

**BYLAWS**  
**of**  
**POTOMAC BAY ESTATES**  
**Property Owners Association of Virginia, Inc.**  
(Hereinafter called the "Property Owners Association" or "POA")

The POA is a non-stock, non-profit corporation formed for the purpose of preserving, maintaining, protecting, and improving the qualities and property values of the Potomac Bay Estates (PBE) subdivision of Northumberland County, Virginia. The POA provides for the necessary operation, administration and government of Potomac Bay Estates as a community; and also provides a vehicle for the interpretation, application, administration and enforcement of covenants and rules affecting all lots and common areas in this subdivision. The POA is bound by and operates in conformity with the Virginia Property Owners' Association Act of 1989 and its amendments (Title 55, Article 3 of the Code of Virginia, "Operation and Management of Association"), notwithstanding any possible exemptions thereto. ***In the event of conflict between the Code and these Bylaws, the former shall supplant the latter.***

Wherever the term "lot" is used in these bylaws, it shall be deemed to mean, unless the context clearly indicates to the contrary, a numbered building lot shown on the plat of PBE now or hereafter recorded in the Clerk's Office of the Circuit County of Northumberland County, Virginia. The plat was initially recorded by Potomac Bay Real Estate Investment Trust on February 16, 1988 in the Deed Book 278 at page 174 of the land records of Northumberland County, Virginia, and later recorded on a plat of survey made by Charles A. Tomlin, Jr. CLS dated July 16, 1988, entitled "Potomac Bay Estates". Any reference to "covenants" shall, unless the context clearly indicates to the contrary, be deemed to mean the covenants imposed upon residential building lots in PBE by "PBE Covenants and Restrictions" now and hereafter recorded in the aforesaid Clerk's Office.

**Article 1. Offices**

Section 1.01 Principal Office. The principal office of the POA shall be at the President's house or at such place as the Board of Directors shall by resolution determine.

Section 1.02 Registered Office. The registered office of the POA in Virginia (as required by law) shall be at the Secretary or Treasurer's house or at such place as the Board of Directors shall by resolution determine, and may, but need not be at the principal office of the Association.

**Article 2. Membership**

Section 2.01 General. There shall be one class of members. Any person, firm, association, or corporation having a fee simple ownership of any lot or lots shall automatically be a member of the POA. In any case, where any such lot is owned by two or more persons jointly, each such joint owner shall be a member of the POA. However, in no event shall there be more than one vote per lot by reason of the number of members with ownership rights in a single lot. Owners of more than one lot shall pay dues and assessments for a single lot times the number of lots they own, and shall have as many votes as the number of lots they own. No member may resign, terminate, or forfeit his/her membership, nor may any member be expelled.

Section 2.02 Life Tenant and Remainderman. In any case where any lot is held by one or more persons for life with remainder to another or others, only such life tenant or tenants shall be deemed a member or members of the POA until such time as the remainderman or remaindermen shall come into use, possession and enjoyment for such lot.

Section 2.03 Trustee. Where any lot is held in trust, the trustee or trustees, and not any beneficiary, shall be a member or members of the POA for the purpose of voting membership, except that the beneficial owner or owners shall be deemed a member or members in any case where a lot is held under a deed of trust or title is otherwise held only for the purposes of securing a debt. If the lot is possessed by a beneficiary of a trust, as mentioned above, thus placing the voting rights in the trustee(s), then such beneficiary in possession shall have the rights enumerated in Article 3 of these Bylaws.

Section 2.04 Lessor or Lessee. As between owner and tenant of any lot, the owner shall be deemed a member of the POA.

Section 2.05 Other Cases. In any case involving determination of membership not specifically provided above, the Board of Directors shall by resolution determine which person or persons having an interest in any lot shall be deemed a member or members of the POA.

Section 2.06 Transfer of Membership. There shall be no capacity on the part of a person who is a member, to give, sell, assign or transfer membership in the POA in any manner. Membership shall terminate upon a member transferring title to his/her lot(s) to another and convey with the land. A new title holder to a lot shall automatically be a member with all rights and responsibilities except that he/she shall not be entitled to (1) vote or (2) use the Amenities or Privileges of members until (a) presentation of evidence of title to a lot(s) in the name of transferee in such form as the Board of Directors may require; (b) written notice of the fact of transfer given to the Secretary of the POA setting forth the name and mailing address of the transferee and such other information as the Board of Directors may require; and (c) all dues and other obligations due POA related to the affected lot have been paid.

