

BY-LAWS OF STRATFORD HARBOUR PROPERTY OWNERS' ASSOCIATION, INC .

(Revised 2020 and approved by two thirds of the membership voting in 2020.)

These By-Laws govern the Stratford Harbour Property Owners Association, Inc. (hereinafter called the "Association"), in accordance with the Articles of Incorporation issued under the laws of the Commonwealth of Virginia. Should any article or requirement of these By-Laws be in conflict with local, State, or federal requirements, the latter take precedence, except for the provisions for combining lots which will be governed by Article XI.c. of these By-Laws.

ARTICLE I. APPLICATION AND PURPOSE OF BY-LAWS

(a) **Application:** These By-Laws (1) establish the organization and procedures of the Association; (2) provide the major policies and rules governing the use and enjoyment of the properties of the Association; and (3) enforce the provisions, restrictions, covenants, and reservations applicable to the real estate in the subdivisions of Stratford Harbour and duly recorded in the land records of Westmoreland County, Virginia. These subdivisions of Stratford Harbour are: Lighthorse Forest; Independence Shores; King's Grant Bluffs; Nomini Cliffs; Haulover Shores; Currioman Bay Estates; Sanford Shores; Machodoc Point; and Stratford Bay Estates.

(b) **Purpose:** These By-Laws establish the purpose of the Association to be that of providing an organization through which the owners of Stratford Harbour residential properties mutually may provide themselves with private recreational facilities and activities in a harmonious, relaxed, and attractive community with a clean, healthy, and safe environment.

ARTICLE II. GENERAL ORGANIZATION

(a) **Membership:** Membership in the Association is derived from ownership of one or more lots in subdivisions of Stratford Harbour; however, there shall be only one membership per building site, and in the case of two or more contiguous lots assessed by the Association as one building site or lot, there shall be only one membership for such building site or contiguous lots. Evidence of ownership must be established by a recorded deed. Memberships are in good standing when payment has been made of assessments and fees due and any late charges which may have become due. Members who own more than one assessable lot are in good standing when assessments and fees are paid on all lots owned by the member or all lots of which the member has an interest.

(b) **Officers:** The officers of the Association are: (1) President; (2) First Vice-President; (3) Second Vice-President; (4) Secretary; (5) and Treasurer.

(c) **Board of Directors:** The Board of Directors of the Association consists of the officers and six directors elected at large. All serve without pay.

(d) **Committees:** Standing Committees of the Association are as follows: (1) Rules Committee; (2) Audit Committee; (3) Building Control Committee; and (4) Nomination and Elections Committee; (5) Maintenance Committee; (6) Ways and Means Committee, and such other committees that the Board of Directors may determine appropriate.

ARTICLE III. MEMBERSHIP MEETINGS

(a) **Meeting Notice:** Annual and special membership meetings of the Association shall be called by the Board of Directors upon written notice of time, place, and purpose of the meeting, mailed to the members at least three (3) weeks before the time of the meeting. In addition, special membership meetings of the Association shall be called by the Board of Directors upon a petition to the Board stating the specific purpose(s) of the special meeting signed by at least ten percent (10%) of the membership then in good standing, and upon receipt of any such petition the Board of Directors shall give written notice of the time, place, and purpose of said meeting, mailed to the members at least three (3) weeks before the time of the meeting. Minutes of the previous annual meeting and any interim membership meetings shall be posted on the Clubhouse bulletin board for three (3) weeks before (and including the meeting day) each annual or interim meeting.

(b) **Regular Annual Meeting:** An annual meeting of the Association is held during November of each year. The order of business is as follows: (1) Call to order; (2) Reading of minutes of the previous meeting; (3) Report of the President and Board of Directors; (4) Report of the Treasurer; (5) Reports of committees; (6) Unfinished business; (7) New business; (8) Announcement of results of elections by mail; (9) Amendments to By-Laws or announcement of referendum by mail; (10) Adoption of budget for next fiscal year.

(c) **Quorum:** Ten percent (10%) of the membership in good standing shall constitute a quorum at any meeting of the membership of the Association, except as may otherwise be required by law.

(d) **Procedures:** Robert's Rules of Order govern the procedures at any membership meeting.

(e) **Voting:** Members in good standing are entitled to one vote for each membership derived from the ownership of one lot or building site in a subdivision of Stratford Harbour, which vote is to be exercised by one of the owners of the lot or building site. (See Articles II (a), IX(a), XI(d), and XII(a) and (b)). When title to a lot or building site is held by two or more persons jointly or in common, they have one "membership" and one vote. In the event there is a dispute among joint or common owners of a lot or building site as to who shall vote, the vote will not be counted. A membership may assign its right to vote at a membership meeting by proxy, provided the proxy is in writing, signed by all owners of the membership, and is received by the Secretary at least three (3) days before the meeting.

