

**BYLAWS  
OF THE  
APPLE MOUNTAIN LAKE SOUTH  
PROPERTY OWNERS ASSOCIATION, INC.**

**Adopted by the Board of Directors on: AUGUST 8, 2005**

**Ratified by the General Membership on: SEPTEMBER 17, 2005**

**AMENDED BY THE GENERAL MEMBERSHIP ON: FEBRUARY 18, 2006**

**AMENDED BY THE GENERAL MEMBERSHIP ON: OCTOBER 28, 2007**

**AMENDED BY THE GENERAL MEMBERSHIP ON: SEPTEMBER 14, 2008**

**AMENDED BY THE GENERAL MEMBERSHIP ON: SEPTEMBER 12, 2010**

**ARTICLE I  
NAME, PURPOSE, LOCATION AND DEFINITIONS**

**SECTION 1: NAME**

The name of the Association is the Apple Mountain Lake South Property Owners Association, Inc. (hereinafter called the "Association").

**SECTION 2: NON-PROFIT PURPOSES**

The Association is formed as a Virginia non-profit, non-stock corporation, pursuant to Chapter 2, Title 13.1 of the Code of Virginia, 1950, as amended, and not for pecuniary profit or financial gain. No part of the assets or income of the Association shall be distributable to, or inure to the benefit of, its directors, officers or members, except for the purposes set forth in the Articles of Incorporation. The corporation shall not engage in any activities which would constitute a regular business of a kind ordinarily carried on for profit.

**SECTION 3: LOCATION**

The location of the Association shall be Apple Mountain Lake South Development, located in Warren County, Virginia; and the Post Office address shall be: P.O. Box 171, Linden, VA, 22642.

**SECTION 4: DEFINITIONS**

Defined words from the Covenants and Restrictions are incorporated herein.

**ARTICLE II  
MEMBERSHIP**

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**SECTION 1: MEMBERS**

The Association shall have one class of members, composed of active or inactive members.

- A. Active members shall consist of those persons who own or who are purchasing under a contract of purchase a lot or lots within the Development, and have paid and continue to pay the annual fees of the Association, special assessments or other charges. Active members are also in compliance with the Covenants and Restrictions, Bylaws and rules and regulations of the Association. Active member(s) are entitled to one vote per lot.
  
- B. Inactive members shall consist of those persons who own or who are purchasing under a contract of purchase a lot or lots within the Development who have been declared inactive for one of the following reasons:
  - 1. Failure to pay, when due, the applicable charges outlined herein, or
  - 2. Failure to abide by these Bylaws, the Covenants and Restrictions and rules and regulations of the Association as determined by the Board.

**SECTION 2: NOTICE OF STATUS**

In the event an Active member is declared an Inactive member by the Association, the Association shall promptly notify such member in writing that his or her Active membership is revoked, stating with clarity the reasons for such revocation with notice to such member that all rights and privileges, including voting rights and participation in meetings are terminated until such time as such member reinstates his or her Active membership in the Association.

**SECTION 3: SUSPENSION OF RIGHTS**

Except as may be otherwise provided by law, the Articles of Incorporation, the Protective Deed Covenants or by these Bylaws, the qualification, rights, privileges, and responsibilities of members and the suspension thereof shall be determined by the Board, or by any committee to whom this authority may be delegated by the Board.

**SECTION 4: TRANSFERABILITY**

Association membership is non-transferable.

**SECTION 5: TERMINATION OF MEMBERSHIP**

Membership shall terminate upon sale or transfer of the lot.

**ARTICLE III  
MEETINGS OF MEMBERS**

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**SECTION 1: ANNUAL MEETINGS**

There shall be an annual meeting of members of the Association on the Second Sunday of September in each year for the purpose of electing new officers to the Board, for appointing active member volunteers to committees other than the Audit Committee, to elect active member volunteers to the Audit Committee, for receiving the annual reports of officers, and committees, and the transaction of other business. Following the selection of new officers, the Chairperson of each committee will select for active member volunteers members to serve with them on their respective committees.

