

BYLAWS OF THE HORIZONS VILLAGE PROPERTY OWNERS ASSOCIATION, INC.

Established August 15, 1999 and Amended May 21, August 20, 2000, May 18, 2003, August 21, 2005, August 22, 2010, June 13, 2011, August 28, 2011, August 25, 2013, August 30, 2015 and August 25, 2019

ARTICLE I: NAME

The name of this organization shall be Horizons Village Property Owners Association, Inc.

ARTICLE II: PURPOSE

The purpose of this organization is to serve and protect lot owners at Horizons Village, and to uphold and enforce the Horizons Village Protective Covenants. It was formed as a non-stock corporation and provides an organizational framework formed by and for the benefit of lot owners and residents of Horizons Village.

ARTICLE III: MEMBERSHIP

Section 1: Eligibility or Qualifications for membership

- A. The membership of this organization shall be limited to and include all lot owners of record.
- B. A member shall be in "good standing" if the member is current in payment of dues, assessments and charges and there are no determinations by the Compliance Committee of violations by the member of the Amended Declaration of Protective Covenants, Conditions, Restrictions and Affirmative Obligations Applicable to All Property in the Horizons Village Subdivision, or the Bylaws, rules, regulations or other policies of the Association, which violations remain uncorrected.

Section 2: Fees or Dues

- A. Each year, the Board of Directors shall, from time to time, recommend the establishment of such dues as it may deem necessary for the adequate performance by the Association of its functions, including particularly maintenance of roads and other non-private areas in Horizons Village. The Board of Directors shall establish the dues according to the following procedures in Subsection 1 and 2:

Subsection 1. Basis and Maximum of Annual Assessments. In August 2010, an annual assessment of \$500.00 per Lot was established to be effective September 1, 2011. This is the basis of the Annual Assessment for purposes of this Section and shall be the base annual assessment for at least four (4) years beginning September 1, 2011.

- a. The base annual assessment may be changed each succeeding period of four (4) years, provided that any such change shall have the assent of two-thirds (2/3) of the votes of the members who are voting in person or by proxy, at a meeting duly called for this purpose, written notice of which shall be sent to all members not less than 21 days nor more than 45 days in advance of the meeting setting forth the purpose of the meeting.
- b. The maximum annual assessment will be increased effective September 1 of each succeeding year, without a vote of the membership, in conformance with the rise, if any, of the Consumer Price Index for the South Region and Charlottesville and Lynchburg, VA size cities (Class B/C) (published by the Department of Labor, Washington, D.C.) for the preceding month of April. Subsection 2, below, describes the method of computation.
- c. After consideration of current maintenance costs, realized savings, and future needs of the Association, the Board of Directors may fix the annual assessment at an amount not in excess of the maximum annual assessment. At the Association's Annual Meeting, the Board shall present the results of their analysis. The Annual Meeting presentation shall include a 20-year financial plan including detailed spend plans, assumptions about inflation, and projections of the annual assessments required to support the spend plans and inflation. The presentation material shall be provided to the association members prior to the Annual Meeting. The Boards annual assessment decision will at this time be binding

on the membership unless it is overridden by two-thirds (2/3) of the votes of the members who are voting in person or by proxy, at Annual Meeting.

Subsection 2. Method of Computation. The Consumer Price Index establishes the United States South Region City, Class B/C (Charlottesville / Lynchburg) numerical rating of 134.606 for April 2010, which is relative to the rating of 100.00 set in 1996 by the Department of Labor. This will be the base rating.

To determine the percentage to be applied to the maximum annual assessment for each subsequent year, divide this base rating into the numerical rating established by the Consumer Price Index for the month of April preceding the proposed assessment year. This adjustment percentage, if in excess of 100 percent, is multiplied by the base annual assessment (\$500 as of September 2011) to obtain the maximum assessment for the subsequent year. *(For example, the CPI for Charlottesville was 139.177 in July 2011: 139.177 divided by 134.606 equals 1.034, times \$500 = \$517. The maximum annual assessment for the subsequent year is \$517.)*

- a. If the adjustment percentage is equal to or less than 100 percent (i.e., zero or negative inflation since April 2010), the maximum annual assessment for the subsequent year is equal to the base annual assessment (\$500 as of September 2011)).
- b. To address extreme inflationary periods, the maximum annual assessment for a given year shall not exceed the previous year's maximum annual assessment by more than 5%.

