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**BYLAWS  
OF THE  
CALMES NECK PROPERTY OWNERS ASSOCIATION**

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Adopted by the Board of Directors, November 13, 1993.

Amended by the membership, November 4, 1995, April 25, 1998, November 6, 2004, and May 15, 2010.

**BYLAW I: NAME AND LOCATION**

**Section 1.** The name of this association is the Calmes Neck Property Owners Association, Inc.

**Section 2.** The principal office of the Association has a mailing address of 3579 Calmes Neck Lane, Boyce, VA 22620.

**BYLAW II: DEFINITIONS**

The terms used in these Bylaws are defined in Article II of the Association's Articles of Incorporation.

**BYLAW III: PURPOSE**

The purposes of the Association are as stated in Article III of the Articles of Incorporation.

**BYLAW IV: MEMBERSHIP AND VOTING RIGHTS**

**Section 1.** Membership and voting rights are as stated in Article IV of the Articles of Incorporation.

**Section 2.** Membership shall automatically terminate upon the sale or conveyance of one's ownership interest. No rights, interests, or privileges of membership may be transferred or inherited nor may they be exercised after membership ceases or while a member is not in good standing.

**Section 3.** The rights of membership, including voting, may be suspended following due process protocols by the Board of Directors for any member who is delinquent in the payment of assessments/charges levied by the Association.

**Section 4.** No more than one vote may be cast for any Ownership Unit.

**Section 5.** Each member in good standing shall be entitled to the use and enjoyment of the common properties and facilities.

**Section 6.** Each member shall be responsible for compliance by his or her family, guests, pets, invitees, and tenants with the provisions of any applicable covenants, regulations, and the Bylaws of the Association.

#### **BYLAW V: MEETINGS**

**Section 1.** The annual membership meeting of the Association shall be held on the first Saturday in May of each year, at 1:30 in the afternoon, unless otherwise ordered by the Board of Directors, for electing officers, receiving reports, and transacting other business.

**Section 2.** Special meetings of the Association and its membership may be called at any time by the President or by a resolution of the Board of Directors. A special meeting shall be called by the President whenever requested in writing by twenty percent (20%) of the members who are in good standing.

**Section 3.** Notice of each meeting, stating its time, location, and purpose, shall be mailed to the last recorded address of each member, or given to the member personally, or, upon a member's written request, provided electronically, at least twenty-one (21) days in advance of any annual or regularly scheduled meeting, and at least seven (7) days in advance of any other meeting.

**Section 4.** Each member may vote in person or by proxy. All proxies must be in writing and filed with the Secretary or his/her designee prior to the meeting at which the proxy will be exercised. Every Proxy must bear the original signature of an owner matching that provided on a proxy validation form on file with the Secretary. Every proxy may be revoked by the submitting member and automatically expires after completion of the meeting for which the proxy was filed. No property owner may exercise more than three votes, their own and up to two proxies, at any one meeting.

**Section 5.** At any meeting of the members, a quorum shall consist of members representing at least forty percent (40%) of Ownership Units, present in person or by proxy. Members present at a duly called meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough members to leave less than a quorum.

#### **BYLAW VI: BOARD OF DIRECTORS DUTIES AND RESPONSIBILITIES**

**Section 1.** The Board of Directors shall maintain all common properties and the roads that the Association has an agreement or responsibility to maintain. A list of the common properties and roadways is provided in Article III, Section (1) of the Articles of Incorporation.

**Section 2.** The Board of Directors shall be responsible for the collection of assessments and charges, the review and approval of contracts, and compliance with state and local requirements pertaining to the Association, as well as compliance with the requirements of these Bylaws.

**Section 3.** Members of the Board of Directors shall follow the "prudent person rule" adhering to a standard of care requiring them, as a fiduciary entrusted with funds and the welfare of the community, to exercise care, good faith and due diligence in organizational affairs; remembering at all times that they are responsible to the Membership. Board members shall:

- 1) prepare for, attend and participate in Board and committee meetings;
- 2) keep up-to-date on the organization's documents, policies and protocols;
- 3) respect the confidentiality of sensitive information known due to Board service;
- 4) willingly volunteer their knowledge, skills and talents to serve the community; and,
- 5) never exercise authority as a Board member except when acting in a Board meeting or as may be delegated to do so by the Board.

**Section 4.** Code of Ethics. Board members are expected to adhere to an ethical code of conduct that includes but is not limited to:

- 1) clearly differentiating one's personal views from official Board of Directors policy when communicating with Association members about Association issues;
- 2) not interacting unilaterally with Association members on covenant, bylaw, or rules and regulation interpretation issues;
- 3) proactively identifying and eliminating unethical conduct by other Board members;
- 4) objectively and consistently applying Association covenants, bylaws and rules and regulations when acting as a representative of the Board of Directors with Association members;
- 5) proactively supporting the Association's grievance process;
- 6) treating all members of the Association with respect;
- 7) being open and receptive to communication with all members;
- 8) being honest in all dealings with Association and Association business; and,
- 9) identifying any conflicts of interest prior to any decisions by the Board.

Whenever an Association member becomes aware of a Board member's failure to adhere to this ethical code, a grievance should be submitted to the President for resolution.