### **Article 3. Rights Responsibilities and Privileges of Members**

Section 3.01 Use of Amenities. Members, upon satisfaction of the requirements of Section 2.06 of these Bylaws, shall be entitled to the right and quantity of vote and exercise thereof, and the full use of all facilities and amenities provided from time to time by the POA in accordance with the provisions of these Bylaws and such rules and regulations as may be adopted from time to time by the Board of Directors.

Section 3.02 Privileges. Except as may otherwise be provided in these bylaws, guest privileges shall be extended in accordance with the following provisions:

- a. The spouse, children, grandchildren, parents, and immediate family of a member shall be entitled to unlimited privileges.
- b. Upon application to the Board of Directors and upon payment of such fees and charges as the Board of Directors may from time to time determine, a

- lessee in residence may be granted unlimited privileges.
- c. Guests of a member shall be entitled to use of the facilities of the Association. The Board may set rules for guest use and use of the facilities by members of any association, organization, corporation or other entity which is not an individual or family.
  - d. Members shall be responsible for all debts and acts committed by their guests.
  - e. The Board of Directors may, on special occasions, make available to the general public such portions of the Association's facilities and on such terms and conditions as the Board of Directors may determine, making any such organization liable for its debts and acts as in subsection d.

Section 3.03 Restrictions. The Board of Directors may set such rules from time to time as are necessary and appropriate to protect the community (consistent with paragraph three of the Covenants), from actions by others which negatively affect the ability of the members to use and enjoy their property and the common areas.

#### **Article 4. Meetings of Members**

Section 4.01 Annual Meetings. The annual meeting of the Association, for the purpose of conducting the election of Directors and for the transaction of such business as may properly come before the meeting, shall be held in May or June at the time fixed by the Board of Directors.

Section 4.02 Special Meetings. A special meeting of the members may be called at any time by the President or by the Board of Directors, or by members controlling twenty-five percent of the votes entitled to be cast at such a meeting.

Section 4.03 Place of Meetings. Each meeting of the members shall be held at (a) the principal office of the POA or, (b) any other place within a 25-mile radius of PBE in the Commonwealth of Virginia, as may be designated in the notice of such meeting.

Section 4.04 Notice and Waivers. Written notice of each meeting of the members shall be given by or at the direction of the officer or some other person calling the meeting, at least 14 days before any general meeting and at least 7 days before any special meeting. Such notice shall state the place, day and hour of the meeting and the purpose or purposes for which the meeting is called. A copy thereof shall be delivered personally, e-mailed, or mailed with postage prepaid, to each member entitled to vote at such meeting. If mailed, it shall be directed to such member at this/her address as it appears on the records of the POA. Such notice shall be in accordance with at least the minimum periods set by state law.

Notwithstanding the foregoing, a waiver of any notice herein or by law required, if in writing and signed by the person entitled to such notice (or emailed by him or her), whether before or after the time of the event for which notice was required to be given, shall be equivalent of the giving of such notice. In addition, a member who attends a meeting shall be deemed to have had timely and proper notice of the meeting, unless he/she attends for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Notice of any adjourned or recessed meeting need not be given.

Section 4.05 Quorum. Except as otherwise provided by law, at any meeting of the members, the presence in person or by proxy of members holding thirty-three and one-third percent (33-1/3%) of the votes entitled to be cast at such meeting shall constitute a quorum for the transaction of business. In the absence of a quorum, a majority of the members present in person or represented by proxy and entitled to vote may adjourn the meeting from time to time and from place to place until a quorum is obtained.

Section 4.06 Organization. At every meeting of the members, the President or, in the absence of the President, the Vice-President, or in the absence of both President and Vice-President, such other officer of the Association chosen by a majority vote of the members present in person or by proxy and entitled to vote, shall act as Chairman of the Meeting. The Secretary, or, at the discretion of the Chairman, any person designated by him/her, shall act as Secretary of the meeting.

