

MARKUP #1 ->

Section 6.3. Quorum. A majority of the then-serving Directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Directors present at a duly held meeting at which a quorum is present, shall be regarded as the act of the Board.

ARTICLE VII

Powers and Duties of the Board of Directors

ISSUE #1

Section 7.1. Powers. The Board of Directors shall have the power to:

- A. Adopt Rules as more particularly described in the Declaration;

B. Suspend the voting rights and rights to use the recreational facilities, of a Member during any period in which such Member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) days for infraction of the Rules;

C. Exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these Bylaws, the Articles of Incorporation, or the Declaration;

D. Declare an office of a member of the Board of Directors to be vacant in the event such member shall be absent from three consecutive regular meetings of the Board of Directors;

E. Employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties; and

F. Exercise all such other powers as provided under the Virginia Nonstock Corporation Act and the Virginia Property Owners' Association Act.

Section 7.2. Duties. It shall be the duty of the Board of Directors to:

- A. cause to be kept, a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members, or at any special meeting when such statements is requested in writing by one-fourth (1/4) of the Members who are entitled to vote;

B. supervise all officers, agents and employees of this Association and see that their duties are properly performed;

C. as more fully provided in the Declaration to:

(1) fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period;

(2) send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of such annual assessment period; and

MARKUP #1 · CONFLICTS WITH MANDATORY STATE STATUTE

BOARD & COUNSEL REVIEW

Sec. 7.1. (p. 6): Voting rights suspension clause lacks Virginia statutory notice, hearing due process, or delinquency safeguards (Va. Code §§ 55.1-1819, 55.1-1959 (\$50 Single / \$10 Per-Diem Cap & 14-Day Certified Notice) & 18 VAC 48-70).

Statutory / Legal Reference: Va. Code §§ 55.1-1819, 55.1-1959 (\$50 Single / \$10 Per-Diem Cap & 14-Day Certified Notice) & 18 VAC 48-70; Va. Code Ann. §§ 55.1-1800 to 55.1-1836 (Virginia Property Owners' Association Act) & 18 VAC 48-50 / 48-60 /...

Statutory Comparison: Under Virginia community association and nonprofit corporation statutes (Va. Code §§ 55.1-1819, 55.1-1959 (\$50 Single / \$10 Per-Diem Cap & 14-Day Certified Notice) & 18 VAC 48-70; Va. Code Ann. §§ 13.1-801 to 13.1-946 (Virginia Nonstock Corporation Act)), member voting rights are a fundamental corporate governance right and may not be summarily suspended without strict compliance with statutory delinquency thresholds, prior written notice, and an opportunity to be heard.

CURRENT WORDING IN DOCUMENT:

Powers. The Board of Directors shall have the power to: A. Adopt Rules as more particularly described in the Declaration; B. Suspend the voting rights and rights to use the recreational facilities, of a Member during any period in which such Member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) days for infraction of the Rules;

SAMPLE DISCUSSION WORDING (FOR HOA ATTORNEY REVIEW):

Provided that any suspension of voting or membership privileges (to the extent permitted by Virginia law) shall require prior written notice to the Owner, a reasonable opportunity to be heard, and strict compliance with Va. Code §§ 55.1-1819, 55.1-1959 (\$50 Single / \$10 Per-Diem Cap & 14-Day Certified Notice) & 18 VAC 48-70 and Va. Code Ann. §§ 13.1-801 to 13.1-946 (Virginia Nonstock Corporation Act).