**Section 5.** If any Board member is absent from three (3) consecutive Board meetings or from five (5) Board meetings in any twelve (12) month period, the Board of Directors may, at the next regularly scheduled membership meeting, make a recommendation to the membership that a vote be taken to remove said member from the Board of Directors.

**Section 6.** The Board of Directors by a majority vote has the power to appoint and remove at pleasure all officers, agents and employees of the Association, prescribe their duties, and fix their compensation.

**Section 7.** Each year the Board of Directors shall prepare an Annual Operating Budget for the Association and present it to the members for review and approval at an Association membership meeting preceding the start of the new fiscal year. The proposed Annual Operating Budget shall include an inventory of expenditure needs and a recommended funding level needed to provide service and maintenance of the roads and common properties for the coming fiscal year in January. Throughout the year, the Board of Directors shall be responsible and accountable for the management and execution of the Annual Operating Budget.

**Section 8.** The Board of Directors shall prepare a Reserve Fund Budget for the Association at least every five years and present it to the members for review and approval. The proposed Reserve Fund Budget shall include a projection of the replacement costs for equipment and other capital assets owned by the Association and a savings and investment strategy that will ensure Reserve Fund monies will be available as needed. The Reserve Fund Budget shall be reviewed annually in the process of preparing the Annual Operating Budget. Reserve Funds that have been approved by the members as being allocated for emergencies may be accessed by a majority vote of the Board of Directors with the immediate notification of the membership.

**Section 9.** The Board of Directors shall cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at annual or special meetings. At a minimum, this shall include having the following files available for review (1) the Association's check register and (2) the Association's grievance file.

**Section 10.** Only members of the Board of Directors who are Class 1 members of the Association can vote on issues pertaining exclusively to the administration, enforcement and/or modification of the Protective Covenants of Calmes Neck Estates or associated Rules and Regulations that may come before the Board.

**Section 11.** Grievance Process. The Board of Directors shall proactively support and maintain a Grievance Action Tracking Process for the Association. Grievances may be submitted to the Board for resolution by any Association member in good standing for the reasons set forth in Bylaw VI, Section 4. Grievances shall be submitted in writing to the President of the Association when an Association member feels that the actions of the Board of Directors or the actions of individual Board members are not consistent with the covenants, Bylaws, Rules and Regulations, or in keeping with the best interests of the Association. The Board of Directors shall in good faith examine each grievance and resolve the grievance to the satisfaction of the submitting member and the involved Board member(s). If a resolution cannot be achieved, the Board will forward the grievance to a mutually agreeable mediator for resolution. The status of unresolved grievances and a listing of all grievances received since the last general membership meeting shall be reported to the membership by the President at each general membership meeting.

## **BYLAW VII: OFFICERS**

**Section 1.** The officers are President, Vice-President, Secretary, and Treasurer. The President and the Vice-President must be members of the Board of Directors. One person may hold only one office. Officers will be elected annually and as vacancies occur, by a majority of votes cast by the Board of Directors.

**Section 2.** President: the President presides at all meetings of the Board of Directors and of the Association, sees that orders and resolutions of the Board are carried out; and signs all written instruments and contracts approved by the Board.

**Section 3.** Vice President: the Vice President acts in place of the President in the event of his or her absence or inability to act, or when requested by the president to do so.

**Section 4.** Secretary: the Secretary keeps the minutes of all meetings and proceedings of the Board and of the Association. After approval, meeting minutes shall be posted on the Association's bulletin board and official website. The Secretary also serves as custodian of the Association's files and records; maintains a roster of all members of the Association and their mailing addresses; and files and reports all required documentation with the State Corporation Commission.

**Section 5.** Treasurer: the Treasurer receives and deposits in appropriate depository accounts all monies of the Association and disburses such funds as directed by resolution of the Board of Directors, provided, however, that a resolution of the Board of Directors is not necessary for disbursements made in the ordinary course of business conducted within the limits of a budget adopted by the Membership.

- 1) The Treasurer signs all checks and notes of the Association, provided that such checks and notes for amounts greater than \$750.00 shall also be signed by the President, the Vice-President, or the Secretary, provided that at least one signer is a member of the

Board of Directors. The Treasurer shall keep proper books of the accounts and shall prepare a proposed annual budget for Board consideration which the Board will approve for recommendation to the membership.

- 2) Within 30 days of the close of the fiscal/calendar year, the Treasurer shall deliver to each member of the Association a financial report of the year just completed. At a minimum this will include (1) balances of all funds and accounts (2) total income and expenditure in each fund/account and (3) the income realized and expenditures incurred for each major line item, compared against the line items in the budget originally presented for the said year.
- 3) In addition to reporting defined above in this Section, at each meeting of the members of the Association, the Treasurer shall present a financial summary to include (1) balances of all funds and accounts and (2) year-to-date performance and year-end projections of revenue.

**Section 6.** Emergency Board Meetings: Telephonic meetings by conference call are permissible to address any emergency arising which affects the safety or general welfare of the Association, provided, however, that any such action taken under these circumstances must be reported by the Board of Directors to the membership. Minutes of emergency Board meetings shall be recorded, approved and distributed to the Association membership just as minutes for regularly scheduled Board meetings.