Section 4.07 Audit. The President will nominate for the membership's approval an Audit Committee consisting of one board member, other than the Treasurer, and two non-board members to audit the financial records and transactions for the past year. By May 1 of each year, the Treasurer will provide the Committee with a financial report for the prior year, and all relevant financial books and records of the Association. Using a reasonable standard for similar organizations, the Audit Committee shall seek to satisfy itself that the financial report of the Treasurer is accurate. The Audit Committee will report its findings to the Board not later than 24 hours before the annual meeting.

Section 4.08 Voting. Except as otherwise provided by law, by the Articles of Incorporation, or by these Bylaws, each member shall be entitled to vote upon matters to be voted upon by the members. At each meeting of members held for any purpose, each member entitled to vote shall be entitled to one vote for each lot owned by such member. Any member entitled to vote may vote in person or by proxy duly appointed by an instrument in writing subscribed by such member (or by his/her representative thereunto duly authorized), or an email, and presented to the Secretary no later than the start of the meeting. If a quorum is present, the affirmative vote of a majority in voting power of the members represented at the meeting and entitled to vote on the subject matter shall be the act of the members.

Section 4.09 Action Without a Meeting. Any action required to be taken at a meeting of members, or which may be taken at any meeting of the members, may be taken without a meeting if a consent in-writing, setting forth the action so taken, shall be signed by all of the members entitled to vote with respect to the subject matter thereof. Such consent shall have the same force and effect as a unanimous vote.

## **Article 5. Directors**

Section 5.01 General Powers. The affairs of the POA shall be managed by the Board of Directors, and all corporate powers shall be exercised by the Board of Directors, except as otherwise expressly required by the Articles of Incorporation, by these Bylaws, or by law. The Board of Directors shall have the power as provided for in the Virginia Property Owners'

Association Act (Chap. 26 Article 55-513 of the Code of Virginia) to assess charges against any member for any violation of the Covenants, Bylaws and rules for which the member or his family members, tenants, guests or other invitees are responsible. The Board shall have the power to adopt and enforce rules as allowed by the laws of Virginia, the Covenants, and these Bylaws. ***A majority of votes cast, in person or by proxy, at a meeting convened in accordance with the provisions of these Bylaws and called for that purpose shall repeal or amend any rule or regulation adopted by the Board.***

Section 5.02. Number and Term of Office and Qualifications. ***The official number of Directors shall be five to nine and shall be elected for a three-year term.*** A Board of Directors shall be elected in the manner provided by these Bylaws, and each Director shall hold office until his/her successor shall have been elected or until his/her death, resignation or removal. No decrease in the number of Directors by amendment to these Bylaws shall have the effect of shortening the term of any incumbent Director. All Directors must be members of the Association.

Section 5.03 Election of Directors. Two directors shall be elected at each annual meeting of the membership, and three shall be elected in every third year. In any election of Directors, a quorum being present, the persons receiving the greatest number of votes, among the candidates nominated pursuant to this section shall be the Directors.

Three months prior to the Annual Meeting of the Membership, the President of the Association shall appoint a three-person Nominating Committee to nominate new candidates to serve on the Board. Members interested in serving on the Board shall submit expressions of interest to the Nominating Committee. The Nominating Committee shall consist of no more than two persons from the existing Board of Directors and one at-large person from the POA. It shall develop recommendations for at least two or three candidates (depending on the election) willing to serve on the new Board of Directors. The Committee's proposed candidates, given approval by a majority of the Board of Directors, will be presented to the membership for member approval at the Annual Meeting as the Board's recommendation for new Directors. Other nominations may be made by members during the meeting.

Section 5.04 Removal. Any Director may be removed at any time, either with or without cause, by a majority of votes given in person or by proxy at a special meeting of the members called expressly for that purpose, or in another meeting with this purpose noticed to all members, at which a quorum shall be present.

Section 5.05 Organization. At each meeting of the Board of Directors the President, or in his/her absence the Vice President, or in his/her absence a Director chosen by the majority of the Directors present, shall act as Chairman. The Secretary or an Assistant Secretary, or, at the discretion of the Chairman any person appointed by him/her, shall act as Secretary of the meeting.