**SECTION 2: SPECIAL MEETINGS**

Special meetings of the members, for any purpose or purposes, may be called by the President or by the Board, and shall be called by the President at the request of not less than fifteen percent (15 %) of the eligible votes.

**SECTION 3: NOTICE OF ANNUAL OR SPECIAL MEETING**

Written notice stating the place, day and hour of the meeting and, in case of special meeting, the purpose or purposes for which the meeting is called, shall be delivered to each member either personally or by first class mail, not less than fourteen (14) days, seven days for a special meeting, nor more than fifty (50) days before the date of the meeting.

If mailed or delivered personally, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the address of the member's lot or such other address as the lot owner may have designated and filed in writing with the secretary of the Association, with postage prepaid, or when hand-delivery is made. A member who attends a meeting shall be deemed to have had timely and proper notice of the meeting, unless such member attends for the express purpose of objecting because the meeting is not lawfully called or convened.

**SECTION 4: VOTING RIGHTS**

ACTIVE members in the Association shall have those voting rights as are provided in the Articles of Incorporation and/or Covenants and Restrictions of the Association.

**SECTION 5: PROXIES**

At all meetings of members, a member may vote in person or by proxy executed in writing by the member. Executed proxies shall be filed with the Secretary of the Association before or at the time of the meeting. For each item/activity being voted on, the proxy shall be read to the membership present. Proxies shall be revocable at the pleasure of the member executing it. Unless the duration of the proxy is specified, it

shall be invalid after eleven (11) months from the date of its execution. See Appendix A for copy of proxy.

**SECTION 6: QUORUM**

Fifteen percent (15%) of the Active member votes of the Association present in person or represented by written proxy shall constitute a quorum. If there be no such quorum, a majority of the members present shall select the date for the next meeting.

**SECTION 7: REPORTS**

At each annual meeting, the President shall present a written report describing the major achievements since the last annual meeting, problems confronting the Association, or other events or developments that might be of interest to the members, and shall arrange for presentation of reports by the Officers of the Board and Chairpersons of standing or other committees. A written copy of each such report shall be deposited with the Secretary.

**SECTION 8: MINUTES/RECORDS**

The Board shall ensure minutes of every meeting to include, but not limited to annual, special, Board, committee, etc., will be filed with the Association records along with a packet of that meeting. Subject to the law for exceptions, all books and records kept by or on behalf of the Association, including, but not limited to, the Association's membership list and addresses, which shall not be used for purposes of pecuniary gain or commercial solicitation, shall be available for examination and copying by an Active member so long as the request is for a proper purpose related to his membership in the Association. A fee may apply. Access to the records will be made available to the Active member within five (5) days of written notice identifying the purpose for the request.

**SECTION 9: PRESIDING OFFICER**

The President or in absence of same, the Vice President of the Association, shall preside over all meetings of the members. The Secretary, or in absence of same, an Assistant Secretary (appointed by the Board) shall act as Secretary of all meetings. If neither the President, Vice President, Secretary be present, then the members shall reschedule the meeting. If a quorum of the Board fails to attend more than two meetings, then the members will elect new officers to preside over the meeting and finish the terms of the absentee Board members.

**SECTION 10: CONDUCT OF MEETINGS**

Meetings of members shall be conducted according to Roberts Rules of Order, as amended. All meetings will be recorded by the Board and may be recorded by any member. The Board may adopt rules for the placement of equipment. Voting by secret or written ballot is only permitted for election of officers.

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**SECTION 11: ORDER OF BUSINESS**

The order of business at all annual meetings of the members shall be as follows:

1. Roll Call of Officers
2. Proof of notice of meeting and determination of a quorum
3. Reading of minutes of preceding meeting
4. Reports of Officers
5. Reports of Committees
6. Unfinished business
7. New business shall include election of officers
8. Approval of the annual budget
9. Vote on annual road fee, and
10. Update on reserve fund.