ARTICLE IV. CONDUCT OF BUSINESS THROUGH THE MAILS

(a) Alternate Method of Conducting Association Business: As determined by the Board of Directors, business of the Association including amendment of the By-Laws, may be conducted by mail.

(b) Procedures: When business is conducted by mail, a ballot is mailed to the membership, together with a statement from the Board of Directors concerning the matters at issue. The ballot shall be returnable in not less than 30 days from the date of mailing to the membership. Ballots representing at least ten percent (10%) of the membership entitled to vote must be received in order to constitute a quorum, and a majority vote of those eligible memberships voting shall be required to approve any proposed action of the Association, except as may otherwise be required by these By-Laws or by law. If a quorum is not established, the Board of Directors may call a special meeting of the Association to present the matter to the members. Voting qualifications are the same as for voting at meetings of the Association, except that proxy voting is not permitted when business is conducted by mail.

(c) Referendum: When business is in the form of a referendum of the membership, the ballot shall contain a clear description of the questions at issue. When the referendum is for amendment of the By-Laws, the ballot shall set out in full the context of the amendment and the context of the portion of the By-Laws to be amended.

(d) Elections: The ballot for election of officers and directors of the Association shall be printed and mailed to each membership during September. Each candidate shall be given an opportunity to submit a statement of not more than 100 words to be included in his resume. Ballots shall be returnable during the month of October. After lapse of the time for return of ballots, they shall be delivered to the Nominations and Elections Committee for counting; and the results of the election shall be certified to the Secretary by the Committee. Ballots shall not be destroyed until at least 90 days from the date certification is received by the Secretary. A challenge of the election may be made within 30 days after the certification of the election by a writing addressed to the Secretary signed by at least 10 members who were eligible to vote in the election. Thereupon, the President shall direct the selection of a committee of members of the Association consisting of one person representing the challengers, one person appointed by the President, and one person selected by agreement of the appointees to be this special committee. The committee shall investigate the election and report to the membership at the next membership meeting, which may decide to cancel the challenged election and to hold a subsequent election.

ARTICLE V. ELECTION OF OFFICERS AND DIRECTORS

(a) Time: Election of officers and directors at large shall be held by mail during the month of November. Officers-elect and directors-elect shall assume office on the first day of January following their election.

(b) Nominations: Not later than September 1st, preceding the election, the Nominations and Elections Committee shall report to the Secretary the names of at least one member of the Association for each office to be filled at the following election. Additional nominations of any member of the Association for any elective office may be submitted to the Secretary by petition signed by any 15 members of the Association, if received by the Secretary on or before September 15th preceding the election.

(c) Election of Directors: In the case of multiple candidates for any Director vacancies to be filled, the vacancies shall be filled by the nominee with the highest number of votes, the nominee with the next highest number of votes, etc., until all vacancies have been filled.

(d) Tie Votes: In the event of a tie vote, the office shall be filled by lot from the names of the tied candidates at the next board meeting. Otherwise, by lot from the names of the tied candidates at the next membership meeting.

ARTICLE VI. TERMS AND DUTIES OF OFFICERS

The officers of this Association are members in good standing who serve without pay for the term of one calendar year and consist of the following:

(a) President. The President is the executive officer of the Association. He presides over all meetings of the Association and the Board of Directors. He is Chairman of the Board of Directors, and is ex officio member of all committees except the Nominations and Elections Committee. He conducts the affairs of the Association in accordance with these By-Laws and the policies, rules, and regulations of the Board of Directors. He is responsible for the preparation of a report to be submitted to the regular annual meeting of the members, and files such report with the Secretary where it is available for inspection by the membership. Chairmen and members of committees will continue to serve until the newly elected President, at the first Board of Directors meeting, re-appoints or changes Committee chairmen and members, such re-appointments or changes, or both, to be subject to Board concurrence.

(b) First Vice-President: The First Vice-President presides at meetings of the Association and the Board of Directors in the absence of the President. He is responsible for the coordination of the efforts and reports of such committees as the President may assign, and is an ex officio member of such committees. He performs such other duties as the President may assign.

(c) Second Vice-President: The Second Vice-President presides at the meetings of the Association and the Board of Directors in the absence of the President and First Vice-President. He is responsible for the coordination of the efforts and reports of the committees as the President may assign, and is ex officio member of such committees. He performs such other duties as the President may assign.

(d) Secretary: The Secretary records the proceedings of the meetings of the Association and the Board of Directors, and the reports of all meetings. He keeps the rolls of membership, and issues identification cards in accordance with Article XII(e). He issues notices of various meetings.