Section 5.06 Place of Meeting. The Board of Directors may hold its meetings at such a place or places within the Commonwealth of Virginia as the Board of Directors may from time to time by resolution determine, or (unless contrary to resolution of the Board of Directors), at such place as shall be specified in the respective notices or waivers of notice thereof.

Section 5.07 Regular Meetings. Regular meetings of the Board of Directors may be held at such times and places as may be fixed from time to time by action of the Board of Directors. As required by resolution of the Board of Directors or statute, notice of any such meeting will be given to members who request such notice. All meetings of the Board shall be open to all members, subject to the exceptions of Virginia law. Notice of the time, date, and place of each meeting of the Board or of any subcommittee thereof shall be published where it is reasonably calculated to be available to a majority of lot owners. The Board of Directors shall not use work sessions or other informal gatherings of the Board to circumvent the open meeting requirements as delineated in Section 5.10. Draft minutes of the meeting shall be open for inspection and copying (i) within 60 days from the conclusion of the meeting to which such minutes appertain, or (ii) when such minutes are distributed to Board members as part of an agenda package for the next meeting of the Board, whichever comes first.

Section 5.08 Special Meetings. Special meetings of the Board of Directors shall be held whenever called by the President or by any two or more Directors. Notice of each such meeting shall be mailed to each Director addressed to him/her at his/her residence or usual place of business, at least three (3) days before the date on which the meeting is to be held; or such notice shall be sent to each Director at such place by facsimile (fax), e-mail or wireless, or be delivered to him/her personally or by telephone not later than twenty-four hours before the time at which the meeting is to be held. Every such notice shall state the time, place, or conference call in number of the meeting. Notice of any adjourned or recessed meeting of the Directors need not be given. Notice of any such meeting shall be provided to members as required by Board resolution or statute.

Section 5.09 Waivers of Notice of Meetings. Anything in these Bylaws or in any resolution adopted by the Board of Directors to the contrary notwithstanding, proper notice of any such meeting of the Board of Directors shall be deemed to have been given to any Director if such notice shall be waived by him/her in writing (including e-mail or wireless) before or after the meeting. A Director who attends a meeting shall be deemed to have had timely and proper notice thereof, unless he/she attends for the express purpose of objection to the transaction of any business because the meeting is not lawfully called or convened,

Section 5.10 Quorum and Manner of Acting. A majority of Directors shall constitute a quorum for any transaction of business. The act of a majority of the Directors present at any meeting at which a quorum is present shall be an act of the Board of Directors. In the absence of a quorum, a majority of the Directors present may adjourn the meeting from time to time until a quorum is available. The Directors shall act only as a Board and the individual Directors shall have no power as such. ***If a meeting is conducted by telephone or video conference or similar electronic means, at least two members of the Board shall be physically present at the meeting place included in the notice. Voting by secret or written ballot in an open meeting shall be a violation, except for the election of officers. The Board of Directors shall provide a designated period of time during a meeting to allow members an opportunity to comment on any matter relating to the POE. Any member may record any portion of a meeting required to be open; this excludes sessions convened to discuss***

***personnel matters, consultations with legal counsel, discussions of contracts, or pending litigation involving violations of regulations or matters of personal liability.***

Section 5.11 Resignations. Any Director may resign at any time in writing by notifying the President or the Secretary. Such resignations shall take effect at the time therein specified.

Section 5.12 Vacancies. Any vacancy in the Board of Directors, caused by death, resignation, removal, disqualification or any other cause (other than an increase by more than two in the number of Directors) may be filled for the unexpired term by the majority vote of the remaining Directors then in office, though less than a quorum, at any regular or special meeting of the Board of Directors.

Section 5.13 Committees. The Board of Directors may, by resolution of a majority of the Directors present at any meeting at which a quorum is present, designate committees of limited authority, including a New Construction Advisory Committee to review proposed construction plans of members. The Board of Directors shall have the power at any time to change the members of, fill vacancies in, and discharge any such committee, either with or without cause.

Section 5.14 Action Without a Meeting. Any action required to be taken at a meeting of the Directors, or which may be taken at any meeting of the Directors or of a committee of Directors, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Directors, or all of the members of the committee of Directors, as the case may be. Such consent shall have the same force and effect as a unanimous vote.