Dues are payable on a quarterly, semiannually, or yearly basis as determined by the Board of Directors. The annual assessment in subsequent years shall be due on the first day of September.

Contiguous lots owned by the same entity shall be assessed only for those lots which are developed.

- B. Notwithstanding Article III, Section 2.A., the Board of Directors may make a special assessment or charge against any member or members for special services rendered. Such special assessment or charge shall reflect the actual costs of any such special services rendered by the Association.
- C. No special assessment shall be made against the entire membership unless passed by an affirmative vote of at least three-fourths (3/4) of the total members of the Board of Directors after the special assessment has been considered at two (2) Board meetings, providing the special assessment was in the call for each meeting; and, approved by the membership by a majority of votes cast, in person or by proxy, at a duly called Special or Annual Meeting of the Members within 60 days of the Board of Directors decision.
- D. The Association shall be entitled to collect dues and assessments owed it by due legal process.

Section 3: Voting Rights

- A. Voting rights shall be one vote per lot, regardless of number of owners, and one vote per owner, regardless of number of lots.
- B. Only members in good standing are entitled to vote as a member.
- C. Any member who has not paid any dues or assessments payable by him/her within 30 days after the same shall become due and payable, shall not be entitled to vote as a member. Nothing in this Section is to be construed as denying access to the member's lot(s).

ARTICLE IV: OFFICERS

Section 1: Types of Officers

- A. The officers shall be President, Vice President, Secretary, and Treasurer.
- B. All officers are members of the Board of Directors.

Section 2: Duties

- A. *President:* The President shall be a director and shall be the chief executive and administrative officer of the Corporation and have general supervision of the business of the Corporation subject, however, to the control of the Board of Directors. In general he/she shall perform all duties incident to the Office of President, including chairing or designating a chair for the Annual Meeting of the Association, and such other duties as may from time to time be assigned to him/her by the Board of Directors, and shall have such other powers and authorities as are elsewhere in the Bylaws conferred upon him/her.
- B. *Vice President:* The Vice President shall perform such duties as from time to time may be assigned to him/her by the Board of Directors, or by the President.
- C. *Treasurer:* Except as may otherwise be specifically provided by the Board of Directors, the Treasurer shall be the person responsible for oversight of the financial affairs of the Association. As such, he will keep the Board apprised of any significant changes in the financial status of the Association. This oversight function of financial management is not limited to the following, but will include the adequacy of procedures used to: (1) safeguard all funds and securities, (2) receive and deposit monies paid to the Association from any source whatsoever, including dues and fees, in the appropriate financial institution as designated by the Board of Directors, (3) disburse funds from the authorized account(s) of the Association as required, and (4) enter in the records of accounts, full and adequate information of all monies received and paid by the Association. The Treasurer thus is responsible for maintaining the financial records of the Association, preparation of financial reports that may be requested by the Board of Directors, and for dispensing Association funds as directed by the membership or Board of Directors.
- D. *Secretary:* The Secretary shall act as Secretary of all meetings of the members and of the board of Directors. As such, he/she is responsible for maintaining official minutes and any official correspondence of the Association or Board of Directors, and shall see that all notices required to be given by the Association are duly given and served.

Section 3: Term of Office

- A. The officers shall be elected to serve for a term of one-year.
- B. No member shall be eligible to serve more than three (3) consecutive terms in the same office, unless approved by a 2/3 vote of members attending the Annual Meeting.

Section 4: Nominations and Election

- A. Final nominations and elections of officers will take place at the Annual Meeting of the Association membership.
- B. Any member of the Association in good standing may make a nomination and vote (refer to Article III, Section I.B.).

ARTICLE V: MEETINGS

Section 1: Annual Meetings

- A. The Annual Meeting of the Association will be held the last Sunday in August, unless the Board of Directors, for a good cause so stated, changes the date of the meeting.
- B. The Annual Meeting is held for the purpose of electing directors and officers and for the transaction of such other business as may properly come before the meeting.

Section 2: Special Meetings

- A. Special meetings may be called by the President, a majority of the Board of Directors, or by the President at the request of at least 10% of lot owners.
- B. Special meetings are for the transaction of only such business as is stated in the call for the meeting.