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**ARTICLE IV  
BOARD OF DIRECTORS**

**SECTION 1: GENERAL POWERS**

The business and affairs of the Association shall be managed by its Board. The officers of the Board shall have the power and fiduciary responsibility to enforce the Covenants and Restrictions, Bylaws, and rules and regulations (promulgated by the Board) with respect to the use of the common areas and with respect to such other areas of responsibility assigned to the Association by the Declaration, except where expressly reserved by the Declaration to the members. Rules and regulations may be adopted by resolution and shall be mailed to all members. A majority of votes cast, in person or by proxy, at a meeting convened in accordance with the provisions of the Association's Bylaws and called for that purpose, shall repeal or amend any rule or regulation adopted by the Board. Rules and regulations may be enforced by any method normally available to the owner of private property in Virginia, including, but not limited to, application for injunctive relief or damages, during which the court may award to the Association court costs and reasonable attorneys' fees.

The Board shall also have the power, to (i) suspend a member's right to use facilities or services, for nonpayment of assessments which are more than sixty days past due, and (ii) assess fines (after a hearing as provided in Article VIII of these Bylaws) against any member for any violation of the Covenants, these Bylaws or rules and regulations for which the member or his family members, tenant, guests, or other invitees are responsible.

The Board may approve up to \$500. for Association non-budgeted expenditures. Any combined expenditure exceeding \$500., which has not been budgeted for, related to one purpose will require a vote of at least 15% of the Active membership.

**SECTION 2: NUMBER, TENURE, AND QUALIFICATIONS**

The affairs, activities, and concerns of the Association shall be vested in a Board consisting of five (5) officers. The members of the Board shall, upon election, immediately enter upon the performance of their duties and shall continue in office until their successors have been duly elected. The term of the officers shall be one year. New officers will be elected each year at the annual meeting. Any officer may be re-elected. No more than two people from any family may serve as an officer at the same time. However, the President and Treasurer may not be from the same family or household. Each officer must be an Active member in the Association.

**SECTION 3: REGULAR MEETINGS**

Monthly Board Meetings will be held on the 3<sup>rd</sup> Thursday at 7 PM every month. If the 3<sup>rd</sup> Thursday falls on a Holiday the Board Meeting will be held on the 4<sup>th</sup> Thursday of that month. Notice special meetings of the Board shall be typed or legibly written on an 8 1/2" x 11" piece of paper with the date, time and place of the meeting and posted at the entrance to AMLS at least five (5) days prior to said meeting or in the event of an emergency meeting as soon as it is known about.

**SECTION 4: SPECIAL MEETINGS**

Special meetings of the Board may be called by or at the request of the President or any three officers. The person or persons authorized to call such special meetings may fix the time and place for holding any such special meeting.

**SECTION 5: OPEN MEETINGS**

All meetings of the Board shall be open to Active members of the Association. All meetings shall be recorded. Minutes of each meeting and at least one packet of each meeting will be kept in the Association records and made available for examination and/or copying as provided above. The Board may vote to convene in executive session to consider certain matters as provided by law. If this occurs, the motion and specific purpose for the executive session will be spelled out in the minutes of the meeting. Any actions taken during executive session must be voted on by the members of the Association immediately following the executive session. Only the information allowed by law will be presented for a vote.

**SECTION 6: NOTICE**

Monthly Board Meetings will be held on the 3<sup>rd</sup> Thursday at 7 PM every month. If the 3<sup>rd</sup> Thursday falls on a Holiday the Board Meeting will be held on the 4<sup>th</sup> Thursday of that month. Notice special meetings of the Board shall be typed or legibly written on an 8 1/2" x 11" piece of paper with the date, time and place of the meeting and posted at the entrance to AMLS at least five (5) days prior to said meeting or in the event of an emergency meeting as soon as it is known about.

