

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, and November 6, 2004

ARTICLE I

Name and Location

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

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

ARTICLE II

Definitions

Section 1. "Association" refers to the Calmes Neck Property Owners Association, a nonprofit corporation organized and existing under the laws of the State of Virginia.

Section 2. "Covenants" refers to the Protective Covenants of Calmes Neck Estates as recorded in the Circuit Court of Clarke County.

Section 3. "Regulations" refers to the Rules and Regulations of Calmes Neck Estates as currently in effect.

Section 4. "Ownership Unit" refers to one or more lots in Calmes Neck Estates under common ownership, or any other property under a common ownership outside Calmes Neck Estates but whose owners are entitled to membership in the Association, except that if more than one improved lot is owned by any person or persons, then separate Ownership Units shall be deemed to exist for each improved lot.

Section 5. "Recreation Area" refers to any area designated in the Regulations for recreational use by lotowners of Calmes Neck Estates.

ARTICLE III

Purposes

The purposes for the Association shall be as follows:

1. To keep, maintain, and administer the common properties, including the roads and any recreational facilities, in such a manner as to keep them in good condition; to protect and preserve the natural vegetation and wildlife; and to maintain the peace and quiet of the entire development;
2. To enforce the provisions of the Covenants and Regulations; and
3. To establish and collect all assessments authorized under the Covenants.

ARTICLE IV

Membership

Section 1. Every person or entity who is an owner of record of real property in the Calmes Neck Estates subdivision, in nearby parcels

subject to the Covenants, or in the Blue Yonder subdivision shall be eligible to become a member of the Association.

Section 2. Every person desiring to become a member of the Association shall make written application to the Secretary, giving complete information regarding the owners, other members of the immediate family who may use common facilities, mailing address, and such other information as the Board of Directors may require.

Section 3. 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 4. The rights of membership, including voting, may be suspended by act of the Board of Directors for any member who is delinquent in the payment of assessments levied by the Association, or who is in violation of the Covenants or the Regulations.

Section 5. Members have the right to vote, except that no more than one vote may be cast for any Ownership Unit.

Section 6. Each member in good standing shall be entitled to the use and enjoyment of the common properties and facilities.

Section 7. Each member shall be responsible for compliance by his or her family, guests, invitees, and tenants with the provisions of applicable covenants, regulations, and the Bylaws of the Association.

ARTICLE V

Meetings

Section 1. The annual membership meeting of the Association shall be held at a location within Calmes Neck Estates 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, at least 21 days before the time appointed for the meeting.

Section 4. Each member may vote in person, by proxy, or, at the discretion of the Board of Directors, by absentee ballot. 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 may be revoked 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, by proxy, or by absentee ballot. 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.

ARTICLE VI

Board of Directors

Section 1. The affairs of the Association are managed by a board of seven directors who must be members of the Association. The Board of Directors exercise for the Association all powers, duties and authorities vested in or delegated to the Association, except those reserved to the members by these Bylaws or by the Covenants.

Section 2. The Board of Directors shall not buy sell or trade real estate without the approval of a 2/3 majority of lotowners voting on the issue. The Board of Directors shall not make application for loans without the approval of a majority of lotowners voting on the issue.

Section 3. At the annual meeting in 1994, the members shall elect three directors for a one-year term, and four directors for a two-year term. Thereafter, at the annual meeting in each odd-numbered year, the members shall elect three directors, and in each even-numbered year, the members shall elect four directors, each for a term of two years. A term shall commence upon election and expire upon the election of the successor.

Section 4. If a vacancy occurs in the Board of Directors by reason of resignation or withdrawal from the field of membership, a majority of the remaining directors shall appoint a member to serve as director until a successor is elected at the next annual meeting. If the resignation or withdrawal occurred during the first year of a two-year term, the members shall elect a director to fill the unexpired portion of the original term at the next annual meeting.

Section 5. A majority of the Board of Directors constitutes a quorum thereof.

Section 6. The Board of Directors 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. 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.

Section 8. It shall be the responsibility of the Board of Directors to notify any lotowner of adjacent property under consideration by the Board for use other than residential, forestry or agricultural.

ARTICLE 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 any number of offices, except that the President may not also serve as Treasurer. 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, unless the Board designates another officer to preside at a meeting; 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; serves as custodian of the Association's files and records; and maintains a roster of all members of the Association and their mailing addresses.

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 Board. The treasurer signs all checks and notes of the Association, provided that such checks and notes for amounts greater than \$500.00 shall also be signed by the President or the Vice-President. The Treasurer shall keep proper books of the accounts, shall prepare an annual budget and an annual balance sheet statement to be presented to the membership at its annual meeting.

Within 30 days of the close of the fiscal/calendar year, the Treasurer shall mail 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 and (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 year.

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, (2) year-to-date performance and year-end projections of revenue and expenditures in total, and by major line item compared against the budget originally presented for the year.

In reference to a "supplementary assessment" as defined in the Calmes Neck Estates Protective Covenants (Section 6c and d), the Treasurer shall take steps to ensure that the proceeds of such assessments 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 as part of the reports specified above. If there is a maximum date called out, by which the proceeds must be spent on the items specified, then on this date the Treasurer shall transfer any monies remaining to the general fund, and duly report this.

ARTICLE VIII

Assessments

Section 1. Assessments shall be set by the Board of Directors in a manner consistent with the provisions of the Covenants and Regulations.

ARTICLE IX

Regulations

Section 1. The Regulations constitute rules, regulations and standards to effectuate the intent of the Covenants, and include a map defining all common-use areas.

Section 2. The Regulations may be amended by the Board of Directors, or by a majority vote 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 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.

ARTICLE 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 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 control; in the case of any conflict between the Covenants and these Bylaws, the Covenants shall control; and in the case of any conflict between the Regulations and these Bylaws, the Bylaws shall control.