(e) Treasurer: The Treasurer is responsible for supervising and managing the financial affairs of the Association. The Treasurer ensures that the Assistant Treasurer has collected association funds and deposited them in official depositories, and that disbursements are appropriate and authorized by the Association or the Board of Directors. The Treasurer ensures that the Assistant Treasurer files reports and tax returns required by tax authorities, and other governmental agencies and makes periodic tests and checks to verify that financial transactions are appropriately recorded. The Treasurer shall submit reports of financial condition of the Association at the annual meeting, at meetings of the Board of Directors, and at such other times as the President or the Board of Directors may require. The Treasurer, with the assistance of the Assistant Treasurer, shall also submit a report concerning any particular expenditures upon written request of any ten members of the Association. The Treasurer shall ensure with the assistance of the Assistant Treasurer that the financial records of the Association are open to inspection at all times by the President, Board of Directors, and auditors appointed to make periodic audits. The duties of the Assistant Treasurer are specified in writing by the Board of Directors.

ARTICLE VII. BOARD OF DIRECTORS

(a) Composition: The Board of Directors consists of the Officers and six (6) Directors at Large. All serve without pay.

(b) Directors at Large: Directors at Large are members in good standing who serve terms of two calendar years. The directors at large are three elected to serve terms ending in even-numbered years; and three elected to serve terms ending in odd-numbered years.

(c) Responsibilities: The Board of Directors determines the policies, rules and regulations, and activities of the Association, subject to the direction of the Association. The Board approves the budget, subject to adoption by the Association at the regular annual meeting, approves the bills and authorizes disbursement, takes counsel with the committees, and delegate's responsibilities and authority to the committees, and gives direction to the President.

(d) Vacancies Filled by Board: The Board of Directors fills interim vacancies in offices of the Association and in the positions of Directors at Large for the unexpired terms, with the following exceptions: (1) The First Vice-President shall fill any vacancy in the office of President; and the Second Vice-President shall fill any vacancy in the office of First Vice-President. (2) Director at Large vacancies occurring during the first year of a two-year term, and before the annual election, may be filled by the Board until the annual election when the remainder of the term shall be filled through election by the members.

(e) Meetings. The Board of Directors shall hold at least six meetings per year including the annual meeting, preferably on the second Saturday of each odd-numbered month. The President may call additional meetings whenever he deems necessary. Seven (7) members will constitute a quorum for a Board of Directors meeting.

ARTICLE VIII. COMMITTEES

Committee chairmen and members are appointed by the President subject to the approval of the Board of Directors. Committees shall have such responsibilities and authority as provided in these By-Laws and as delegated by the Board of Directors and recorded in the minutes of Board meetings. However, previously appointed chairmen and members of committees will continue to serve until the newly elected President, at the first Board of Directors meeting, re-appoints or relieves Committee chairmen and members, such re-appointments of Committee chairmen and members to be subject to Board concurrence. Committee chairs and members shall be members in good standing of the Association or the spouses of such Association members.

ARTICLE IX. ANNUAL ASSESSMENT AND FEES

(a) Regular Assessment: Each owner of property in the subdivision of Stratford Harbour shall pay an annual assessment which shall be due and payable on the 1st day of April each year. The amount of such assessment per building site or individual lot, is established by vote of the membership at an annual meeting or special meeting of the membership for that purpose or by mail as provided in Article IV. No adjustments or prorations of assessments are made. Assessments due shall be determined by ownership of SHPOA property at any time between January 1 and December 31. A late fee of ten percent (10%) shall be added to the assessment and in addition an annual delinquency fee of 10% will be assessed against all unpaid balances if not paid within 30 days after the due date; and the Association may bring any action that it deems necessary to collect the amount due. A member of the Association is no longer in good standing when delinquent in payment of assessments and any fees due, and is not entitled to attend Association meetings nor to vote in Association elections, nor to use Association properties and facilities.

(b) Use of Regular Assessments: Regular assessments levied by the Association shall be used to promote the recreation, health, safety, and welfare of the residents in the subdivisions of Stratford Harbour and in particular for the improvement, maintenance and operation (including taxes and insurance) of facilities devoted to the common use and enjoyment of the Stratford Harbour property owners and for the maintenance of roads owned by the Association and other roads for which the Association has maintenance responsibility.

(c) Change in Assessments: The amount of the regular assessment may be increased or decreased by an affirmative two-thirds vote of the members voting (i) at a membership meeting held not less than 30 days after written notice setting forth the purpose of such meeting has been mailed to the members, or (ii) by mail as provided in Article IV hereof. A quorum for such action shall be 60% of the property owners voting, either in person or by proxy.