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**SECTION 7: RESIGNATION**

An officer may resign at any time by giving written notice to the Board, the President, or the Secretary of the Association. Unless otherwise specified in the notice, the resignation shall take effect upon receipt thereof by the Board, and the acceptance of the resignation shall not be necessary to make it effective.

**SECTION 8: REMOVAL OF OFFICERS**

Any or all of the officers may be removed for cause by vote of the members or by action of the Board. Officers may be removed without cause only by a vote of the members. If an officer fails to attend three (3) meetings per year (other than for illness) of the Board, the remaining officers may declare such officer's seat vacant.

**SECTION 9: VACANCIES**

Vacancies occurring on the Board for any reason will require a special meeting to elect a new officer for the unexpired term of the vacating officer.

**SECTION 10: COMPENSATION**

By resolution of the Board, officers may be paid their reasonable expenses incurred doing Association business when accompanied by original receipts. Officers shall receive no other compensation.

**SECTION 11: PRESUMPTION OF ASSENT**

An officer of the Association who is present at a meeting of the Board at which action on any Association matter is taken shall be presumed to have assented to the action taken unless a dissent shall be entered in the minutes of the meeting, or unless a written dissent to such action is filed with the person acting as secretary of the meeting before adjournment thereof.

**SECTION 12: NUMBER, TITLE, AND FUNCTION**

The officers of the Association shall be a President, a Vice President of Architecture, a Vice President of Roads, a Secretary, and a Treasurer.

1. All officers with access to Association funds will be bonded.
2. All officers will read the Virginia Property Owners' Association Act (hereinafter referred to as the "Act") and any amendments thereto and conduct the business affairs of the Association in the spirit of the Act.
3. All officers will prepare (or cause to be prepared) an instruction manual for their position, or if already existing, will revise as necessary prior to the completion of their term in office and present such revisions at the annual meeting for a vote by the members of the Association. The instruction manuals will be passed on to the new officers along with all Association records immediately following the annual meeting.
4. All officers of the Association have a fiduciary duty to its members as provided by law; however, no officer shall be liable for failure to perform his/her fiduciary duty if the funds necessary for the officer to perform his/her fiduciary is rescinded by the members.

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5. The Board will include in the annual budget an amount for legal and professional fees as needed for the operation of the Association.

The functions of the officers of the Board shall be as follows:

**A. PRESIDENT**

The President shall be the principal executive officer of the Association and, subject to the control of the Board, shall in general supervise and control all of the business and affairs of the Association. The President shall:

1. Preside at all meetings of the members and of the Board,
2. Monitor all committees, accounting, and records to ensure actions are taken for the benefit of the Association and in compliance with the Act,
3. On his/her own initiative or upon receipt of a complaint in writing, call a meeting of the Board to determine if a hearing needs to be scheduled with the violating member or if a letter of warning is in order. More than one warning to a member for a violation will require a hearing with that member be scheduled. The procedure for notice and conduct of hearing will be followed according to the Act,
4. Be the primary signature of all contracts, checks, drafts, etc., for any commitment exceeding \$100. along with the signature of the officer initiating the contract, check, draft, etc.

**B: VICE PRESIDENT OF ARCHITECTURE**

In the absence of the President or in event of his/her death, inability or refusal to act, the Vice President of Architecture shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. The Vice President shall perform such other duties as from time to time may be assigned by the President or by the Board. The Vice President of Architecture shall:

1. Prepare guidelines and recommendations necessary to preserve lots in their natural state or, if improved or developed, to maintain the environmental integrity of the development in order to prevent unsightly and offensive conditions,
2. Review applications from lot owners for the construction of improvements on a lot or lots,
3. Conduct ongoing inspections of construction to ensure that improvements comply with approved plans according to the Covenants and Restrictions of the Association,
4. Collect any construction fees due and remit to the Treasurer immediately,
5. Promptly review plans required by the Covenants of the Association.
6. Appoint Active member volunteers to the Architecture Committee.