Section 3: Notice of Meetings

- A. Written notice of each meeting of the members shall be given by or at the direction of the officer or other person calling the meeting.
- B. Such notice of meetings shall state the place, day and hour of the meeting; in the case of special meetings, the notice shall specifically set forth the purpose or purposes for which the meeting is called.
- C. A copy of the notice shall be mailed with postage prepaid **or sent electronically (for example by e-mail) at lot owners discretion**, not less than twenty-one (21) days nor more than forty-five (45) days before such meeting, to each member entitled to vote at such meeting; and shall be directed to such member at his address as it appears on the records of the Association.

Section 4: Quorum for Meetings of Members

Except as otherwise provided by law, at any meeting of the members, the presence in person or by proxy of members holding 40% of the votes entitled to be cast at such meeting shall constitute a quorum for the transaction of business.

Section 5: Voting at Meetings of Members

- A. Consistent with the Articles of Incorporation and the Virginia Non-Stock Corporation Act, members in good standing shall be entitled to vote upon:
 - 1) Election of directors
 - 2) Removal of directors
 - 3) Amendment, alteration, or repeal of the Bylaws
 - 4) Amendments of the Covenants
 - 5) Any other business that may properly come before the meeting.
- B. Any person entitled to vote may vote either in person or by proxy duly appointed by an instrument in writing subscribed by such member and delivered to the Secretary of the meeting.
- C. Proxies must set forth the date of execution and the lot number(s) of lot(s) owned by the proxy maker. Proxies and ballots shall be valid only if they specify the meeting for which they are valid and

shall be voted as indicated by the member.

- D. To be counted, proxies must be received in a reasonable time prior to the meeting (as announced in the notice of such meeting, or at least three business days prior to the meeting) to allow time for verification by the Association Secretary or other duly appointed officers or officials of the Association

ARTICLE VI. BOARD OF DIRECTORS

Section 1: Composition

- A. The number of directors shall be five (5) or seven (7), consisting of the four officers and one (1) or three (3) other member(s) of the Association, all elected by members present in person or by proxy at the Annual Meeting, or a special meeting called for that purpose. No more than one board member per lot shall be eligible to serve on the Board of Directors.
- B. An individual nominated for, elected to and thereafter serving as a Director on the Board of Directors must be of legal age, a member of the Association in good standing and not have been convicted of a felony.
- C. Any candidate for or member of the Board of Directors shall disclose to the Board any actual or potential conflict of interest the candidate or Director may have relative to the Association, including but not limited to compensation received by the candidate or Director, or any relative by birth or marriage of said person, from the Association or any of its subsidiaries as an employee or as a contractor for supplies or services.
- D. No person shall be qualified to be a candidate for or to serve on the Board of Directors if he/she is engaged in, is the owner of, is employed as the agent of, officer or employee of a person, corporation or firm engaged in the business of buying and selling real estate in Horizons Village **unless the person's primary residence is in Horizons Village**. Nothing in this section is to be construed as limiting the ability of lot owners who may decide to or are in the process of selling their own lots from serving on the Board of Directors, as long as they are still lot owners.

Section 2: Powers

- A. The Board of Directors is the legal entity charged with the management and responsibility for the Association. The affairs of the Association shall be governed 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.
- B. The Board of Directors shall adopt policies and promulgate such rules and regulations as they deem necessary for the proper operation, administration and government of Horizons Village Property Owners' Association and these policies, rules and regulations shall be binding on members of the Association as though they were part of the Bylaws of the Association.
- C. The Board of Directors may appoint committees to work under its supervision. These committees of the Board report directly to the Board and the responsibility for any decisions rests directly with the Board.
- D. The Board of Directors cannot rescind or be in conflict with any action taken by the general membership.

Section 3: Meetings

- A. 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 a majority of the directors present, shall act as Chairman.
- B. The Secretary, or in the discretion of the Chairman, any person appointed by him/her, shall act as Secretary of the meeting.
- C. Members may be invited to attend meetings of the Board, and will be provided with an opportunity to speak or give information or advice to the Board, except when the Board is meeting in Executive session. Only members of the Board may vote at meetings of the Board.
- D. The Board of Directors may hold its meetings at such place or places as the Board of Directors may from time to time determine.

Section 4: Quorum for Meetings of the Board of Directors

- A. The majority of the directors shall constitute a quorum for the transaction of business.
- B. The act of a majority of the directors present at any meeting at which a quorum is present shall be the act of the Board of Directors.