(d) Violation of Rules and Regulations: The Board of Directors of the Association shall have the power to assess charges against any member for any violation of rules and regulations for which the member or his family members, tenants, guests, or other invitees are responsible. Before any such charges may be assessed, the member shall be given the opportunity to be heard and to be represented by counsel before the Board of Directors. Notice of a hearing shall be hand-delivered or mailed by registered or certified mail, return receipt requested, to the member at the address of record with the Association at least fourteen (14) days prior to the hearing. The amount of any charges so assessed shall not exceed \$50 for a single offense or \$10 per day for any offense of a continuing nature and shall be treated as an assessment against the member's lot. Failure to pay such charges shall be subject to lien, as well as other rights afforded a creditor under law.

(e) Roster: The Board of Directors shall maintain a current listing of the properties and applicable assessments, fees, and late charges due on each property. Written notice of the annual assessment and any special assessments or fees shall be sent to every owner subject thereto at least 30 days in advance of each due date. The roster shall be kept in the Association office and shall be open to examination as provided by law.

(f) Exemptions: The following property shall be exempted from the assessment described herein: (1) Common properties; (2) Properties exempt from taxes by the laws of the State of Virginia upon the terms and to the extent of such legal exemption.

(g) Fees: The Board of Directors shall have the authority to establish fees on a cost recovery basis for the use of facilities, and other purposes, including, but not limited to, transfer fees; building control, review and inspection fees; and administrative and service fees. Any motion to raise or establish new fees shall not be voted on by the Board of Directors until the meeting following the publishing of the motion in the SHPOA newsletter

(h) Collection of Accounts: The Board of Directors shall provide for the collection of past due accounts, as deemed necessary. All fees or charges associated with collections shall be added to and become part of the past due account necessitating such collection efforts.

ARTICLE X. FINANCE

(a) Fiscal Period: The fiscal year of the Association shall begin on the 1st day of January of each year.

(b) Budget: Prior to the beginning of each fiscal year the Board of Directors shall prepare a proposed budget of income and expenditures. The Board of Directors shall submit the proposed budget for membership adoption with the notice of the annual meeting or the Board of Directors may submit the budget to the membership for adoption by mail as provided by Article IV. After adoption the budget shall constitute authorization for regular and special assessments and for expenditures. In the event that the proposed budget for an upcoming year is not adopted, the Board of Directors is authorized to make regular and special assessments and to make expenditures at the same rate provided in the most recent budget adopted by the membership

(c) Deposit and Disbursement of Funds: Subject to the approval by the Board of Directors the treasurer shall determine depositories, with the objective of ensuring that Association Funds are protected by U.S. Insurance and that interest earnings are maximized. The Treasurer is authorized to issue checks for expenditures for the Association, provided the amount of the check to be issued does not cause the amount of funds expended for that activity or purpose to exceed the amounts authorized by the association or the Board of Directors. The Board of Directors may designate others who are authorized to sign and countersign checks in addition to the Treasurer

(d) Audit and Treasurer's Report: The Treasurer shall prepare a report of the financial condition of the Association immediately prior to the annual meeting of the Association, and shall submit such report at the meeting. The Treasurer's report shall include a statement of income and expenditures and a statement of assets and liabilities. At least once every three years the Board of Directors shall engage a Certified Public Accountant to perform an audit of the Association's records. The reports of the Treasurer and the auditors shall be filed as records in the office of the Association, and shall be available at all times for inspection by owners of property in Stratford Harbour subdivisions.

(e) Bonds: The Treasurer, and such other officers as may be designated by the Board of Directors, shall be bonded in an amount by a surety as determined by the Board of Directors. Indemnity bond premiums shall be paid by the Association.

ARTICLE XI. BUILDING CONTROL

(a) Building Control Committee: In order to protect property values as is required by restrictions in the land records of Westmoreland County, Virginia, applicable to the subdivisions of Stratford Harbour and under delegation and assignment of responsibility from the Developer to the Association and thence to the Building Control Committee of the Stratford Harbour Property Owners Association, Inc., the plans for any dwelling or other structure erected, placed, or altered on any lot shall be submitted for approval in writing by the Building Control Committee prior to the start of construction or placement. Prior to any land disturbance requiring a permit, on any lot in Stratford Harbour, the SHPOA member will ensure that a copy of the appropriate county and/or state issued approval permits are submitted to the SHPOA business office.