Section 5.15 Payment of Actual Expenses. Directors may not receive any compensation in return for their service. However, the actual cost of traveling to and from any meeting or costs incurred in the performance of any of the duties of the position, shall be reimbursed to directors, upon submission of appropriate documentation to the Treasurer. Nothing herein shall be construed as preventing a Director from serving in another capacity and receiving compensation therefore.

## **Article 6. Officers**

Section 6.01 Officers. The officers of the POA shall be President, Vice-President, Treasurer, Secretary and the holders of such other offices as may be established in accordance with the provisions of Section 3 of this article. Any two or more offices may be held by the same person provided only that the same person shall not hold the offices of both President and Treasurer.

Section 6.02. Election, Term of Office and Qualifications. The officers shall be elected every two years by the newly elected Board of Directors directly after the annual meeting of the members of the POA. Each officer shall hold office until his/her successor shall have been duly chosen and shall qualify, or until his/her death, resignation or removal in the manner hereinafter provided.

Section 6.03 Subordinate Officers. The Board of Directors may from time to time establish officers in addition to those designated in Section 1, with such duties as are provided in these Bylaws, or as they may from time to time determine.

Section 6.04 Removal. Any officer may be removed, either with or without cause, by resolution declaring such removal to be in the best interests of the POA and adopted at any regular or special meeting of the Board of Directors by a majority of the Directors then in office.

Section 6.05 Resignations. Any officer may resign at any time by giving written notice to the Board of Directors or the President or the Secretary. Any such resignation shall take effect at the date of the receipt of such notice or at any later time therein specified; and, unless otherwise specified, the acceptance of such resignation shall not be necessary to make it effective. Upon resignation, all Association records shall be delivered to the President or Vice President.

Section 6.06 Vacancies. The Board of Directors shall fill a vacancy in any office caused by death, resignation, removal, disqualification or any other cause for the unexpired term.

Section 6.07 President. The President shall be the chief executive and administrative officer of the Association and have general supervision of the business of the POA, subject, however, to the control of the Board of Directors and of any duly authorized committee of Directors. In general, he/she shall perform all duties incident to the office of President, and such other duties as may from time to time be assigned to him/her by the Board of Directors or by any duly authorized committee of Directors or by a majority of the members and shall have such other powers and authorities as are elsewhere in these Bylaws conferred upon him/her.

Section 6.08 Vice President. The Vice President shall act as chairman at the annual meeting of the members of the POA and meetings of the Board of Directors in the absence of the President and shall perform such duties as from time to time may be assigned to him/her by the Board of Directors, or by any duly authorized committee of Directors or by the President, and shall have such other powers and authorities as are elsewhere in these Bylaws conferred upon him/her.

Section 6.09 Treasurer. Except as may otherwise be specifically provided by the Board of Directors or any duly authorized committee thereof, the Treasurer shall have custody of, and be responsible for, all funds and securities; receive and receipt for money paid to the Association from any source whatsoever, deposit all monies in the name of the Association in such banks, trust companies, other institutions and depositories as shall be selected in accordance with the provisions of these Bylaws; against proper vouchers, cause such funds to be disbursed on the authorized depositories of the Association, regularly enter or cause to be entered in the books to be kept by him/her or under his/her direction, full and adequate accounts of all money received and paid by him/her for account of the Association, in general, perform all duties incident to the office of Treasurer. The Treasurer shall be bonded in the amount of \$25,000, or such amount as fixed by the Board of Directors, and the premium for such surety shall be paid by the Association. The Treasurer is authorized to pay the premium on such surety without recourse to the Board of Directors. The Board shall approve investments of Association funds in other than standard bank accounts or money market funds.

Section 6.10 Secretary. The Secretary shall act as Secretary of all meetings of the members and the Board of Directors, shall keep the minutes thereof in the proper book or books to be provided for the purpose, shall maintain a list of members and their addresses, shall see that all notices required to be given by the Association are duly given and serve, shall have charge of



the books, records and papers of the Association relating to its organization and management as a corporation, shall assemble and provide packets to new purchasers as required by state law, and shall, in general, perform all duties incident to the office of Secretary.

