

LAKE HOLIDAY COUNTRY CLUB, INC.

RESOLUTION NO. 2006-05

Adopted October 4, 2006

**Supremacy of SCC, VA Nonstock Corporation Act and the POA Act regarding
Membership Contracts and Declarations**

WHEREAS, Article IV of the Articles of Incorporation, "Purposes and Powers", limits the powers of the Association to execute powers "not prohibited by law";

WHEREAS, Lake Holiday Country Club, Inc. is a Virginia Nonstock Corporation and a Property Owners' Association within the definition of the Virginia Property Owners' Association Act;

WHEREAS, Lake Holiday Estates Utility Company is regulated by the approved tariffs of the State Corporation Commission;

WHEREAS, the State Corporation Commission, the Virginia Nonstock Corporation Act, and the Virginia Property Owners' Association Act supersede the Articles of Incorporation, Bylaws, Declarations, all Board approved positions and Resolutions for Lake Holiday Country Club, Inc. and Lake Holiday Estates Utility Company:

NOW THEREFORE, BE IT RESOLVED THAT:

1. All paragraphs incorporated into one or more of the Declarations and all contracts entered into by the Association or the Utility Company that are in non-compliance with the State Corporation Commission approved tariff, the Virginia Nonstock Corporation Act, and / or the Virginia Property Owners' Association Act are *from this date forward* declared null and void.
2. All lot owners holding documentation of a partial or full pre-payment of any fee on any commitment to be satisfied by the Association or the Utility Company must receive a credit towards the delivery of such service or a refund with interest on the amount of the prepayment.
3. All lot owners known to hold such contracts are to be individually notified by US mail. This Resolution must be posted in the November 2006 Lake Holiday newsletter and included in all future Association Disclosure Packets.
4. All court ordered Moratorium Connection Credits are to be honored and are not affected in any way by this Resolution.
5. The application and effective date of this Resolution shall be October 4, 2006.