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**C: VICE PRESIDENT OF ROADS**

The Vice President of Roads shall perform such other duties as from time to time may be assigned by the President or by the Board. The Vice President of Roads shall:

1. Prepare guidelines and recommendations regarding the construction, alteration, maintenance, and improvement of roads, culverts, alleys, and all other common areas and thoroughfares for vehicles in the Development as pertaining to safety, pass ability, drainage and access to the properties of all members,
2. Arrange for and supervise maintenance of, and improvements of, the roads and associated means for their safe use, including erection of signs and establishment of speed limits, as approved by the Board,
3. Prepare requests for estimates of road maintenance, snow removal, etc. A minimum of three (3) written estimates will be obtained for any maintenance costs exceeding \$500.
4. Evaluate the need for capital reserves for road maintenance and submit two reports at the annual meeting; a. one written report outlining funds needed for the yearly upkeep of common areas (with estimates attached), b. a written report with suggestions for the reserve fund (with estimates attached).
5. Appoint Active member volunteers to the Road Maintenance Committee.

**D: SECRETARY**

The Secretary shall perform all duties incident to the office of Secretary and as directed by the President and/or the Board. The Secretary shall:

1. Keep accurate-written minutes of all meetings of the members and provide to the members within fourteen (14) days of the annual meeting or any special meeting the minutes of that meeting
2. Keep accurate-written minutes of all Board meetings. Such minutes to be kept with the Association and made available when requested,
3. Attend to the giving and serving of all notices required by law or the Bylaws,
4. Affix the seal of the corporation to deeds, contracts and other instruments in writing requiring a seal, when duly signed,
5. Keep a register of the post office address of each member, which shall be furnished to the Secretary by such member,
6. Provide to the members a telephone/e-mail directory for lot owners to communicate among themselves and with the Board regarding any matter concerning the Association.

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**E: TREASURER**

Prior to taking office, the Treasurer shall post a surety bond, the premium of which shall be paid by the Association. Once bonded, the Treasurer shall have the custody of all funds, securities, evidences of indebtedness and other personal property of the Association and shall deposit the same in such bank or trust company as shall be designated by the Board. The Treasurer shall:

1. Keep accurate detailed records of all receipts and expenditures affecting the operation and administration of the Association. All financial books and records shall be kept in accordance with generally accepted accounting practices,
2. Prepare an annual budget to be approved by the Board and presented to the members for approval at the annual meeting. Provide each year to the audit committee a legible copy of all transactions with supporting documentation,
3. Receive and give receipts for monies paid on account of the Association and shall pay out of the funds on hand all bills and other just debts of the Association of whatever nature upon maturity of the same and shall deposit, from any source, all such monies in the name of the Association in banks, trust companies or other depositories. Non-budgeted expenditures, i.e., those not approved in advance by the Board, are not authorized. Any expenditures in excess of \$100 will require the signature of the President,
4. Enter regularly in books of the Association to be kept by him/her for that purpose full an accurate account of all monies received and paid out by him/her on account of the Association,
5. Make available to an owner or his authorized agent within fourteen (14) days after receipt of a written request therefore and receipt of the appropriate fee, an Association disclosure packet. The information contained in the Association disclosure packet shall be current as of a date specified on the Association disclosure packet. The disclosure packet shall contain the information as described in the Act as amended,
6. Mail to all members the first week of January of each year an invoice for annual road fees as voted on at the annual meeting. Such invoice will be due by January 30th of each year. There shall be no waiver nor reduction of any amounts owed the Association, be they annual dues, assessments, fees, penalties, late charges, fines, bills for services, or any other sums owed for any reason, without the unanimous approval of the Board,
7. Notify any member who has failed to pay their annual road fees within 60 days of the due date, by certified mail, at the property owner's last address, that a memorandum of lien will be filed in the circuit court clerk's office of Warren County if payment is not received within ten days in addition to the reduction of their member status and other remedies prescribed in the Covenants, these Bylaws and by law to include foreclosure, if necessary,
8. File before the expiration of three (3) months from the time the first such assessment becomes due and payable, in the clerk's office of the circuit court in Warren County, a memorandum, verified by the oath of the President, a lien which contents are prescribed by the Act,

