

**BY LAWS OF
BLUE MOUNTAIN PROPERTY OWNERS' ASSOCIATION, INC.
P. O. BOX 114
LINDEN, VIRGINIA 22642**

As Amended, August 19, 2012

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ARTICLE I – NAME AND PURPOSE

1.1 NAME. The name of this organization is Blue Mountain Property Owners’ Association, Inc., hereinafter called the Association.

1.2 PURPOSE. The purpose of the Association is: to promote the health, safety and general welfare of its members as the owners of real property in the Blue Mountain Subdivision (hereinafter called the Subdivision) located in Warren County, Virginia; to endeavor to preserve the natural beauty of the Subdivision and its environment; to assist its members with matters relating to both internal roads and public roads in its vicinity and the recreation facilities; to enforce the Covenants; and to assist members with respect to federal, state and local laws, regulations and plans affecting their property and the Subdivision.

1.3 NON-PROFIT STATUS. The Association is not empowered to engage, except as an insubstantial part of its activities, in endeavors other than those relating to the purposes outlined in Section 1.2 of this Article. No part of the funds received by the Association shall inure to the benefit of any individual, and no Officer, Director, or property owner shall receive or be entitled to any current or future profit from the operations thereof, except that any of the aforementioned persons shall be reimbursed for expenses incurred by them when authorized by, and made on behalf of, the Association.

ARTICLE II – MEMBERSHIP

2.1 MEMBERSHIP. Each legal owner of record of a lot located in the Subdivision shall be a member of the Association. No dues shall be required for membership.

ARTICLE III – BOARD OF OFFICERS AND DIRECTORS

3.1 COMPOSITION AND ELECTION. The affairs of the Association shall be managed by a Board of Officers and Directors, hereinafter called the Board. The Board shall be comprised of five Officers (President, First Vice President, Second Vice President, Secretary and Treasurer), and four Directors-at-Large. These Officers and Directors shall be property owners elected at the Annual Meeting of the Association and serve for two years in accordance with Article VII of these Bylaws.

3.2 DUTIES AND RESPONSIBILITIES OF THE BOARD. The Board, as elected representatives of the Association, acts for the Association. The primary duties of the Board are:

(a) To implement the purposes of the Association as expressed in Article I, Section 1.2 of these Bylaws; to carry on the business of the Association between Association meetings; and to faithfully implement resolutions duly passed at Board and Association meetings.

(b) To arrange for emergency funding as the Board deems necessary. The Board of Directors may after careful consideration, accept donations to the Association from its members or other entities or organizations if said donations, in the opinion of the Board, are in keeping with the Bylaws and Covenants of the Association.

(c) To call special meetings of the Association as necessary. Special meetings of the Association may also be requested by a written petition to the Board signed by a minimum of one-twentieth (1/20) of the property owners.

(d) To call special or emergency meetings of the Board as necessary. The Board shall attempt to notify property owners of the time and place of all special meetings at least 24 hours in advance. Signs posted prominently around the subdivision, and posted on the Web page and/or an email, would satisfy this requirement. A full accounting of actions taken at all Special Association or Board meetings shall be recorded in minutes.

(e) To keep records of all its acts and affairs in the form of meeting minutes, correspondence, financial records, copies of newsletters, committee reports, etc. All of these records shall be promptly turned over to appropriate successors so that continuity of the Associations' work will be ensured.

(f) To provide property owners with a full accounting of its activities and the financial standing of the Association and the Blue Mountain Sanitary District (BMSD). Upon request from any property owner and within a reasonable time frame, the Board shall either make available for inspection or provide copies of any available records except membership lists.

(g) To function as the Managing Agent for the BMSD. Pursuant to an agreement with the Warren County Board of Supervisors (WCBOS), the governing body of the Sanitary District (SD), the Board develops and, with Association approval, recommends to the WCBOS an annual tax rate. Spending is limited by the agreement between WCBOS and BMPOA. The Board may appoint or hire an accountant, counsel, other employees and/or a general manager. Any salaried or contract employees shall be responsible to and directed by the Board. Consultants and employees shall not have a conflict of interest, potential conflict of interest, or present the appearance of a conflict of interest to the general membership.

(h) To hold regular Board meetings at a location specified by the President or the presiding officer. All Board meetings shall be open to all property owners. The Membership shall be made aware of the time and place of Board meetings. The President may decide from time to time to go into executive or closed session.

(i) To ensure that all business conducted by the Association and its elected representatives comply with current guidance as provided in The Virginia Freedom of Information Act.

(j) To direct production, distribution, and postmark of the Association Newsletter at least 14 days prior to the annual meeting. Otherwise, the newsletter is to be distributed at least twice a year and up to four times a year as considered necessary by the board. Board members and the Chairmen of Committees are to provide timely and accurate inputs of significance to the newsletter editor who is to be appointed by the President. To ensure consistency with BMPOA policies and governing documents, the newsletter should be coordinated with the Board prior to printing and distribution.

(k) To ensure that the BMPOA website is maintained and up to date.