Section 5: Election and Term of Office of Directors

- A. Directors shall be elected at each Annual Meeting of the members, or, if the election of directors shall not be held on the day designated for any Annual Meeting or at any adjournment of such meeting, the Board of Directors shall cause the election to be held at a special meeting of the members as soon thereafter as may be practical.
- B. In any election of directors, a quorum being present, nominations and elections of officers and a director shall be conducted. The qualified candidate receiving the greatest number of votes shall be elected. Vacancies shall be filled by the board of directors for the unexpired portion of the term.
- C. When the board of directors is composed of five (5) members of the Association, the term of office for the non-officer director shall be one (1) year. When the board of directors is composed of seven (7) members, the term of office for one of the three non-officer directors shall be for a one (1) year term, the term of office for another shall be for a two (2) year term, and the term of office for the remaining non-officer director shall be for a three (3) year term.

Section 6: Removal and Resignation

- A. Any director may be removed at any time, either with or without cause, by a two-thirds vote of the members given in person or by proxy at a special meeting of the members called expressly for that purpose, at which a quorum shall be present.
- B. Any director may resign at any time by notifying the President or the Secretary. Such resignation shall take effect at the time therein specified; and unless otherwise specified, the acceptance of such resignation shall not be necessary to make it effective.

ARTICLE VII COMMITTEES

Section 1: Establishment and Operation of Committees

- A. The Board of Directors may, by resolution of a majority of the directors present at any meeting at which a quorum is present, designate such committees, operating and standing, as it sees fit, to advise and assist the Board in carrying out its responsibilities.
- B. The composition and specific powers and duties of each committee shall be delineated in a charter approved by the Board.
- C. The Board of Directors shall have the power at any time to change the members of, fill vacancies in, revise charters and discharge any such committee, either with or without cause.
- D. All committees shall keep accurate and complete written minutes of all of its proceedings and hearings.

Section 2: Special committees

- A. Special committees may be appointed to perform some special task, secure more information, investigate a situation, and bring back a report or a recommendation to the Board of Directors, or to the members at the Annual Meeting.
- B. Special committees shall be considered temporary committees which cease to function when they have completed their duties and brought in a report.

Section 3: Quorum for Committee Meetings

- A. A majority of any committee shall constitute a quorum for the transaction of business, and the act of a majority of those present at any meeting at which a quorum is present shall be the act of the committee.
- B. Members of any such committee shall act only as a committee and the individual members shall have no power as such.

Section 4: Environmental Control Committee

- A. At the initial meeting of the board of directors each year, a quorum being present, the board shall appoint an Environmental Control Committee, which shall be a permanent operating committee, for the purpose of exercising rights vested in the Amended Declaration of Protective Covenants, Conditions, Restrictions and Affirmative Obligations Applicable to all Property in the Horizons Village Subdivision.
- B. The Environmental Control Committee (ECC) shall consist of three (3) members appointed to serve a term of one year.
- C. All rules and regulations pertaining to the ECC must be consistent with the Amended Declaration of Protective Covenants, Conditions, Restrictions and Affirmative Obligations Applicable to all Property in the Horizons Village Subdivision.
- D. The Environmental Control Committee will be requested to provide recommendations on the rules and regulations to the Board of Directors, including Location and Site Plans for the construction of any building at Horizons Village. The ECC shall publish, and from time to time revise and update, a

statement of criteria which shall be followed by it. It will adopt such rules and regulations as it deems proper for the conduct of its business and the formalization of its determinations.

- E. Members of the Environmental Control Committee, who are not members of the Board of Directors, shall be entitled to compensation, if any, as may be determined by the Board of Directors.
- F. Nothing in this Section is to be construed as stating or implying that the Environmental Control Committee or the Horizons Village Property Owners Association shall be responsible for Phase I or Phase II roads before they are complete according to the Horizons Village Phase I and Phase II road plans on file with Nelson County.

Section 5: Compliance Committee

- A. The Compliance Committee shall have as its sole purpose the adjudication of both the Rules and Regulations as adopted by the Board of Directors and the Amended Declaration of Protective Covenants, Conditions, Restrictions and Affirmative Obligations Applicable to all Property in the Horizons Village Subdivision.
- B. At the initial meeting of the board of directors each year, a quorum being present, the board shall appoint the Compliance Committee which shall be a permanent operating committee of three (3) members.
- C. A schedule of charges shall be established and/or revised by the Board of Directors and set forth in the Rules and Regulations of the Association. The assessment of a charge is vested in the Compliance Committee except in those instances where a violation of law has occurred and enforcement thereof is vested in State and County authorities.

