

Proposed Amendments to Bylaws and Covenants of the Highland Place Community Association

24 July 2017 Annual Meeting

Our community association is governed by three documents: articles of incorporation, bylaws, and the declaration of covenants, conditions, and restrictions.

The articles of incorporation are broadly written, and refer to specific guidance in the bylaws and covenants. The articles also point out that the bylaws and covenants may be amended as needed. It's unlikely that we will ever need to update the articles of incorporation, unless the fundamental nature of the community changes.

Bylaws are focused on management infrastructure: organizational structure, responsibilities, and authorities; types and frequencies of meetings; management processes. The proposed changes to the bylaws should remain relevant for the foreseeable future.

Covenants define the common rights and responsibilities of property owners, and the regulations the property owners' association applies to enforce those rights and responsibilities. We might see a need to change the covenants in the future as the community matures (e.g., if we add amenities).

Three objectives drive the proposed amendments:

- **Consistency** – both the bylaws and covenants should use common terms and concepts for the management of our community association
- **Relevance** – language in both documents should reflect current ownership status (i.e., the developer is no longer a stakeholder) and be appropriate to the size and resources of our community
- **Consensus** – bylaws and covenants should reflect the priorities of the property owners.

Authority to Amend

The bylaws and covenants both state that we can amend them by agreement of 75% (six of eight) of the lots. Amendments to the bylaws enter the records of the community association. Amendments to the covenants are filed with the county's property records.

The Amendment Process

The balance of this paper lists proposed changes to the bylaws and covenants, briefly explains the purpose for each change, and points to the affected paragraphs. Copies of the bylaws and covenants showing the full text of the proposed changes are attached to this paper.

Property owners should approve, disapprove, or suggest edits to each change listed below. If at least six lots approve a change, it will be retained in the final version of the amendments that will be distributed for approval.

Proposed Changes to the Bylaws

<i>Change</i>	<i>Reason</i>	<i>Location(s)</i>
1. Delete requirement to call a special meeting if petitioned by 10% of property owners (i.e., 0.8 of an owner).	The section also says that a majority of a quorum of the board can call a meeting. If we enlarge the board to eight members, a board vote should be sufficient.	II.4
2. Add email as an approved method for delivering meeting notices.	Bylaws currently allow only hand or USPS delivery.	II.5, III.B.10
3. Delete discussions of the rights, roles, and responsibilities of the original Declarant (Chase Properties) and Class B members.	The developer owns no property in Highland Place, so he has no role and there are no Class B members.	III.A.1, III.A.2, III.A.3, III.C.18, III.C.19, III.C.20, VI.6
4. Increase the number of directors to eight, with one director representing each lot.	The original bylaws specified seven directors. Since we only have eight lots, it seems reasonable to increase this to eight, so that each lot is represented on the board.	III.A.4, III.A.5, III.A.6, III.A.7, III.C.20, IV.2
5. Revise timing and frequency of board meetings.	The original bylaws called for quarterly board meetings. This change cuts the required meetings to one per year, and allows the board to call additional meetings as needed.	III.B.9, III.B.10
6. Require financial reports at least annually.	Original bylaws called for financial reports to be sent out at least quarterly. Considering the scope of our finances, annual reports should be adequate.	III.C.19.(f)
7. Specify the appointment of an architectural committee.	Section 11.4 of the original covenants says that bylaws set the terms and conditions of the	V.3

	architectural committee, but there was no discussion of this in the original bylaws.	
8. Remove requirement to file amendments to bylaws with the county.	The original bylaws were not filed with the county, and the Virginia Property Owners Association Act does not require bylaws to be filed with any government agency.	VI.6

Questions on the Bylaws

1. Article V Section 2 of the bylaws describes the responsibilities of a covenants committee. Should we create one to handle the enforcement responsibilities described in III.C.22?