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- 9. Prepare, or cause to be prepared, and file reports with the State Corporation Commission and the Real Estate Board. Prepare, or cause to be prepared, and file, State and Federal Taxes annually as well as any other local, state or federal reports required by law.

**ARTICLE V  
CHARGES**

**SECTION 1: ANNUAL CHARGES**

The following annual charges shall be applicable to each lot in the subdivision and shall be paid by the owner of record, or beneficial owner if different:

1. Annual Road Maintenance Fees:

The annual charges approved by the members each year at the annual meeting shall be paid by each lot owner for each lot. Such fees may be increased or decreased by quorum of Active members. This fee shall be due and payable by April 1, each and every year. If this fee is unpaid as of the 10th day of April, there shall be added thereto a late charge of twelve percent (12 %) of the fee, and the legal rate of interest determined by the Virginia State Code, plus all additional billing costs, court costs, lawyers' fees, to offset the additional administration costs of special handling of such delinquent accounts.

As of 2011 the annual dues assessed shall be Three Hundred and Twenty Five Dollars per annum per lot. EXCEPT THAT, in the case of lots 52, 53/54 (to be assessed as one lot due to consolidation), 55, 56, 57, 58, and 59, the annual dues shall be One Hundred Eighty-Two Dollars per annum per lot, and not the amount set forth above for the other lots in the subdivision; PROVIDED FURTHER, that One Hundred Thirty-Two Dollars of said annual dues shall be placed into the Property Owners' Association general fund for use by the Property Owners' Association, and Fifty Dollars of said annual dues shall be placed into an interest-bearing escrow fund to be used jointly by said lot owners for the maintenance of CCC Road, and for that purpose only; and PROVIDED FURTHER, that in the case of a irreconcilable dispute between the owners of said lots as to the use of the contents of said escrow account (irreconcilable dispute being defined herein as there being no majority vote among the owners of said lots, with each lot having one vote, as to the use of said funds) , the Property Owners' Association shall have the tie-breaking vote as to the use of said funds.

2. Special Assessments:

The Board may, from time to time, and upon a resolution adopted by it, charge the owner of each lot with a special emergency assessment, as the financial requirements of the Association demand, in the best interest of the Association, provided the proceeds are used primarily for the maintenance and upkeep of the Association roads. Such fee may be increased or

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decreased by quorum of Active members. Special assessments shall comply with terms and conditions imposed by the Act, as amended, and such other laws as are in effect at the time of the special assessment by the Board.

3. Insurance:

Each lot owner shall pay a pro rata share of the liability insurance for the common areas and for the officers of the Board. The insurance expense will be added to the fee for the maintenance of roads.

4. Other fees:

The Board may impose such other fees as it deems necessary in the best interests of the Association in order to conserve the assets of the Association and may, from time to time, increase or decrease such fees as the needs of the Association dictate. Such fees may be increased or decreased by quorum of Active members. Such other fees shall include, but not be limited to, the following:

5. Construction Fee:

A non-refundable fee of Fifteen Hundred Dollars (\$1500.) shall be paid to the Association prior to the commencement of construction of any new dwelling, to defray the costs of repairs to the roads of Apple Mountain Lake South as a result of the additional wear and tear caused by such construction.