Section 6: Nominating Committee

- A. The Nominating Committee shall consist of five members. Two shall be appointed each year by the Board of Directors and three shall be elected each year at the Annual Meeting by the Property Owners' Association.
- B. The Nominating Committee will present nominations for the Board of Directors at the Annual Meeting. Additional nominations from the floor will also be asked for at the Annual Meeting. The Nominating Committee will also submit nominations for unfilled terms of office resulting from resignations or removal.
- C. Nominations for those serving on the following year's Nominating Committee will be made at the Annual Meeting from the floor, and not by the outgoing Nominating Committee. The Nominating Committee will serve for one year.

ARTICLE VIII: PARLIAMENTARY AUTHORITY

The rules contained in the current edition of "Robert's Rules in Plain English" shall govern the organization in all instances when they are applicable and not inconsistent with these bylaws and any other special rules the organization shall adopt.

ARTICLE IX: AMENDMENT OF THE BYLAWS

- A. Except as otherwise expressly limited, these bylaws may be established, made, altered, amended, or repealed by an affirmative vote of at least two-thirds vote of members present in person or by proxy

at an annual or special meeting of owners, at which a quorum is present, and [except for the first Annual Meeting] provided that previous notice of proposed changes is provided; or, by an affirmative vote of at least three-fourths (3/4) of the total members of the Board of Directors after the amendment has been considered at two (2) meetings, providing the amendment was in the call for the meeting. Any changes so made by the board will stand only until the following Annual Meeting at which time they will be voted on by the membership, requiring a simple majority for passage.

- B. At the next Annual Meeting after any amendment of the bylaws is made by the Board of Directors, information regarding said amendment(s) must be provided to the members, unless notice has already been provided at a special meeting of members called for this purpose.

ARTICLE X: INDEMNIFICATION OF DIRECTORS AND OFFICERS

- A. The Association shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit, or proceeding, whether civil, criminal, administrative, arbitrative or investigative (other than an action by or in the right of the Association) by reason of the fact that s/he is or was a director or officer of the Association, or is or was serving at the request of the Association as a director, officer, employee or agent of another association, corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorney's fees), judgments, fines and amount paid in settlement actually and reasonably incurred by her/him in connection with such action, suit or proceeding if s/he acted in good faith and in the manner s/he reasonably believed to be in or not opposed to the best interest of the Association, and, with respect to any criminal action or proceeding, had no reasonable cause to believe her/his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not of itself create a presumption that the person did not act in good faith and in a manner which s/he reasonably believed to be in or not opposed to the best interest of the Association, and, with respect to any criminal action or proceeding, had no reasonable cause to believe that her/his conduct was unlawful.
- B. The Association shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Association to procure a judgment in its favor by reason of the fact that s/he is or was a director or officer of the Association, or is or was serving at the request of the Association as a director, officer, employee or agent of another association, corporation, partnership, joint venture, trust or other enterprise against expenses (including attorney's fees) actually and reasonably incurred by her/him in connection with defense or settlement of such action or suit if s/he acted in good faith and in a manner s/he reasonably believed to be in or not opposed to the best interests of the Association except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of her/his duty to the Association unless and only to the extent that the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which such court shall deem proper.
- C. Any indemnification under Paragraph A above shall continue as to any person who has ceased to have the capacity as director or officer and shall inure to the benefit of her/his heirs, executors and administrators. The Association shall have the power, generally and in specific cases, to indemnify its other employees and agents to the same extent as provided in this Article with respect to its directors and officers.

- D. Any indemnification under Paragraphs A and B above (unless ordered by the court) shall be made by the Association only as authorized in the specific case upon a determination that indemnification of the director, officer, employee or agent is proper in the circumstances because s/he has met the applicable standard of conduct set forth in Paragraph A above. Such determination shall be made (1) by the Board of Directors by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceeding, or (2) if such a quorum is not obtainable, or, even if obtainable a quorum of disinterested directors so directs, by independent legal counsel in a written opinion, or (3) by the Members of the Association.
- E. Expenses (including attorney's fees) incurred in defending an action, suit or proceeding, whether civil, criminal, administrative, arbitrative or investigative, maybe paid by the Association in advance of the final disposition of such action, suit or proceeding as authorized in the manner provided in Paragraph C above upon receipt of an undertaking by or on behalf of such director, officer, employee or agent to repay such amount unless it shall ultimately be determined that s/he is entitled to be indemnified by the Association as authorized in this Article.
- F. The Association may make any other or further indemnity, including in criminal proceedings, to any person referred to in the Article that may be authorized herein or in any bylaw or in any resolution adopted, before or after the event, by the members, except an indemnity against her/his gross negligence or willful misconduct.
- G. The Association may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Association, or is or was serving at the request of the Association, as a director, officer, employee or agent of another association, corporation, partnership, joint venture, trust or other enterprise against any liability asserted against her/him and incurred by her/him in any such capacity or arising out of her/his status as such, whether or not the Association would have the power to indemnify her/him against such liability under the provisions of this Article.

