

G. PURPOSES AND POWERS OF THE ASSOCIATION

The purposes and powers of the Association are reflected in its Articles of Incorporation which are consistent with the general provisions of the Virginia Non-Stock Corporation Act. These Articles state the following:

“ART II. The purposes for which this corporation is formed are as follows:

(a) To receive, govern, supervise and regulate the use, maintenance and improvement of all the real and personal property and interests and rights in or upon real and personal property which shall be deeded, leased, conveyed or otherwise assigned to the corporation for the common use and benefit of the owners of property at Bay Quarter Shores.

(b) To establish and enforce covenants for the orderly development and use of all property, including improvements, at Bay Quarter Shores.

© To assess fees for the use maintenance and improvement of all common real and personal property at Bay Quarter Shores.

(d) To sell, convey and dispose of any common property and to invest and reinvest the principle thereof, and to deal with and expend the income and principle of the corporation in such manner as in the judgement of the Directors will best promote its objectives and purposes.

(d) To receive, take title to, hold and use the proceeds and income of stocks, bonds, obligations or other securities of any corporation or corporations, domestic or foreign, but only for the foregoing purposes, or some of them.

(e) In general, to exercise any, all, and every power for which a non-profit, non-stock corporation organized under the provisions of the Virginia General Corporation Act (now Non-Stock Corporation Act) can be authorized to exercise, but not any other power.”

“ART III. The corporation shall have all the powers granted under title 13.1-205 (now 13.1-826) of the Code of Virginia as amended.” (see Enclosure (1)).

H. FUNCTIONS OF THE BOARD OF DIRECTORS

Enclosure (2) provides a general statement of the functions of the Board of Directors. This statement is consistent with the responsibilities assigned in the Articles of Incorporation and the ByLaws. These functions are applicable to all directors.

I. FUNCTIONS OF OFFICERS

Enclosures (3) through (7) provide general statements of the functions of the President, Vice President, Vice President (Maintenance), Treasurer and Secretary. Officers may delegate specific functions or parts thereof to other members of the Association, paid employees or contract personnel on a mutually agreeable basis, subject to Board approval. These delegations are automatically canceled, but are subject to renewal, with changes in officer personnel. Such delegations do not relieve the officers of their responsibility for ensuring that the work is effectively and efficiently accomplished.

J. FUNCTIONS OF COMMITTEES AND OTHER PERSONNEL

Enclosures (8) and subsequent enclosures provide general statements of functions of various committees and other personnel.

K. TRAITS OF GOOD LEADERSHIP

1. Good leaders should possess traits that motivate others, persuade them on issues and help them develop ideas, viewpoints and feelings. These traits include the following:

a. AN INTEREST IN PEOPLE: This is needed to understand them, work cooperatively with them and be accepted by them.

b. EMOTIONAL STABILITY: This is needed to avoid stress caused by unsettling influences and major disagreements in a group, criticisms by the membership and concern with personal problems.

c. SELF CONFIDENCE: Self confident leaders tend to be more objective and constructive. As a result, they are more likely to encourage new ideas, develop capability of others, accept problems as challenges and inspire confidence in others.

d. SENSITIVITY: People reflect their feelings in different ways. To be sensitive to them, one must consciously get to know and understand their underlying attitudes and reactions.

e. FREEDOM OF BIAS: A leader must have an open mind and be free of prejudice. Preconceived notions and fear of change can easily stagnate a group.

f. COMMITMENT AND ENTHUSIASM: Leaders should feel a personal commitment to the success of a group and have a drive to see that project objectives are fulfilled qualitatively and quantitatively. Be wary of those who have hidden agendas, who point out problems, but never offer solutions, who criticize other but never develop creative ideas of their own, and who tend to mire a group in irrelevant minutia.

g. DECISIVENESS: Nothing great can be achieved without the willingness to make timely decisions and to risk making mistakes. Successful people see their mistakes as learning experiences, not as deterrents, and then move on.

h. COMMUNICATION AND COOPERATION: Successful leaders must be willing to cooperate with others, freely communicate ideas with them and accept suggestions for improvements. The withholding of information, continued criticism of ideas or individuals, and general lack of cooperation within a group tends to demoralize its effort and slow down its decision-making progress.

2. All members of the Board of Directors should consider themselves leaders and work towards fine-tuning their skills in these areas. They should not feel the only leader is the President. The Board is responsible for getting its job done. Each leader must contribute his share in being creative and active in association business and in developing cooperation, interest and enthusiasm. Further it is his/her responsibility to get along with the Board, not the Board's responsibility to get along with him/her.

L. NOMINATING COMMITTEE CONSIDERATIONS

1. Every year, the Nominating Committee seeks candidates for election to the Board of Directors. New techniques frequently are used to obtain fair and equitable representation on the Board, Despite such attempts, the composition of Boards often consists of people who want to be on the Board because it is a status symbol, who do not attend meetings regularly, who think the work of the Board gets done “by magic”, who come to meetings and never voice their opinions, and who are willing to follow but not lead. This creates serious problems, especially when the Board has no staff. When such situations occur, the burden tends to fall on the few who are the leaders, because they want to fulfill the commitment they made when elected to serve the association.

2. It is nice to elect people to the Board who are popular, well known in the community, good talkers, available or who would represent a segment of the community. But frequently these are not the best qualified people to have on a Board. Nominating committees have a rough time finding people who are willing to serve on the Board. As a result they often recruit more “nice” people than “capable” people. In the long run, this does the association a dis-service. A major goal of the Nominating Committee should be to recruit people who are capable of filling specific jobs and who are willing to commit time and effort in the work of the Board.