Section 6.11 Payment of Actual Expenses. Officers may not receive any compensation in return for their services, however, the expenses of traveling to and from any meeting or costs incurred in the performance of the duties of the position, shall be reimbursed upon submission of appropriate documentation to the Treasurer. Nothing shall be construed as preventing an officer from serving in another capacity and receiving compensation therefore.

## **Article 7. New Construction**

Section 7.01 General. The Board of Directors shall exercise rights vested in the Association with respect to approval of plans submitted by the members for the erection or significant modification of any building or other structure on any lot as provided in the covenants. It may appoint a New Construction Advisory Committee to consider construction proposals of members, and to report to it in this regard. Any such committee shall include non-Board members. Whenever the term "Board" is used in this section, it may also refer to any such Committee, except insofar as appeals are concerned.

Section 7.02 Procedure. Any member who desires to build a home or other structure on his or her lot, or to significantly alter it, shall submit plans to the Board, or a committee designated by it, at least 45 days before the commencement of construction. The Board shall publish "Guidelines", and from time to time, revise and update as necessary, a statement of the general policies and criteria which will be followed by it in passing upon plans submitted by members.

No building or other structure shall be commenced, erected, or maintained on a lot, nor shall any significant exterior addition or alteration be done until the plans and specifications showing the nature, kind, shape, height, materials and location of the same shall have been submitted to and approved by the Board as provided herein.

Section 7.03 Standards. The standard for Board decisions on construction is contained in Part A, Section Three of the Covenants. In making its determination, the Board shall consider that standard and all pertinent factors affecting it such as compliance with the minimum standards for construction established in the Potomac Bay Estates Covenants, and the visibility of the structure to community members, and thus its impact.

Section 7.04. Contents of Member Submissions. The Board will provide to all members in writing the specific information that must be submitted in any construction proposal. In the event the information submitted with the plans is not sufficient for the Board to make a determination, it shall promptly send the applicant a request for additional necessary information. Such clarification, when received, shall be considered in the same manner as the original submission of plans except with an additional 21-day deadline for action.

Section 7.05. Consideration of Member Submissions. The Board and any Committee established by it for this purpose shall give complete and thorough consideration to the plans for any dwelling or other structure to be erected or significantly altered in Potomac Bay Estates and shall notify the

applicant of approval or disapproval in writing, including the specific reasons for any disapproval, as soon as possible after confirmed receipt of the information required in section 7.04 above. If the Board or its designated New Construction Advisory Committee does not provide the lot owner with a written decision in 21 days after confirmed receipt of plans, then construction will be deemed to be approved. If the Committee disapproves the plans, a lot owner may appeal to the Board of Directors. If a decision on the appeal is not received within 21 days after confirmed receipt of the appeal by the Board, then construction shall be deemed to be approved. Other lot owners may also make such appeals.

Section 7.06. Appeal to Full Membership. If either the applicant or any other lot owner objects to the Board's decision, the issue shall be submitted to the full membership by the Board, pursuant to such procedures as it may adopt, for a final appeal. Any such appeal will be decided by a majority of the lots eligible to vote, in a process decided by the Board, either by mail or in a meeting. In all cases, construction must be in accordance with the minimum standards specified in the Covenants, unless a waiver is granted by the Board.

## **Article 8. Dues and Assessments**

Section 8.01 Dues and Maintenance Fees. Payment of dues and maintenance fees are the obligation of each member of the POA, and are due annually no later than April 1. Included in the notice for the meeting, the Board of Directors may recommend an increase or decrease in the aforementioned fees and dues at any regular or special meeting, for approval by the membership. It may also recommend special assessments for projects of benefit to the community. Where a lot or lots are owned by more than one member and an amount attributable to that lot or lots becomes past due each member owning an interest in said lot(s) shall be individually responsible for the entire amount due.

In the event dues and/or maintenance fees are not paid within two months of the date by which they are due, a penalty of ten percent (10%) shall be added on the unpaid balance for every quarter thereafter, for one year, along with 10 percent interest per annum thereafter (or such other reasonable amount as the Board may set).