BYLAWS OF THE HORIZONS VILLAGE PROPERTY OWNERS ASSOCIATION, INC.

*Established August 15, 1999 and Amended May 21, August 20, 2000, May 18, 2003, August 21, 2005, August 22, 2010, June 13, 2011, August 28, 2011, August 25, 2013, August 30, 2015 and **August 25, 2019***

CHANGE LOG

Description of Change	Reason for Change	Board Approval Date	Membership Approval Date
Article X: Indemnification of Directors and Officers – <u>Added entire Article to bylaws</u>	Recommendation by Association lawyers in review of the bylaws.	May 18, 2003	
Article VI. BOARD OF DIRECTORS Section I, Composition <i>(Reduced number of directors from 7 to 5)</i> A. Until changed by an amendment to these Bylaws, the number of directors shall be <u>five (5), consisting of the four officers of the organization plus 1 other member of the Association,</u> allelected by members present in person or by proxy at the Annual Meeting, or a special meeting called for that purpose. No more than one board member per lot shall be eligible to serve on the Board of Directors.	Our association is rather small with only 41 lots. The board routinely and efficiently handled the business of HVPOA this last (2005) year with a board that averaged five active members.	August 21, 2005	
Article. VI: BOARD OF DIRECTORS: Section 5: Election and Term of Office of Directors: <i>(Change the term length of directors to one year)</i> B. In any election of directors, a quorum being present, nominations and elections of officers and a director shall be conducted. <u>The term of office for all board members shall be one year.</u> The qualified candidate receiving the greatest number of votes shall be elected. Vacancies shall be filled by the board of directors for the unexpired portion of the term.	Align with our articles of incorporation that say the "directors of the corporation shall be elected by the full membership at the Annual Meeting of the Association. "	August 21, 2005	
Article VII. COMMITTEES <i>(Allow the board of directors to appoint members annually to the Environmental Control Committee and the Compliance Committee.)</i> Section 1. Establishment and Operation of Committees C. The Board of Directors shall have the power at any time to change the members of, fill vacancies in, revise charters and discharge any such committee, either with or without cause <u>except for committees elected by the Association at large.</u> Section 4: Environmental Control Committee A. <u>At the initial meeting of the board of directors each year, a quorum being present, the board shall appoint an Environmental Control Committee, which shall be a permanent operating committee,</u> for the purpose of exercising rights vested in the Amended Declaration of Protective Covenants, Conditions, Restrictions and Affirmative Obligations Applicable to all Property in the Horizons Village Subdivision.	Presently (2005), these positions are elected at the annual meeting. By having them appointed by the board, as are the Roads Committee, the Legal Committee and others, the line of authority is clear which requires that all decisions be discussed, finalized, and recorded by the board of directors. The Nominations Committee, whose job it is to find qualified volunteers for serving on the board, would remain a committee elected by	August 21, 2005	