(b) Conditions for Approval: The drawings shall show, as a minimum, floor plans, footings, and foundation details, elevation of all views of the structure, exterior finishes, roofing type, landscaping, driveway location, exact location of all structures on the lot and fence detail and shall meet the following minimum requirements. The minimum square footage will be 1250 sq ft. above grade for all new residences

1. No building shall be erected on any residential lot on the Properties other than a private residence, or an additional structure such as a private garage, storage building and boat facility for the sole use of the owners or occupants thereof except as may otherwise be provided herein.

2. No part of the Properties shall be used for other than residential purposes.
3. Building exteriors must be of masonry, wood, aluminum, vinyl or other materials equal in quality thereto, and other than brick, stone, aluminum, or vinyl siding, must be painted, stained or oiled and maintained.
4. All exterior construction must be completed and closed in within 12 months from the commencement of construction and all foundations must be finished masonry or brick.
5. Modular, panelized, and pre-cut houses are allowed to be constructed with the approval of the BCC provided any such structure is mounted to and resting on a permanent perimeter masonry foundation and piers in accordance with county building codes. Non supporting foundation walls (skirting) of any material shall not be allowed (this shall not apply to exterior porches). No house trailers, mobile homes, or manufactured double or triple wide house trailers or industrial housing (even those bearing the BOCA compliance seal from the Commonwealth of VA) will be allowed to be permanently affixed or installed on any lot at Stratford Harbour. If a structure is towed to the site with wheels and trailer tongue attached to steel framing under the structure it shall be considered a house trailer, mobile home or manufactured double or triple wide. This applies even when the wheels and tongue are removed from the home and are no longer at the site. (construction trailers, however, are permitted during the actual construction of the principal dwelling) Plans for modular and other pre-fab homes must be submitted early in the property owners planning process to allow time for the review and the decision making process by the BCC. This will allow time for the selection of alternative means of home construction in the event the proposed design is not approved.
6. In order to prevent blockage of natural drainage when constructing a driveway, culverts shall be constructed to meet the requirements of the Virginia Department of Transportation.
7. All sewage will be disposed of through the use of septic tank and drain field installations to be approved by the Westmoreland county Health Department.
8. No chain link fence shall be erected forward of rear line of the house
9. The plan shall not provide for the sinking of a well for potable water use.

The BCC shall have twenty (20) days to act. In the event the BCC fails to approve the plans, this decision is subject to appeal to the SHPOA Board of Directors, which has the final authority to uphold or reverse the BCC decision. The appeal to the Board may be filed with the Association's Manager or the Board's President. The Board will make a decision on the appeal no later than the next regularly scheduled meeting.

(c) Building Sites. A building site will be a single or combination of contiguous lots deemed necessary to meet the requirements of the Westmoreland County Health Department and/or Westmoreland County Zoning Department and be so stated in writing by those departments that such contiguous lots are necessary to (1) accommodate either an existing residential building, or one to be constructed with an approved septic system, provided however, that in the latter case the residence must be substantially completed and a final occupancy permit issued by Westmoreland County for the residence on said lots within one (1) year following the date the Board of Directors approves the contiguous lots as one building site, unless such time period is extended by the Board of Directors. If any such residence is not substantially completed and does not receive a final occupancy permit within said one year period, or within any extended period of time approved by the Board of Directors, then effective retroactively to the date the Board of Directors approved said lots as one building site, each of said lots shall be considered a separate lot for assessment purposes under Article IX hereof, and the owner(s) of said lots shall have 30 days to pay all assessments which would have been due and payable if the lots had not been approved as one building site after notice is mailed by the Board of Directors to the owner(s) of said lots at the most recent address of the owner(s) as shown on the records of the Association; or (2) create a building site that meets the requirements of Westmoreland County R2 zoning code for residential lot frontage and square footage that is a minimum frontage of 100 feet and/or a minimum area of 25,000 square feet. A property owner whose combined building site meets at least one of the two above-stated requirements may submit the appropriate legal documents and a plat of the site to the Board of Directors with a request that the combined lots be assessed as a single site by the Association. A fee will be assessed to accompany the request. Each building site will be assessed annually as stated herein upon meeting the qualifications, as heretofore stated, and such qualifications have been presented to and accepted by the Board of Directors. Multiple lots sold by American Central Corporation, as single building sites will continue to be assessed accordingly. Assessment on the basis of a building site or single lot provides for a single membership.

ARTICLE XII. PERSONS ENTITLED TO USE OF ASSOCIATION PROPERTY

(a) The properties and facilities of the Association are for the use and benefit of owners of single-family dwelling residential property in the subdivisions of Stratford Harbour who are members in good standing. Every lot shall be deemed to have not more than two owners who are members of the same household, either at Stratford Harbour or elsewhere, for the purpose of determining who shall be entitled to the use of the facilities.

