of Directors.

Section 16. Borrowing. The Board of Directors shall have the power to borrow money provided the borrowing is approved by seventy-five percent (75%) of the votes cast by the Members at a meeting where a quorum is present and where notice of the meeting specifies the purpose thereof.

Section 17. Rights of the Association. The Association shall have the right to contract with any person for the performance of various duties and functions.

ARTICLE IV OFFICERS

Section 1. Officers. The officers of the Association shall be elected by the Board and shall be a President, a Vice President, a Secretary, and a Treasurer. Any two (2) or more offices may be held by the same person, except the offices of President and Treasurer.

Section 2. Election, Term of Office, and Vacancies. The officers of the Association shall be elected annually by the Board of Directors at the first meeting of the Board of Directors following each annual meeting of the Members.

Section 3. Removal and Vacancy. Any officer may be removed by the Board of Directors whenever in its judgment the best interests of the Association will be served thereby. A vacancy in any office arising because of death, resignation, removal or otherwise, may be filled by the Board of Director for the unexpired portion of the term.

Section 4. Powers and Duties. The officers of the Association shall each have such powers and duties as generally pertain to their respective offices, as well as such powers and duties as may from time to time specifically be conferred or imposed by the Board of Directors. The President shall be the chief executive officer of the Association. The Vice President shall act as President in the President's absence. The Treasurer shall have primary responsibility for the preparation of the budget as provided for in the Declaration and may delegate all or part of the preparation and notification duties to a finance committee, management agent, or both. The Secretary shall provide notice of meetings and shall maintain minutes of meetings of the Board of Directors and of the Members.

Section 5. Resignation. Any officer may resign at any time by giving written notice to the Board of Directors. Such resignation shall take effect on the date of the 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. Agreements, Contracts, Deeds, Leases, Checks, Etc. All agreements,

contracts, deeds, leases, checks, and other instruments of the Association shall be executed by the President or by such other person or persons as may be designated by resolution of the Board of Directors.

Section 7. Compensation. Compensation of officers shall be subject to the same limitations as compensation of directors as set forth in these Bylaws.

ARTICLE V COMMITTEES

The Board may appoint such committees as it deems appropriate to perform such tasks and to serve for such periods as the Board may designate by resolution. Each committee shall operate in accordance with the terms of the resolution of the Board of Directors designating the committee or with rules adopted by the Board of Directors. All members of any committee appointed by the Board shall serve at the pleasure of the Board.

ARTICLE VI LIABILITY AND INDEMNIFICATION OF OFFICERS AND DIRECTORS

Section 1. Liability and Indemnification of Officers and Directors. The Association shall indemnify every officer, director and committee member of the Association against any and all expenses, including attorneys' fees, reasonably incurred by or imposed upon any officer or director in connection with any action, suit or other proceeding (including settlement of any suit or proceeding if approved by the Board of Directors) to which the officer, director or committee member may be made a party by reason of being or having been an officer or director of the Association regardless of whether he is an officer or director at the time such expenses are incurred. The officers, directors and committee members of the Association shall not be liable to the Members for any mistake of judgment, negligence, or otherwise, except for their own individual willful misconduct or bad faith. The officers, directors and committee members of the Association shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Association (except to the extent that such officers, directors or committee members are liable as Members) and the Association shall indemnify and forever hold each officer, director and committee member free and harmless against any and all liability to others on account of any such contract or commitment. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any officer, director or committee member of the Association, or former officer, director or committee member of the Association, may be entitled.

ARTICLE VII MISCELLANEOUS

Section 1. Fiscal Year. The fiscal year of the Association shall be set by resolution of the Board of Directors. In the absence of a resolution, the fiscal year shall be the calendar year.

Section 2. Conflicts. If there are conflicts between the provisions of Virginia law, the Declaration, the Articles of Incorporation, and these Bylaws, the provisions of Virginia law, the Declaration, the Articles of Incorporation, and the Bylaws (in that order) shall prevail.

Section 3. Books and Records.

(a) Inspection by Members and Mortgagees. The Board shall make available for inspection and copying by any holder, insurer or guarantor of a first Mortgage on a Lot, or by a Member of the Association in good standing, or by the duly appointed representative of any of the foregoing, for a purpose reasonably related to their interest in the Association, upon ten (10) business days' written notice at a mutually convenient time and location: the Declaration, the Articles of Incorporation, the Bylaws, any amendments to the foregoing, the rules and regulations of the Association, the membership register, books of account, any finalized contracts in which the Association is party and the minutes of meetings of the Members, the Board, and committees.

Section 4. Notices. Unless otherwise provided in these Bylaws, all notices, demands, bills, statements, or other communications under these Bylaws shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by United States Mail, first class postage prepaid:

(a) if to a Member, at the address of record with the Association; or

(b) if to the Association, the Board of Directors, or the registered agent, at the principal office of the Association or the registered agent, if any, or at such other address as shall be designated by notice in writing to the Members pursuant to this Section.

Section 5. Amendment. Except as provided above, these Bylaws may be amended by the affirmative vote of seventy-five percent (75%) of the Members voting in person or by proxy at a meeting of the Members at which a quorum is present; provided, however, notice of the proposed amendments must be provided to Members with the notice of the meeting. If a member consents to any amendment to the Declaration or these Bylaws, it will be conclusively presumed that such member has the authority so to consent and no contrary provision in any Mortgage or contract between the Owner and a third party will affect the validity of such amendment.

LAKE MARGARET HOMEOWNERS
ASSOCIATION, INC.

President

I, the undersigned, do hereby certify:

That I am the duly elected and acting Secretary of Lake Margaret Homeowners Association, Inc.;

That the foregoing Bylaws constitute the original Bylaws of said Association, as duly adopted at a meeting of the Association's Board of Directors thereof held on the _____ day of _____, 2016.

IN WITNESS WHEREOF, I have hereunto subscribed my name this ____ day of _____, 2016.

Secretary