#### **BYLAW VIII: ASSESSMENTS/CHARGES FOR SERVICE**

**Section 1.** Annual assessments/charges needed to meet the recommended funding level to provide service and maintenance of the roads and common properties for the coming fiscal year shall be approved in conjunction with the adoption of the Annual Operating Budget for the Association by vote of the membership.

**Section 2.** Special assessments/charges as needed to fund capital improvements or extraordinary maintenance requirements shall be approved by the membership at a special meeting of the membership called for that purpose. The Treasurer shall take steps to ensure that the proceeds of such assessments/charges are applied only to the purposes voted by the membership, that a strict accounting be maintained of such monies, and that the status of the monies be duly reported to the membership. Any special assessment/charge monies not applied to the purpose they were collected for shall be refunded or applied to said member's subsequent year assessment/charge for annual services.

**Section 3.** In the absence of an assessment payment by the established deadline, the Board of Directors is authorized to impose via a motion in a scheduled Board meeting a \$50 late fee and charge interest on the unpaid balance not to exceed two (2) percent per month. In the event that the Board of Directors is required to initiate legal action to collect a delinquent assessment or charge for service, the Board is authorized to seek the recovery of the Association's legal expenses from the delinquent property owner. The Board of Directors is also authorized to establish reasonable fees for gate cards and remote devices, the preparation of disclosure packages and for the road damage caused by new home construction.

## **BYLAW IX: REGULATIONS**

**Section 1.** Regulations, rules and standards to regulate the use of and conduct within all common-use areas may be established or amended by the Board of Directors, or by a majority vote of the members at an annual or special meeting of the Association called for that purpose, provided that text of proposed amendments have been mailed or delivered to all members at least twenty-one (21) days prior to such meeting of the Directors or membership. Any change in Regulations shall not take effect until a notice of the revision has been mailed or delivered to every property owner.

**Section 2.** Regulations to effectuate the intent of the Calmes Neck Estates subdivision's covenants may be amended by the Board of Directors, or by a majority vote of the Class 1 Members at an annual or special meeting of the Association called for that purpose, provided that text of proposed amendments have been mailed or delivered to all members at least twenty-one (21) days prior to such meeting of the Directors or membership. Any change in Regulations shall not take effect until a notice of the revision has been mailed or delivered to every property owner.

## **BYLAW X: AMENDMENTS**

**Section 1.** These Bylaws may be amended by an affirmative vote of members representing two-thirds (2/3) of the Ownership Units represented in person or by proxy at a regular or special meeting of the members where a quorum has been established, provided that text of proposed amendments have been mailed or delivered to all members at least twenty-one (21) days prior to such meeting.

**Section 2.** In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall supersede. In case of any conflict between the Articles of Incorporation and/or these Bylaws and the covenants attached to individual properties, the covenants shall govern.

**ATTACHMENT A**  
**LOT OWNERS ELIGIBLE FOR MEMBERSHIP IN THE CALMES NECK PROPERTY OWNERS ASSOCIATION**

**CLASS 1 MEMBERSHIP:**

**Calmes Neck Estates Subdivision:**

The owners of the following lots in the Calmes Neck Estates Subdivision are eligible for Class 1 Membership in the Calmes Neck Property Owners Association (CNPOA): Lots 1, 2, 3, 8, 19, 20, 21, 22, 23, 25, 26, 28, 29, 30, 31, 33, 35, 36, 37, 38, 39, 44, 55,<sup>1</sup> 64, 65, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 80, 82, 85, 86, 87, 88, 89, 91, 92, 93, 94, 95, 96, 97, Lot A, Lot b, Lot C, Hickory Knob and the McDougall Property.

**CLASS 2 MEMBERSHIP:**

**Blue Yonder Subdivision:**

The owners of the following lots in the Blue Yonder Subdivision are eligible for Class 2 Membership in the CNPOA: Lots BYA, BYB, BYC, BYD, BYE, BYF, BYG and BYH.

**River Glen Subdivision:**

The owners of the following lots in the River Glen Subdivision are eligible for Class 2 Membership in the CNPOA: Lots P1, P2, P3, P4, and P5.

**Burwell Van Lennep Foundation:**

The Burwell Van Lennep Foundation is eligible for one Class 2 Membership in the CNPOA. Lots owned by the Foundation are lots 11, 12, 13, 14, 15, 16, 17 and 18.

**CLASS 3 MEMBERSHIP:**

**Independent Properties/\$5.00 lots:**

The owners of the following lots in the Calmes Neck Estates Subdivision are eligible for Class 3 Membership in the CNPOA: Lots 9, 10, 40, 41, 42, 43, 66 and 84

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<sup>1</sup> It should be noted that the status of Lot 55 is in dispute. The Owners of Lot 55 believe that their property should be recognized as an Independent Property or \$5.00 Lot. Other members of the Association have indicated that it is their belief that Lot 55 is clearly a part of the Calmes Neck Estates Subdivision. This matter will need to be resolved in the future between the owners and the Board of Directors of the CNPOA.