3.3 VACANCIES. In the event that an Officer or Director of the Board shall be unable to serve his or her full term, and such Officer informs the President, the latter shall declare promptly to the Board that a vacancy exists and shall fill such vacancy by the majority vote of the remaining Board members. A vacancy shall also be declared, and steps taken to fill same, when any member of the Board shall be absent without explanation from three consecutive meetings of the Board. All persons elected by the Board to fill vacancies shall be included in the slate of candidates for election at the next annual meeting.

3.4 VOTING. At Board meetings, a quorum shall consist of five of the nine Officers and Directors. When a quorum exists, the majority vote of the Board members present shall be required to pass resolutions.

ARTICLE IV – DUTIES OF OFFICERS AND DIRECTORS

4.1 OFFICERS AND DIRECTORS. Elected Officers of the Association shall be President, First Vice President, Second Vice President, Secretary, Treasurer, and four Directors-At-Large.

4.2 TERM OF OFFICE. All Officers and Directors shall hold office for the period of two years, starting September 1 following their election and ending August 31. No Officer or Director shall hold the same office for more than two terms, except by reelection by a majority of the property owners voting at the Annual Meeting. No more than one owner of record of a property shall serve as an Officer or Director at the same time.

4.3 PRESIDENT. The President shall preside at all Board and Association meetings; shall see that the resolutions passed at Board and Association meetings are properly implemented; shall sign all instruments binding the Association; and shall perform such other functions as are ordinarily performed by an Association President. The President may designate in writing any other elected officer to countersign checks or official documents. The President shall be an ex officio member of all committees.

4.4 VICE PRESIDENTS. The First and Second Vice Presidents, in order, shall perform all duties of the President in his or her absence, and shall assist the President in the performance of duties as requested.

4.5 SECRETARY. The Secretary shall:

- (a) Act as secretary of all Board, Association and BMSD meetings
- (b) Keep the minutes thereof in a proper book or books to be provided for that purpose
- (c) Maintain official copies of the Bylaws and Covenants, contracts and other official documents
- (d) Perform all other duties incident to the office of the Secretary
- (e) Additionally, the Secretary may delegate the following duties:
 - 1) Maintain a current roster of all property owners and their last known addresses as recorded by Warren County
 - 2) Keep all other records of the Association and BMSD, other than financial records
 - 3) See that all notices required to be given or reports to be rendered by the Association and BMSD are duly served.

4.6 TREASURER. The Treasurer shall:

- (a) Receive and deposit in the name of the Association and BMSD in appropriate bank accounts all monies of the Association and BMSD and shall disburse such funds as directed by resolutions of the Board.
- (b) Sign all checks and notes of the Association. All such checks shall be countersigned by the President or his or her designee.
- (c) Keep proper books and make them available for inspection, if requested, by property owners as set forth in 3.2(f) above.
- (d) Summarize the financial condition of the Association and the BMSD at each regular meeting of the Board and of the property owners.
- (e) Submit Association financial records for an annual audit by two property owners appointed by the Board preceding the annual Association meeting and submit the results at the annual meeting
- (f) Close the Association and BMSD books as soon as possible after August 31st, the end of the fiscal year.
- (g) Submit the books to the auditor within 60 days of the end of the fiscal year and then to the WCBOS by its due date.
- (h) Prepare and file annual reports to the IRS by the required dates for both the Association and the BMSD.
- (i) Prepare and file by the required dates, annual reports to maintain our non-profit status with the State of Virginia as well as reports required for the annual Warren County audit, insurance certifications, etc.
- (j) Ensure that monies are received from the county when due and deposited promptly.
- (k) Pre-approve all out-of-pocket expenses or disbursements all of which are to be supported by a receipt or voucher.
- (l) Ensure that Impact fees for new construction are collected and deposited promptly.
- (m) Perform such other duties as are normally associated with the position of the Treasurer.

ARTICLE V – COMMITTEES

5.1 STANDING COMMITTEES. The Standing Committees of the Association shall be:

- (a) Roads Committee
- (b) Public Safety Committee
- (c) Recreation Committee
- (d) Membership Committee
- (e) Legislative and Public Relations Committee
- (f) Arbitration Committee
- (g) Architectural Review Committee
- (h) Covenants Enforcement Committee
- (i) Nominating Committee

5.2 STAFFING OF THE STANDING COMMITTEES Each Standing Committee shall consist of a Chairman appointed by the Board. All Committee Chairmen shall be prepared to give oral or written reports to the Board and to make contributions to the Newsletter. They shall further present an annual written report to the property owners at the annual meeting.

5.3 THE ROADS COMMITTEE shall deal with matters related to all roads in the Subdivision and adjacent areas.

5.4 THE PUBLIC SAFETY COMMITTEE shall deal with matters affecting the safety and security of property owners.

5.5 THE RECREATION COMMITTEE shall deal with matters affecting property owners in connection with recreational facilities in the Subdivision and shall arrange and coordinate appropriate social programs.

5.6 THE MEMBERSHIP COMMITTEE shall attempt to identify and welcome new property owners and to supply them with an informational packet to include a current copy of the Bylaws and Covenants.