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## SECTION 2: FAILURE TO PAY

Failure on the part of any member or lot owner to pay each, every, and all of the charges, fees or assessments, including any late charges thereon, imposed pursuant to these Bylaws, shall subject such member or lot owner to any or all of the remedies available to the Association, which remedies shall include, but not be limited to, in the discretion of the Board, the following:

1. Suspension of the right to vote at annual or special meetings of members,
2. Reduction of membership to an Inactive member,
3. Placing a lien of record against the lot of the member or lot owner, and the responsibility of the lot owner to pay all costs incurred by the Association in the enforcement of such lien,
4. Reporting of non-payment to the credit bureau,
5. Foreclosure on lot and any improvements thereon.

## ARTICLE VI STANDING COMMITTEES

### SECTION 1: PERMANENT COMMITTEES

There shall be established five (5) standing committees

1. Architectural committee, chaired by the Vice President of Architecture.
2. Road maintenance committee, chaired by the Vice President of Roads.

3. FireWise Committee, chaired by the President
4. Communication Committee, chaired by the President
5. Audit Committee.

**SECTION 2: COMMITTEE MEMBERSHIP**

Each Committee will be chaired by an Officer of the Board and Active members appointed by Committee Chairperson.

**SECTION 3: ARCHITECTURAL COMMITTEE**

The Architectural Committee shall have as its purposes:

1. The preparation of guidelines and recommendations necessary to preserve lots in their natural state, or if improved or developed, to maintain the environmental integrity of the development in order to prevent unsightly and offensive conditions,
2. The review of applications from the lot owners for the construction of improvements on a lot or lots; and,
3. The ongoing inspection of the construction to ensure that improvements comply with approved plans.

**SECTION 4: ROADS COMMITTEE**

The Roads Committee shall have as its purposes:

1. Prepare requests for estimates regarding the construction, alteration, maintenance, snow removal, and improvement of roads, culverts, ditches, and all other common areas and thoroughfares for vehicles in the Development as pertaining to safety, pass ability, drainage and access to the properties of all members,
2. Prepare annual and reserve budgets for the maintenance, alteration and improvement of roads based on estimates received,
3. Monitor construction and make sure proper fees are collected,
4. Monitor maintenance of roads and common areas to insure contracts for service are honored.

**SECTION 5: AUDIT COMMITTEE**

The Audit Committee shall have as its purposes:

1. Audit Treasurers records to ensure Board financial records are maintained in accordance with general accounting principals, Provide Board with results of audit by written report within three months.

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**ARTICLE VII  
ADMINISTRATION**

**SECTION 1: FISCAL YEAR**

The fiscal year of the Association shall begin on the first day of July of each year.

**SECTION 2: CORPORATE SEAL**

The official corporate seal of the Association shall be inscribed with the name of the Association and the year of its incorporation and shall be in such form and contain such other words and/or figures as ordered by the Board. The official seal or its facsimile may be used on any paper or document of the Association.

**SECTION 3: RULES AND REGULATIONS**

From time to time, the Board may prescribe Rules and Regulations for the orderly management of the Association. Such rules and regulations shall be ratified by the members at the next meeting of the members. Rules and regulations will be separate from the Covenants and Restrictions and Bylaws.

**SECTION 4: INDEMNIFICATION**

Any past or present Officer of this Association, or his or her personal representative, shall be indemnified by the Association against all costs and expenses reasonably incurred or imposed upon him or her in connection with or resulting from any action, suit or proceeding to which he or she may be made a party because of his or her duties with the Association, except in those cases in which he or she shall be finally adjudicated to have acted in bad faith, or to have been liable because of a willful misconduct in the performance of his or her duty as an Officer. "Costs and Expenses" shall include attorney's fees, damages, and reasonable amounts paid in settlement. A cap on expenditures for insurance will be determined by the membership at the annual meeting.

**SECTION 5: CONFLICTS AND CONTRADICTIONS**

Any conflict that may arise from interpretation of these Bylaws with respect to the Articles of Incorporation and/or the Protective Deed Covenants shall be resolved in favor of the two latter documents, which shall control, but in any case, state law shall override provisions of any of these documents.