3. Members of the Board require a diversity of capabilities and temperaments that generally can be characterized as follows:

a. “THOUGHT PERSONS” with the capability to analyze, to think, to weigh alternatives and to utilize abstract ideas, concepts calculations and figures in the decision-making process.

b. “ACTION PERSONS” with capacity for quick and decisive actions, intuitive courage and boldness.

c. “PEOPLE PERSONS” with capacity for human awareness - interest, perception, empathy and respect for people and capacity to harmonize dissent.

d. “FRONT PERSONS” who enjoy crowds, protocol and ceremonies and have ability to talk and make good impressions on the general public.

4. The various positions on the Board often require a mixture of such characteristics in individuals filling these positions. Unfortunately all of these characteristics are seldom found in one individual. The Nominating Committee must consider traits of individuals and requirements for temperaments and capabilities in positions and then select individuals who best suit these characteristics. Experience in business and industry indicates that failure to understand these characteristics and utilize “nice” people is a primary reason why management tasks are done poorly or not at all.

5. Prospective candidates should be asked detailed questions by the Nominating Committee to ensure the best qualified individuals are being considered. The following include some questions to ask or consider:

a. AVAILABILITY TO SERVE ON THE BOARD: Do you think you can spend the required amount of time (minimum 5 - 10 hours/month) on association business in meetings and between meetings? Are you willing to do so? Have you discussed this with your family and how do they feel?

b. DESIRE TO SERVE ASSOCIATION: Why do you want to be on the Board? What would be your goals? What do you feel is the responsibility of the Board? If elected, will you serve your time with commitment to fill association objectives to the best of your ability?

c. PERSONALITY TO MOTIVATE AND GET ALONG WITH OTHERS: Have you ever supervised others? How effective are you in resolving conflicts with co-workers and friends? Do you prefer to work alone or with others?

d. ABILITY TO ACCOMPLISH GOALS: What are some of your recent accomplishment? Are you involved in other civic, community or volunteer organizations. If so, will another commitment create a conflict for you. Do you have any health problems that would impede your work on the Board?

e. SKILLS AND EXPERIENCE TO OFFER: What is your general education through schooling and experience? What specialized skills do you have that might be an asset to the association? In what ways would you be willing to serve the association? If not elected, would you be willing to use your skills and experience on a committee or special project?

6. Experience has indicated that few prospective candidates have an understanding of the objectives of the Board, its organization and operation, how it spends its money and what it does. Such information should be provided, when necessary, during the interview process. It is equally important that such information be presented in a positive manner, with emphasis on the value of volunteer service to the community and the benefits to be derived by such service.

M. TEAMWORK WITHIN THE BOARD OF DIRECTORS

The work of the Board of Directors requires team effort to maximize accomplishments and create good will among its members. Teamwork has to satisfy certain requirements to be effective. Some of these are as follows:

a. A director is expected to make day to day decisions within his assigned sphere. However, certain decisions should be reserved for the Board itself, particularly when responsibilities infringe on other areas of responsibility or high costs are involved. At least the decision should be discussed with the Board to get reactions before it is made.

b. No director should make a decision on matters for which he/she does not have primary responsibility, unless permission had been granted beforehand. If such a matter is brought to him/her, he/she should refer it to the person having primary responsibility for it.

c. Directors need not like each other or even respect each other. But they should make every effort to work effectively with each other for the good of the Board and the BQS community. They should not criticize other directors before lot owners.

d. Effective communication among directors is very important. This is required because of the number of tasks involved, each with impact on the welfare of the community, and because day to day decision making is decentralized to permit maximum autonomy within each sphere. Lack of communication often is the cause for confusion, for duplication of effort and for increasing workload of other members.

e. Decisions of the Board often are controversial and may not receive unanimous agreement by the Directors. Once made, dissenting Directors should accept the decision and help to make it work.

Under no circumstances should they undermine the Board by going to the membership to get the decision changed. If new evidence or circumstances warrant change, the matter should be readdressed by the Board.

f. In time of crisis or when things go wrong, someone must take the helm on a standby basis especially when the responsible director is not available. The most experienced, wisest and capable people then have to fill the gap. This is a legal and moral responsibility associated with membership on the Board of Directors.

g. Directors also have a legal and moral responsibility to the membership in carrying out their commitment as elected members. Once they accept a position on the Board they become a fiduciary acting on behalf of and in the best interest of all the lot owners. Failure to meet a standard of care could result in a breach of fiduciary duties. This necessitates making responsible decisions based on a calculated and thorough examination of facts and on being diligent in following the procedures and rules of the association. If Directors find they cannot perform their team duties in a responsible and responsive manner, it is incumbent on them to notify the Board immediately so that a continuity of operations can be maintained by other means.

h. Board meetings should be used for planning general work, reviewing overall progress, discussing general problems and making policy decisions. Details should be kept to a minimum. They should not be “bull sessions”. Nor should they be used to conduct the day to day business operations of the association. Directors should be given copies of the agenda and discussion material prior to Board meetings, should review the material and prepare themselves for the meeting and should actively participate in discussion of agenda items at the meeting. This will aid in avoiding postponement of important actions for lack of study, preparation and consequent ability to make sound decisions.