Proposed Changes to the Covenants

<i>Change</i>	<i>Reason</i>	<i>Location(s)</i>
1. Delete discussions of the rights, roles, and responsibilities of the original Declarant (Chase Properties) and Class B members.	The developer owns no property in Highland Place, so he has no role and there are no Class B members.	Page 1 Intro, Article I, Article II, Article III, Article IV, Article V (including the deletion of 5.13 entirely), 6.1, 7.1, 7.4, 8.3, 8.5, 9.1, 9.2, 9.3, 10.8, 10.11, 10.12, 10.13, 10.15, 11.4, 11.5, 11.8, 11.13, Article XII, 13.1, 13.4
2. Change the name of the association.	Corrected to match the name used in the articles of incorporation and bylaws.	Page 1 intro, Article I, Article VII
3. Update reference to Virginia code describing the contents of a disclosure packet.	The originally referenced paragraph code has been replaced in Virginia code.	5.7
4. Change “unit” to “lot” to be consistent with the rest of the document	Association members own Lots, not units, per Article I of the covenants.	5.7
5. Delete text describing the process for initially capitalizing the Association.	This is no longer relevant. All lots have sold at least once.	5.10

6. Added internet systems to discussion of easements	If we allow easement access for cable TV, we should allow similar access for internet	9.1.(a)
7. Allow three-car garages.	Three-car garages are common in similar communities.	
8. Remove the requirement that dwellings contain at least 2000SF of conditioned dwelling space.	The 2000SF minimum is arbitrary, of questionable value to the community, and may diminish the utility of remaining undeveloped lots.	10.1
9. Allow six months between building garage and starting home.	Original requirement to start main home within three months of completing a garage seems overly restrictive.	10.2
10. Allow 18 months to complete construction of a home.	Original requirement to complete home in 15 months seems impractical, considering the pace at which construction can progress in our area.	10.2
11. State the policy for the installation of solar energy collection devices.	Virginia code 55-509.5 requires that association disclosure packets state the association's policy.	10.2
12. Remove absolute prohibitions on some types of over-the-water structures, but subject them to approval by the Architectural Committee	The county and the state already regulate the design and construction of docks/piers and boathouses.	10.3
13. Remove prohibition on burning wood and leaves outside.	Retain the prohibition on burning trash, garbage, and household refuse.	10.4
14. Prohibit the installation of landscaping or structures within the RPA that inhibit water views from neighboring lots.	Lots further up the cove have limited water views. Fences and landscaping on neighboring lots shouldn't further restrict those water views.	10.6, 11.1
15. Allow no more than three antennae for	The original text just prohibited antennae for	10.11

television reception and internet connectivity without Association approval.	the transmission of “TV, radio, satellite, or other signals” without board approval, but said nothing about antennae for reception .	
16. Allow one recreational vehicle (including a boat on a trailer) in good condition to be parked on a lot.	Original text of 10.13 said that mobile homes, RVs, boats, and trailers could only be stored in enclosed areas, while 10.7 said you could park a mobile home on your lot for eight days per year.	10.13
17. Allow the outdoor storage of small watercraft, such as kayaks, canoes, and rowboats.	This is a waterfront community. It’s reasonable for residents to keep small watercraft on their properties, if stored in a way that is not “obnoxious to the eye” (10.4).	10.13
18. Shorten time allowed for Architectural Committee review from 45 days to 30 days.	Owners shouldn’t have to wait more than 30 days for a decision.	11.1
19. Remove non-structural landscaping from the purview of the architectural committee.	As currently written, covenants require the permission of the architectural committee before an owner can plant anything in his yard.	11.1
20. Adjust list of items under the purview of the architectural committee to focus on structures.	The committee should focus on permanent structures and changes to terrain. (Private wells are already prohibited by 2.6.)	11.1
21. Anchor Architectural Committee approval to published guidelines, rather than the subjective opinions of committee members.	The job of the AC is to head off egregious design decisions that could affect the value, utility, and enjoyment of the community. Otherwise, owners should have the right to build the house	11.2

	that they want to live in.	
22. Allow communication by email.	The original text only allowed hand delivery or paper mail. Electronic communication is now common for most business activities.	11.4, 13.3
23. Require variances granted by the architectural committee to comply with applicable laws.	Just a reminder to the AC to check county, state, and federal laws when granting variances to the association's architectural guidelines	11.11
24. Allow owners of a majority of the lots to approve conveyance of common areas in lieu of condemnation.	Original text says 67% of owners can approve. That's 5.36. A simple majority – 5 – makes more sense.	Article XII.
25. Shorten the duration of the covenants to five years, instead of ten.	This would allow us to amend the covenants every five years, if desired, instead of waiting ten years between amendments.	Article XIII.
26. Correct the discrepancy in the first paragraph setting the number of votes required to terminate the covenants.	The original text says “at least ninety (80) percent.” Seventy-five percent is the number required to amend, so it seems reasonable to use the same number for termination.	Article XIII.
27. Delete Article XIV	There are no Trustees.	Article XIV