ARTICLE I OBJECT

The Association is operated as a non-profit organization exclusively for the development and promotion of a cooperative community within the subdivided property where the Association owns recreational facilities. It will undertake the maintenance of such accessories as will add to the convenience and attractiveness of the community. No part of the receipts of the Association shall inure to the benefit of any private individual or member.

ARTICLE II MEMBERSHIP

SECTION 1 – *MEMBERS*

The membership of the Association will be comprised of a single class of persons meeting the following criteria:

- A. Persons who are owners of property, including contract purchasers, in the subdivided area surrounding the area where the Association owns recreational facilities, and to whom the developer of such subdivided property has granted owners of such subdivided property the use of facilities owned by the Association.
- B. Not more than two owners and their spouses, and the children of either or both, will be recognized as owners with respect to any lot, and be eligible to membership and authorized to use the Association's property.
- C. Membership in the Cuckoo's Nest Association is mandatory for all person or entities owning property in the subdivision. All such members are obligated to pay the dues, fees, and assessments levied upon each lot by the Association to defray the costs of maintenance of recreational facilities and amenities used and maintained by the Association.

SECTION 2 – RENTAL MEMBERS

Any member may rent any dwelling such member has constructed on their property in said subdivision, and provided such renter actually occupies said dwelling, then that renter for each lot will be permitted to use the Association owned recreational facilities provided the member is in good standing.

SECTION 3 – GUESTS

Each member will have the right to extend privileges for guests visiting their home to use the Association's facilities. It is the responsibility of the owner, if the rental contract permits the renter use of the Association Common Areas, to furnish the renter with the Common Area Access Card and, at the end of the rental contract, ensure that the Access Card is returned to the owner. Cards damaged or unreturned by the renter will be subject to the owner as stated in the Gate Procedures.

SECTION 4 – SUSPENSION OF MEMBERSHIP PRIVILEGES

Any or all membership privileges, of a member of the Association, may be suspended by the Board of Directors of the Association or the Executive Committee thereof. Grounds for suspension of membership privileges will include, but not be limited to, non-payment of dues, fees, or assessments due the Association or any of its subsidiaries, infraction of Covenants, By-Laws and/or Rules and Regulations of the Association, or conduct which is considered by the Board of Directors or its Executive Committee to be detrimental to the best interest of the Association or those members.

The Board of Directors will have the power to suspend membership privileges for any period of time, and the Executive Committee may have authority to suspend membership privileges for not more than thirty (30) days. A majority vote of the Board of Directors or Executive Committee will be required to suspend membership privileges as is herein provided. If it becomes necessary to consider suspending membership privileges, the person or persons subject to possible suspension of membership privileges will be given written notice by certified mail to the last known address of such member, of the date and time when the Board of Directors or Executive Committee will meet to consider suspension. Such member will be entitled to attend the meeting and given the opportunity to comment upon the suspension, before any such action is taken.

SECTION 5 – TERMINATION OF MEMBERSHIP

Membership privileges of a member will terminate automatically upon such members disposal of all property in said subdivision. It will be the responsibility of the terminating member, both to notify the Association of his/her intent to terminate his membership and to notify the person or persons, to whom he/she is selling his/her property, in said subdivision that application for mandatory membership in the Association must be made in order for such member to use the Association's facilities. The Association will not grant membership to any party to whom a lot is sold by any member terminating his/her membership until all dues, assessments, and fulfillments of all Rules and Regulations, for the lot, have been completed and are paid to the Association as the selling member agreed to pay by becoming a member in the Association or any organization within such Association.

ARTICLE III MEETING OF MEMBERS

SECTION 1 – *MEETINGS OF THE BOARD OF DIRECTORS*

Meetings will be open to all members of the Association. Meetings are held monthly. Only Board members may vote on issues at these meetings.

SECTION 2 – ANNUAL MEETING OF MEMBERS

The Annual Meeting of Members of the Association will be held on or about the first Saturday in June of each year at a location to be determined by the Board of Directors, not more than twenty-five miles from the Association's property. Election results for Directors and an open forum for other business, of the Association, will be conducted.

Order of Business

Determination of quorum of members Designation of Inspectors (at least 3) of the Election of Directors and Call for Ballots Reading of the Minutes Reading of the Financial Report Reports from the Officers and Committees Unfinished Business New Business Results of the voting with introduction of new Board members Adjournment

SECTION 3-QUORUM AT MEETINGS OF MEMBERS OF THE ASSOCIATION

A Quorum at any meeting of members of the Association will consist of ten percent of the number of members of the Association who may be present either in person or by proxy.

SECTION 4 – SPECIAL MEETINGS

Special Meetings may be called by the President or Secretary upon request of the majority of the Board of Directors or not less than twenty-five percent of the members or twenty-five members, whichever is less. Such meetings will be held not more than forty days (40) thereafter, at a location to be determined by the President or Secretary, within twenty-five miles of the Association's property.