Section 8.02 Special Assessments. Notwithstanding Section 8.01, the Board of Directors may make a special assessment or charge against any member or members for special services rendered in connection with work necessary to bring an individual lot or lots into compliance with the covenants or these bylaws. ***The Board shall have the power to levy a special assessment against its members if the purpose in doing so is found by the Board to be in the best interests of the POA and the proceeds of the assessment are used primarily for the maintenance and upkeep of the common area and such other areas of POA responsibility. A majority of votes cast, in person or by proxy, at a meeting convened within 60 days of the assessment notice shall rescind or reduce the special assessment.***

Section 8.03 Loss of Voting and Property Usage Rights. Any member who has not paid all dues or assessments as of the date set by the Board for all members shall not be entitled to vote as a member or use any Association owned property in Potomac Bay Estates, or take advantage of other facilities or privileges of the POA while such arrearage continues.

Section 8.04 Collection. The Board of Directors shall take reasonable action to collect dues and assessments owing the Association including by legal process in law or equity. Without further action by the Board, the Treasurer may charge members with penalties and interest, and place liens on lots for amounts due POA by the owner of the lot.

Section 8.05 Amendment. Notwithstanding the provisions of Article 11 of these Bylaws dealing with amendments hereto generally, no provision of this Article 8 of these Bylaws nor any other provision hereof dealing with members' financial obligations to the Association, shall be amended except by the members at a special meeting called for that purpose, or at an annual meeting where notice of the proposed change accompanied the notice of meeting.

## **Article 9. Contracts, Checks, Drafts, and Bank Accounts**

Section 9.01 Execution of Contracts and Other Documents. The Board of Directors or any duly authorized committee of Directors, except as by law or by these Bylaws otherwise required, may authorize any officer or officers, agent or agents, in the name of and on behalf of the Association to enter into any contract or execute any deed or other instrument, and any such authority may be general or confined to specific instances.

Section 9.02 Budget, Checks, Drafts, Etc. All expenditures of POA funds shall be pursuant to a budget approved by a majority of Board members and presented to the membership at the annual meeting. All checks, drafts, and other orders for payment of money out of funds of the Association shall be signed on behalf of the Association in such manner as shall from time to time be determined by resolution of the Board of Directors or of any duly authorized committee of Directors. Expenditures of over \$5,000.00 shall require the specific approval of a majority of the Board of Directors and all expenditures over \$10,000.00 shall be countersigned by both the Treasurer and another Director.

Section 9.03 Deposits. The funds of the Association shall be deposited from time to time in such banks, savings, money market accounts and loan association, trust companies or other financial instruments or institutions as the Board of Directors or any duly authorized committee of Directors may from time to time select.

Section 9.04 Maintenance Contracts. The Board of Directors shall have the authority, in its discretion, to arrange to have the water, maintenance and care taking functions of the Association, or any part thereof, performed for the Association by a third party or parties pursuant to contract. Any such third party may be a member of or may be controlled by one or more members of the Association, as long as this is disclosed to the members.

Section 9.05 Access to Records and Other Activities. Members shall have access to financial and other association records, to meetings, and to other association activities as provided by the laws of the Commonwealth of Virginia.

## **Article 10. Miscellaneous**

Section 10.01 Fiscal Year. The fiscal year of the Association shall end each year on the last day

of March, unless changed by the Board of Directors.

### **Article 11. Amendments**

Section 11.01 By the Directors. The Board of Directors by a majority vote thereof shall have the power to recommend changes to the Bylaws of the Association, but such changes may not take effect unless and until they are approved by the membership present in accordance with the Bylaws at any annual or special meeting of the Association.

Section 11.02 By the Members. At any annual or special meeting, the Bylaws may be amended **by a two-thirds vote** of the members entitled to vote, in person or by proxy, if notice of such amendments has been provided in advance pursuant to section 4.04.

### **CERTIFICATION**

I hereby certify that these bylaws were approved by a vote of over two-thirds (2/3) of the lot owners of the Potomac Bay Estates Property Owners Association who voted in person or by electronic means. A record of the votes is available in the records of the Association.

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Joseph A. Schlatter  
Secretary  
Potomac Bay Estates Property  
Owners Association

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Date