5.7 THE LEGISLATIVE AND PUBLIC RELATIONS COMMITTEE shall monitor all proposed national, state and local legislation, which may affect the Subdivision or its environs. Such information will be furnished promptly to the Board for appropriate action. This Committee shall monitor agenda items before the WCBOS, and work with County and other governmental officials as appropriate for the benefit of the Association and the BMSD.

5.8 THE ARBITRATION COMMITTEE shall deal with appeals by property owners to cited violations of the Protective Covenants, Conditions and Restrictions.

5.9 THE ARCHITECTURAL REVIEW COMMITTEE shall approve all new construction and exterior improvements to existing property.

5.10 THE COVENANTS ENFORCEMENT COMMITTEE shall deal with compliance to the Protective Covenants, Conditions and Restrictions.

5.11 THE NOMINATING COMMITTEE will be chaired by an Officer or Director chosen by the President. The Committee will include no fewer than two additional property owners elected by the membership. Vacancies occurring on this Committee may be filled by a majority vote of the Board. The Committee shall make a continuing search for the most qualified and available candidates from among property owners for election at the Annual Association Meeting. The Committee shall nominate for election at each annual meeting candidates to fill expiring terms of Officers and Directors of the Board as well as those of the Nominating Committee. The Committee shall also nominate two or more Members-at-Large of the next Nominating Committee to serve a term of two years. Nominees shall not have a conflict of interest. The property owners are invited, and will be notified by mail annually, to submit candidates. All such nominations must reach the Chairman of the Nominating Committee by July 1.

5.12 TEMPORARY COMMITTEES. With the concurrence of the Board, the President may form Temporary Committees and appoint chairmen and members as required by the affairs of the Association and BMSD.

ARTICLE VI – ASSOCIATION MEETINGS

6.1 ASSOCIATION MEETINGS. An Annual Association Meeting shall be held for the election of new Officers, Directors and members of the Nominating Committee, as well as to conduct all other Association or Sanitary District business. This Annual Meeting shall be held on the third Sunday of August at a location to be set forth in the notice of the meeting. Special Association meetings shall be convened in accordance with the provisions of Article III, Section 3.2(c) above. The Agenda for all Association meetings shall be stated in the notice of the meeting.

6.2 NOTICES. Notice of the Annual Meeting shall be included in the Association's Newsletter, which shall be postmarked no less than fourteen days prior to the date of such meeting. The notice shall include the names and, if possible, the qualifications of the slate of officers and directors being proposed by the Nominating Committee. A proxy will be provided in the Newsletter which may be entrusted to the Board or any designated property owner. Notice of a Special Association Meeting will be postmarked no less than fourteen days prior to such meeting and posted prominently around the community. The notices should also be posted on the BMPOA Web page along with proxy procedures.

6.3 QUORUMS AND VOTING. A quorum shall consist of the total of all property owners present and those represented by a properly executed written proxy. The Board shall prescribe the form of the proxy which shall be included in the notice of the meeting as set forth in Section 6.2 above and shall be included on the BMPOA web site. Each property owner of record shall have one vote regardless of the number of lots owned within the Subdivision or the number of persons or entities comprising said ownership. Each action of the meeting shall require the affirmative vote of a majority of the members present and those represented by proxy when the vote is taken.

6.4 ORDER OF BUSINESS. The order of business may be adjusted by the Board as required by circumstances. Otherwise, the order of business at Association Meetings shall be as follows:

- (a) Call to Order
- (b) Validation and Counting of written proxies
- (c) Reading of the Minutes of the last Annual Association meeting. In lieu thereof, a vote that the reading be waived and copies of said Minutes made available for review
- (d) Public comments and input
- (e) Reports of the President, Officers, Committee Chairmen and Nominating Committee as appropriate
- (f) Old business
- (g) New business
- (h) Election of Officers, Directors and members of the Nominating Committee as outlined in Article VII
- (i) Adjournment

ARTICLE VII – ELECTION PROCEDURES

7.1 ELECTION BY ACCLAMATION. If no nominations are received from the property owners by July 1 (See Article V, Sec. 5.11) the slate of officers, Directors and members of the Nominating Committee, as proposed by the current Nominating Committee and approved by the Board at a prior meeting, shall be presented to the membership for a vote of acclamation at the annual meeting.

7.2 ELECTION BY BALLOT. Nominations for a position on the Board and/or the Nominating Committee, received from the property owners by the July 1 deadline, will be added to the slate prepared by the Nominating Committee for presentation at the Annual Association meeting.

ARTICLE VIII – FINANCIAL MATTERS

The Fiscal Year of the Association shall begin on September 1. Without the prior approval of the Board, no payments shall be authorized except for out-of-pocket expenses or other approved disbursements incurred directly in connection with the affairs of the Association and the BMSD.

ARTICLE IX – AMENDMENTS

These bylaws may be amended by the affirmative vote of a majority of the property owners present or represented by written proxy at an annual Association Meeting in accordance with Quorum provisions set forth in Article VI, Section 6.3. Such amendments are to be proposed by the Board or by at least one-tenth (1/10) of the property owners, and the proposed amendments are to be published in the notice of the Annual Association Meeting.