<p>B. The Environmental Control Committee (ECC) shall consist of three (3) members appointed to serve a term of one year.</p> <p>Section 5. Compliance Committee</p> <p>B. <u>At the initial meeting of the board of directors each year, a quorum being present, the board shall appoint the</u> Compliance Committee which shall be a permanent operating committee of three (3) members. "</p> <p>Section 6. Nominating Committee</p> <p>B. The Nominating Committee will present nominations for the Board of Directors each of the officers and members at large, for the Environmental Control Committee and the Compliance Committee at the Annual Meeting that together compose the board of directors. <i>[The rest of the section remains the same.]</i></p>	<p>the full membership at the annual meeting.</p>		
<p>Article IV: Officers, Section 3, Term of Office,</p> <p>B. No member shall be eligible to serve more than three (3) consecutive terms in the same office, unless approved by a 2/3 vote of members eligible to vote attending the Annual Meeting.</p>		<p>August 22, 2010</p>	
<p>Article VII: Committees, Section 6, Nominating Committee</p> <p>C. Nominations for those serving on the following year's Nominating Committee will be made at the Annual Meeting from the floor, and not by the outgoing Nominating Committee. The Nominating Committee will serve for one year. and members are not eligible to be re-elected for a second consecutive term.</p>	<p>Restricting committee members from serving consecutive years was difficult given the limited number of potential members on this committee.</p>	<p>August 22, 2010</p>	
<p>Article IX: Amendment of the Bylaws</p> <p>Section A: The following sentence was added at the end of the paragraph: <u>"Any changes so made by the board will stand only until the following Annual Meeting at which time they will be voted on by the membership, requiring a simple majority for passage".</u></p>	<p>To ensure that the association membership has the final approval of any changes to the bylaws.</p>	<p>June 13, 2011</p>	
<p>Article III: Membership, Section 2, Fees or Dues, Section A, 1st sentence:</p> <p>The Board of Directors shall, from time to time, establish such membership recommend the establishment of such dues as it may deem necessary for the adequate performance by the Association of its functions, including particularly maintenance of roads and other non-private areas in Horizons Village.</p>	<p>The Board "recommends" dues, but the membership must approve.</p>	<p>June 13, 2011</p>	
<p>Article VI: Board of Directors Section 1, Composition, Section 1.A:</p>	<p>This gives the Nominating Committee</p>		<p>August 28, 2011</p>

<p>Until changed by an amendment to these Bylaws, The number of directors shall be five (5) or seven (7), consisting of the four officers of the organization plus and one (1) or three (3) other member(s) of the Association, all elected by members present in person or by proxy at the Annual Meeting, or a special meeting called for that purpose.</p>	<p>the option of proposing either a five (5) or a seven (7) member Board.</p>		
<p>Article VI: Board of Directors Section 5, Election and Term of Office of Directors,</p> <p>Change to Item "B": B. In any election of directors, a quorum being present, nominations and elections of officers and a director shall be conducted. The term of office for all board members shall be one year. The qualified candidate receiving the greatest number of votes shall be elected. Vacancies shall be filled by the board of directors for the unexpired portion of the term.</p> <p>Add Item "C": <u>C. When the board of directors is composed of five (5) members of the Association, the term of office for the non-officer director shall be one (1) year. When the board of directors is composed of seven (7) members, the term of office for one of the three non-officer directors shall be for a one (1) year term, the term of office for another shall be for a two (2) year term, and the term of office for the remaining non-officer director shall be for a three (3) year term.</u></p>	<p>The two and three year terms provide continuity in the make up of the board.</p>		<p>August 28, 2011</p>
<p>Article III: MEMBERSHIP Section 2, Fees or Dues:</p> <p>Change to Item "A": A. <u>Each year,</u> the Board of Directors shall, from time to time, recommend the establishment of such dues as it may deem necessary for the adequate performance by the Association of its functions, including particularly maintenance of roads and other non-private areas in Horizons Village. <u>The Board of Directors shall establish the dues according to the following procedures in Subsection 1 and 2:</u></p> <p><u>Subsection 1. Basis and Maximum of Annual Assessments. In August 2010, an annual assessment of \$500.00 per Lot was established to be effective September 1, 2011. This is the basis of the Annual Assessment for purposes of this Section and shall be the base annual assessment for at least four (4) years beginning September 1, 2011.</u></p> <p><u>a. The base annual assessment may be changed each succeeding period of four (4) years, provided that any such change shall have the assent of two-thirds (2/3) of the votes of the members who are voting in person or by proxy, at a meeting duly called for this</u></p>	<p>Board to set the annual dues based on inflation-based analysis.</p>	<p>November, 26, 2012</p>	<p>August 25, 2013</p>

purpose, written notice of which shall be sent to all members not less than 21 days nor more than 45 days in advance of the meeting setting forth the purpose of the meeting.

b. The maximum annual assessment will be increased effective September 1 of each succeeding year, without a vote of the membership, in conformance with the rise, if any, of the Consumer Price Index for the South Region and Charlottesville and Lynchburg, VA size cities (Class B/C) (published by the Department of Labor, Washington, D.C.) for the preceding month of April. Subsection 2, below, describes the method of computation.

c. After consideration of current maintenance costs, realized savings, and future needs of the Association, the Board of Directors may fix the annual assessment at an amount not in excess of the maximum annual assessment. At the Association's Annual Meeting, the Board shall present the results of their analysis. The Annual Meeting presentation shall include a 20-year financial plan including detailed spend plans, assumptions about inflation, and projections of the annual assessments required to support the spend plans and inflation. The presentation material shall be provided to the association members prior to the Annual Meeting. *The Board's annual assessment decision will at this time be binding on the membership unless it is overridden by two-thirds (2/3) of the votes of the members who are voting in person or by proxy, at Annual Meeting**.*

Subsection 2. Method of Computation. The Consumer Price Index establishes the United States South Region City, Class B/C (Charlottesville / Lynchburg) numerical rating of 134.606 for April 2010, which is relative to the rating of 100.00 set in 1996 by the Department of Labor. This will be the base rating.