(b) Family members residing in the same household with the owners specified in (a) above are permitted the use of the facilities provided that such fees as may be deemed appropriate by the Board of Directors are paid to the Association (see Article IX(g)).

(c) Tenants: A dwelling in a subdivision of Stratford Harbour may be rented or leased for single family residential use. All property owners who lease or rent to another or others any dwelling located within a subdivision of Stratford Harbour shall notify the Association office within 30 days after the commencement date of such rental or lease. Such notification shall include the name(s) of the tenant(s) and the names and relationships to the tenant(s) of all the other persons using the leased or rented dwelling; whether facility use is desired; and the period of the rental or lease. Commercial short-term tenancies of more than one family during a season are not deemed to be single family residential uses consistent with the Restrictive Covenants, but until the Association decides otherwise, the Association may permit use of its properties and facilities by such seasonal tenants subject to the following provisions of this paragraph. Objections to such short-term commercial tenancies from property owners should be made to the Board of Directors for appropriate action. Tenants, and the family of tenants, living in the dwelling may use the properties and facilities of the Association upon the conditions (1) they comply with the provisions of these By-Laws and the rules and regulations thereunder; and (2) the tenants or landlord pays such fees and charges as may be established by the Board of Directors. Not included within this tenancy rule are property owners at Stratford Harbour who are tenants.

(d) Guests: Guests residing in an owner's dwelling or in the company of the owner may use the properties and facilities of the Association subject to limitations established by these By-Laws and the Board of Directors. Houseguests of tenants in a Stratford Harbour dwelling may use Association properties and facilities when in the company of a tenant or member of the tenant's family. By rules and regulations, the Board of Directors is authorized to restrict, limit, or prohibit the use of specified properties and facilities of the Association by guests during specified times, and may impose a fee or charge for use of specified facilities or properties of the Association by guests.

(e) Identification: In accordance with rules and regulations established by the Board of Directors, identification cards may be issued annually to the persons entitled to use of the property and facilities of Stratford Harbour subdivisions as provided in the foregoing subsections of this Article. Identification cards are issued to tenants of members in good standing who comply with subsection (a) of this Article, limited to the period of the tenancy; but no cards are issued for guests of tenants. The President or a Vice-President may station an employee or member of the Association at particular properties and facilities of the Association with authority to require the exhibition of a proper identification card as a condition precedent to entrance upon and use of the property or facilities of the Association; provided that guests of a member in good standing shall be admitted in company with a member, tenant, or their family having an identification card, subject to limitations, restrictions, or prohibitions established by rule or regulation of the Board of Directors under section (d) of this Article. A person without proper identification card, remaining on property of the Association after request by such Association employee or member to leave the property, is a trespasser on such property.

ARTICLE XIII. AMENDMENTS TO BY-LAWS

(a) Procedure: These By-Laws may be amended in any regular or special meeting of the Association or by mail in accordance with Articles II and IV, provided the membership is notified in advance of a meeting concerning proposed changes in the By-Laws. Two-thirds (2/3) of the votes cast shall be in favor of the amendment as a requirement to carry the amendment.

(b) Rules Committee: Members proposing amendments to the By-Laws must submit them to the Rules Committee. The Committee shall propose amendments when it deems necessary and desirable for the Association, and shall have referred to it in writing all other proposed amendments to these By-Laws. The Committee is responsible for the presentation of the proposed amendments, in draft form, to the membership. The Committee shall inform the membership, at the time of considering the amendments, of the impact of the proposed amendments on, and of their compatibility with, the By-Laws. The Committee shall cooperate with the Board of Directors in interpreting the intent of the Association By-Laws. The Rules Committee is responsible for maintenance of the By-Laws and the rules and regulations of the Board of Directors.

(d) Proposals Rejected by the Rules Committee: If the Rules Committee rejects or fails to recommend proposed amendments submitted to the Committee at least 30 days prior to the issuance of notice of a membership meeting, then at that meeting a motion will be in order to submit the proposed amendment to the membership at the next meeting or through referendum by mail.

ARTICLE XIV. REMOVAL OF OFFICERS OR DIRECTORS

(a) Any officer or director of the Association may be removed from office by two-thirds (2/3) vote of members attending and voting at a membership meeting of the Association. Such proposed action shall be included in notice of the meeting, containing reasons of the Board of Directors for the proposal.

(b) Any officer of the Board of Directors who absents himself from two regularly scheduled meetings of the Board without giving at least three days prior notification of such absence to the President, shall be considered automatically to have resigned from the Board of Directors. In the event that the Board member so absenting himself is the President, the First Vice-President must be given three days advance notice of the President's absence or the President shall be considered automatically to have resigned. In the event that a Director at Large so absents himself for any three meetings during his two-year term of office, the same assumptions and provisions will apply. In the event that such a resignation takes place it must be certified by the Board members, and the general membership notified within forty-five (45) days of such Board certification.