**SECTION 6: SEVERABILITY**

In the event that any provision of these Bylaws is ruled invalid, by a Court of competent jurisdiction, such ruling will not affect the remaining provisions of these Bylaws.

**SECTION 7: CHANGING BYLAWS**

The Bylaws may be amended at any meeting of the Association by a majority vote of Active members. All property owners shall have the opportunity to view the proposed changes prior to a vote. Any Active member wishing not to reply is assumed as accepting proposed changes and their vote will be counted in that fashion.

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**SECTION 8: CHANGING COVENANTS**

The Covenants may be amended at any meeting of the Association by a majority vote of Active members. All property owners shall have the opportunity to view the proposed changes prior to a vote. Any Active member wishing not to reply is assumed as accepting proposed changes and their vote will be counted in that fashion.

**ARTICLE VIII  
ENFORCEMENT OF RULES**

**SECTION 1: FINES**

The Board has the power to set and assess fines against any member for any violation of these Bylaws, the Covenants and Restrictions and the rules and regulations, if any. The amount of any fines so assessed shall not be limited to the expense or damage to the Association caused by the violation, but shall not exceed fifty dollars for a single offense or ten dollars per day (for a maximum of 90 days) for any offense of a continuing nature and shall be treated as an assessment against the member's lot.

**SECTION 1: HEARING**

Before any such fines may be imposed, the member shall be given an opportunity to be heard and to be represented by counsel before the Board. Notice of a hearing, including the charges, shall be hand delivered or mailed to the member at their lot address at least fourteen days prior to the hearing.

**SECTION 2: APPEALS PANEL**

Any member aggrieved by any determination of the Board, a Standing Committee, or by any Covenants and Restrictions, may appeal by notice in writing to the Secretary within a reasonable time of such determination. The President shall then promptly appoint an Appeals Panel, which shall consist of one member of the Board, one Active member of the Association selected by the aggrieved member, and a third Active member of the Association selected and agreed upon by the other two members of the Panel. The Panel shall promptly meet, hear the merits of the controversy, and render a decision in writing to the Board.

**SECTION 2: FINALITY OF DECISION**

The decision of the Panel shall stand final until overturned by a Court of Law or Equity.

**SECTION 3: REVIEW**

In the event that the decision of an Appeals Panel, appointed to hear a grievance by a member, decides against a given Covenants and Restriction the Board must review said Covenants and Restrictions as part of its business at the next scheduled meeting.

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**ARTICLE IX  
ASSOCIATION EQUIPMENT**

Association equipment may be used by Active members of the Association in accordance with rules and procedures determined by the Board. Association members will be liable for any damage done to equipment due to improper use. Fees may be assessed for use of Association equipment and are due and payable upon the return of the equipment. Non-payment of fees may be collected in the same manner as annual road maintenance fees.

**ARTICLE X  
OTHER**

These Bylaws may be altered, amended, or repealed and new Bylaws may be adopted by the Board at any annual or special meeting of the Board, subject to ratification by the Association members.

**AMENDED BY THE GENERAL MEMBERSHIP ON:**

**Date: SEPTEMBER 12, 2010**

**Apple Mountain Lake South Property Owners Association**

By: Gay Haley

**State of Virginia;  
County of Warren; to-wit:**

Subscribed and sworn to before me by Gay Haley,  
Apple Mountain Lake South Property Owners Association, this 12<sup>th</sup> day  
of September, 2010

[Signature]  
Notary Public

My Commission Expires: May 31, 2014



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INSTRUMENT #100004759  
RECORDED IN THE CLERK'S OFFICE OF  
WARREN COUNTY ON  
SEPTEMBER 16, 2010 AT 10:08AM

JENNIFER R. SIMS, CLERK  
RECORDED BY: AMM

*AM*