To determine the percentage to be applied to the maximum annual assessment for each subsequent year, divide this base rating into the numerical rating established by the Consumer Price Index for the month of April preceding the proposed assessment year. This adjustment percentage, if in excess of 100 percent, is multiplied by the base annual assessment (\$500 as of September 2011) to obtain the maximum assessment for the subsequent year. (For example, the CPI for Charlottesville was 139.177 in July 2011: 139.177 divided by 134.606 equals 1.034, times \$500 = \$517. The maximum annual assessment for the subsequent year is \$517.)

a. If the adjustment percentage is equal to or less than 100 percent (i.e., zero or negative inflation since April 2010), the maximum annual assessment for the subsequent year is equal to the base annual assessment (\$500 as of September 2011).

b. To address extreme inflationary periods, the maximum annual assessment for a given year shall not exceed the previous year's maximum annual assessment by more than 5%.

***Last sentence added for clarification on March 7, 2014 by Board.*

<p>Dues are payable on a quarterly, semiannually, or yearly basis as determined by the Board of Directors. The first year's annual assessments shall be \$25.00 per month (\$300.00 per annum) per Lot payable no later than the first day of September. The annual assessment in subsequent years shall be due on the first day of September. Unsold lots owned by Horizons L.L.C. are exempt from this provision.</p> <p>Change to Item "C":</p> <p>C. No special assessment shall be made against the entire membership unless <u>passed by an affirmative vote of at least three-fourths (3/4) of the total members of the Board of Directors after the special assessment has been considered at two (2) Board meetings, providing the special assessment was in the call for each meeting; and</u> approved by the membership by a majority of votes cast, in person or by proxy, at a duly called Special or Annual Meeting of the Members <u>within 60 days of the Board of Directors decision.</u></p>			
<p>Article V, Section 3C Current Section: Article V, Section 3C. C. A copy of the notice shall be mailed with postage prepaid, not less than twenty-one (21) days nor more than forty-five (45) days before such meeting, to each member entitled to vote at such meeting; and shall be directed to such member at his address as it appears on the records of the Association. By-Law Change of Section: Article V, Section 3C. C. A copy of the notice shall be mailed with postage prepaid, <u>or sent electronically (for example by e-mail) at lot owners discretion</u> not less than twenty-one (21) days nor more than forty-five (45) days before such meeting, to each member entitled to vote at such meeting; and shall be directed to such member at his address as it appears on the records of the Association.</p>	<p>Specifically allow lot owners to receive notices via email.</p>	<p>May 2015</p>	<p>August 30, 2015</p>
<p>Article VI, Board of Directors, Section 1: Composition, Item "D" Current Text for Item "D":</p> <p>No person shall be qualified to be a candidate for or to serve on the Board of Directors if he/she is engaged in, is the owner of, is employed as the agent of, officer or employee of a person, corporation or firm engaged in the business of buying and selling real estate in Horizons Village. Nothing in this section is to be construed as limiting the ability of lot owners who may decide to or are in the process of selling their own lots from serving on the Board of Directors, as long as they are still lot owners.</p> <p>ByLaw Change to Item "D":</p>	<p>Make an exception to allow a member of the association to be on the Board of Directors even if they are in the real estate business, as long as they have a primary residence in Horizons Village.</p>	<p>August 1, 2019</p>	<p>August 25, 2019</p>

No person shall be qualified to be a candidate for or to serve on the Board of Directors if he/she is engaged in, is the owner of, is employed as the agent of, officer or employee of a person, corporation or firm engaged in the business of buying and selling real estate in Horizons Village **unless the person's primary residence is in Horizons Village**. Nothing in this section is to be construed as limiting the ability of lot owners who may decide to or are in the process of selling their own lots from serving on the Board of Directors, as long as they are still lot owners.

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