ARTICLE XV. DISTRIBUTION OF ASSETS

(a) Individual Interests Prohibited: No member of this Association has or shall have, as an individual, any interest in or title to the assets of the Stratford Harbour Property Owners Association; and such assets shall be devoted exclusively to the purpose of the Association.

(b) Distribution: In the event of dissolution or other termination of this Association, all of its assets shall be assigned either to a government organization of the Commonwealth of Virginia or to an institution which qualifies for tax exemption (under Internal Revenue Code) as provided in Section 501(c) (3) or any amendments.

ARTICLE XVI. SPECIAL POLICIES

(a) Motor Boats on Lake Independence: Boats equipped with or using internal combustion motor for propulsion shall not be launched upon Lake Independence; and the operation of any such boat on the lake is prohibited; provided, however, that a boat propelled by internal combustion motor may be authorized by the Board of Directors by rule or regulation or by the President when necessary in particular situations, for emergency, rescue, law enforcement, fire protection, or work boat purposes, or by the Association for maintenance, security, and compliance purposes. Boats using electric battery motors may be operated in the lake. Lake Independence is the property of the Association; and any person violating this rule is a trespasser on the lake. No boats shall be launched from the lake dam or the common property adjacent to the dam.

(b) Playground Discipline: Persons appointed or employed by the Association as lifeguards, playground supervisors or instructors are authorized to enforce the rules and regulations established by the Board of Directors for recreational facilities and their use; and such lifeguards, playground supervisors, and instructors are authorized to exclude members and other persons from such recreational facilities for the remainder of the same day when such member or other person fails or refuses to comply with such rules and regulations.

(c) Agricultural Limitations: The use of land for purposes of raising plants and animals useful to humans, including field crops, pasture, fruits, vegetables, floral and greenhouse products, poultry and other fowl (subject to Local ordinance), shall be limited to less than 2500 square feet in the aggregate, intended primarily for personal use and shall not be used for activities which rise above minor home occupational uses as defined by the State and/or Local jurisdiction. Agricultural uses for sod production, viticulture, silviculture, aquaculture, apiculture, shall be limited to personal use, and the keeping of horses and other livestock, including owning, leasing, training and recreational usage of livestock is prohibited.

(d) Domestic Animals: The keeping of domestic animals generally shall be subject to State and Local ordinances. Consistent with Virginia statutes and local ordinance. Dogs kept, housed, or whose situs is otherwise regularly or periodically within the confines of the SHPOA subdivisions are prohibited from running at large. Except for hunting dogs whose situs is other than SHPOA, a dog is at large when off the owner's or caretaker's property and out of the immediate control of same. For the purpose of this section, "immediate control" shall be defined as being kept on a leash or other physical restraint.

(1) Barking Dog: Dogs shall be kept under care and control so that no dog's barking, howling, whining or crying is audible across property boundaries between 10 p.m. and 7a.m., unless the dog is protecting itself or a person.

(2) Dangerous Dog: Any Dog determined by cognizant authority to be a "dangerous dog" shall be subject to registration and adherence to the provisions and stipulations of the State statute addressed to "Control of dangerous dogs..."

ARTICLE XVII. NEWS PUBLICATION

A newsletter will be published periodically, not less than four per year, and mailed to all members in good standing. This publication will announce the nominations and elections of SHPOA Board of Directors and Committees, membership meetings, special programs and events, information pertaining to the use of all facilities and properties, and general information approved by the editor. Each newsletter will be consecutively identified by volume and issue number.

All accounts and records will be maintained in the SHPOA office. Each Board of Directors will approve the appointment of an editor for the newsletter, establish the dates of publication and approve of its format, printing, and mailing.

ARTICLE XVIII. ASSOCIATION FUNDS

There are three permanent Association Funds: The General Fund, the Capital Reserve Fund and the Investment Fund. Also, the SHPOA Board of Directors may establish special funds for specific purposes and for limited duration.

(a) General Fund: The General Fund is used for regular recurring receipts and expenditures. Deposits into the General Fund would normally include annual and special assessments and fees for such services as marina and clubhouse rentals, trash services, storage fees, decals and interest on General Fund investments. (In the discretion of the Associations' Board of Directors, special assessment revenues and specified fees and charges might also be deposited into special funds.) Disbursements from the General Fund would include such expenses as personnel compensation, insurance, utilities, office supplies and equipment and swimming pool operation costs.

(b) Capital Reserve Fund: The Capital Reserve Fund is used for the maintenance and repair of existing facilities and equipment. Amounts deposited into this fund shall be the amounts so approved in the budget adopted by the membership. Expenditures from this fund shall be for maintenance and repair projects identified in the adopted budget. Also, the Associations' Board of Directors may approve the expenditure of Capital Reserve Funds for existing facilities maintenance and repair projects, not specifically identified in the adopted budget, if the Board determines that such maintenance and repair is necessary to prevent deterioration of Association property and/or to protect the safety and health of residents and guests.

c) Investment Fund: The Investment Fund is a reserve fund, securely invested, to be used for unplanned, unbudgeted needs, emergencies, and to finance additions of major capital facilities or major additions or enlargements of existing structures or facilities. In general, the Investment Fund may not be used for routine operations or maintenance expenses.

d) Special Funds: The Associations' Board of Directors may establish special funds for specific purposes, e.g. major additions, renovations, or construction. Any such funds shall be for limited duration and is not a permanent association fund. As directed by the Associations' Board of Directors or SHPOA membership, funding for any special funds may be derived through transfer from other association funds or annual or special assessments.

e) Capital Expenditures: Expenditures in excess of \$35,000 for new or expended capital facilities must be approved by the membership at an annual meeting or pursuant to Article IV (conduct of business through the mail). This limitation does not apply to (1) any proposed expenditure provided for in a budget adopted by the Association membership, or (2) any maintenance or repair of existing facilities or other emergency expenditures necessary to prevent deterioration of Association property, or to protect safety and health of SHPOA property owners and the public.

f) Investment Fund Provisions:

1. Source and Size of Funding: Investment Funds are derived from allocations made by the SHPOA Board of Directors and from interest earning of the Fund. The total balance of the Investment Fund is limited to \$300,000. If, on December 31 of any year, the balance of the Investment Fund exceeds \$300,000, the excess funds will automatically revert to the General Fund.

2. Investment of Assets: The Investment Fund assets are to be invested in banking facilities in a deposit form earning the highest possible U.S. Government insured (FDIC) rate of interest, or in U.S. Government securities, or in other equity and/or debt issues and investments (not FDIC Insured) provided these latter investment products not exceed 50% of the investment fund total (or \$100,000, whichever is less) and have the unanimous approval of the members of the Investment Committee and the advise and consent of at least nine (9) of the eleven (11) members of the SHPOA Board of Directors.

3. Tax Responsibility: Any and all taxes due on the income from the Fund accounts will be paid from SHPOA Investment Fund.

4. Investment Committee: The Investment Fund is to be administered by a three-person committee elected from among the membership at the annual SHPOA general membership meeting for four-year terms of office except that at the initial election in March 1982 the three Fund directors were elected on the following basis: one for a two-year term to serve as chairman, one for a three-year term and one for a four-year term. As the directors' initial terms come to an end, their successors will be elected at appropriate annual SHPOA membership meetings.

a) Following the term of office of the initial Fund chairman, successor chairmen will be appointed by the SHPOA President from among serving Fund directors with consent of a majority of the Board of Directors.

b) Future Fund directors will be nominated by the Board of Directors and their names will be presented to the membership for a vote at a membership meeting of the Association. They will serve without pay for not more than eight consecutive years. Neither the President nor the Treasurer nor more than one member of the Board of Directors may serve on the Investment Committee.

c) Vacancies on the Investment Committee will be filled temporarily by appointment made by the President with the consent of the Board of Directors until such time as the next annual meeting shall occur.

5. Use of Fund Assets: Investment Fund Assets shall be used at the discretion of the SHPOA Board of Directors to meet the legitimate needs of SHPOA. The SHPOA President shall consult with the Investment Committee and plan expenditures so as to minimize the disruption of the Investment Fund portfolio. After making such expenditures, the SHPOA Board of Directors shall replenish the Investment Fund, without interest, as soon as possible, but any such replenishment shall be made only to the extent necessary to bring the Investment Fund assets to a total of \$300,000.

6. Audit: A semiannual verification of Investment Fund accounts will be accomplished by the SHPOA Treasurer with prompt reporting to the SHPOA Board of Directors.

7. Removal of Government Board of Directors: A director may be removed from the Investment Committee for failure to carry out his duties or other just cause by a vote of at least nine of the SHPOA Board of Directors.

8. Dissolution of the Investment Fund: The Fund may be dissolved and its assets returned to the SHPOA general fund upon resolve of the Board of Directors and by vote of two-thirds of SHPOA members participating in an annual general membership meeting, provided that notice of intent to dissolve is provided by mail to the SHPOA membership at least 30 days before the meeting.