SECTION 5-NOTICE OF MEETINGS

Notice of Annual or Special Meetings of members, stating the place, day, and time, and in case of a Special Meeting of members, the purpose or purposes for which the meeting is called will be mailed by regular USPS mail to the last known address of such member, not less than twenty days before the time of such meeting. Notice shall be sent by United States mail to all members at the address of their respective lots unless the member has provided to such officer or his agent an address other than the address of the member's lot. In lieu of sending such notice by United States mail, notice may be (i) hand delivered by the officer or his agent, provided that the officer or his agent certifies in writing that notice was delivered to the member, or (ii) sent to the member by electronic mail, provided that the member has elected to receive such notice by electronic mail and, in the event that such electronic mail is returned as undeliverable, notice is subsequently sent by United States mail.

SECTION 6-CONDUCT OF MEETINGS

Meetings of the members will be presided over by the President or, if he/she is not present, by the Vice-President or, if neither is present, by a chairman to be chosen at the meeting. The Secretary of the Association or, in his/her absence, an Assistant Secretary, who may be appointed by the presiding officer, will act as Secretary of all meetings of the members.

SECTION 7-VOTING MEMBERS

Members, in good standing, will be entitled to vote for the election of Directors and on any issues which are proper subjects for a membership vote under the non-stock corporation laws of Virginia. All proxies will be in writing and will be filed with the Secretary of the Association. No proxy will be valid after the expiration of eleven (11) months from the date of its execution and every proxy will be revocable at the pleasure of the person executing it.

SECTION 8-VOTING RIGHTS OF MEMBERS

Voting rights of members, in good standing, in the election of Directors and on all issues requiring a vote of the membership will be determined by the basis of one vote for each lot that members own in the subdivision. Any owner may vote on applicable Association matters either in person or by proxy and if there is any dispute between the joint owners as to how the lot's vote will be cast, the majority of them may cast the lot's one vote.

SECTION 9-ELECTION OF BOARD OF DIRECTORS AND OFFICERS

Board of Directors and/or Officers must be members, in good standing, to be elected and to serve. All officers of the Association will be elected by the Board of Directors and the Board of Directors will be elected by members, in good standing, in accordance with the following requirements and procedures:

A. Nominations

Nominations will be made and filed with the Secretary not less than thirty (30) days prior to the Annual Meeting or any Special Meeting for the purpose of filling any vacancy in the Board of Directors. Each ballot for election of Directors will contain space for write-in votes.

B. Casting of Ballots

A letter will be sent to members including a ballot and notice of the election not less than fifteen (15) days before the meeting of such election, and will also contain an envelope addressed back to the Association for any ballot to be received by mail. Only ballots may be submitted in the ballot envelope. If the envelope contains any other correspondence in it, the ballot will be discarded by the tellers at the election and no votes counted on any such ballot. The member ballot will be discarded if the member is not in good standing at the time of the election.

Any person who notifies the Secretary, prior to the election, that they did not receive a mail ballot may request that the Secretary mail an additional ballot to such person, however, it will be the member's responsibility to get the ballot back to the meeting prior to the balloting being closed

The votes may be received at the meeting in person or by proxy. All ballots will be held intact and not opened until the balloting has been closed at the meeting. Any person who has mailed a ballot, may ask to withdraw their mailed ballot and recast their vote in person.

A record will be kept of all parties who have voted, so that no party may cast more than the authorized number of ballots.

At least three tellers of the election will be selected. Any candidate or a representative of such candidate may sit in with the tellers when counting the ballots.

ARTICLE IV DIRECTORS

SECTION 1-BOARD OF DIRECTORS

The Board of Directors will consist of nine Directors, all of whom will be of legal age, and are members, in good standing, of the Association. The Board of Directors will be the governing body of the Association. Except as may be otherwise provided, the Board of Directors, or its duly authorized designee, will establish all rules and regulations and will authorize such persons as it deems proper to carry out the purposes of the Association.

SECTION 2-TERMS OF OFFICE

Directors will serve a term of office of three (3) years. At each annual election, three members will be elected to succeed the three members whose terms are scheduled to end and will serve for three years.

All members of the Board of Directors will serve until their successors are elected or appointed. New members of the Board of Directors will take office immediately upon adjournment of the meeting of the members at which they are elected. In the event of resignation, death, or the inability of one or more of the members of the Board of Directors to complete the remainder of his/her term, a majority of all of the remaining members may elect a replacement to fill the vacancy until the next Annual Meeting, when a

new member will be elected to fulfill the unexpired term of such Director. A meeting of the Board of Directors will be held to determine the Officer designations as appropriate.

SECTION 3-QUORUM FOR MEETINGS OF THE BOARD OF DIRECTORS

A quorum of the Board of Directors will be three directors; however, a majority of the entire Board of Directors may reverse, at the next scheduled or Special Meeting of the Board of Directors, any action taken by the Board where less than a majority of the Board voted on any such transaction.

SECTION 4-MEETINGS OF THE BOARD OF DIRECTORS

Regular and Special Meetings of the Board of Directors will be held at such times and at such places as may, from time-to-time, be fixed by resolution of the Board of Directors. Special Meetings, of the Board of Directors, may be called at the discretion of the President or the Vice President and may be called upon request to the Secretary by at least three Directors. Such request will state the purpose(s) of the meeting and such Special Meetings will be held within ten (10) days following the receipt of such request. Notice will be given to each Director of the time, place, and purpose of any such meeting, not less than five (5) days prior to the meeting. The requirement of such notice, however, may be waived by unanimous consent of the Directors. A regular meeting, of the Board of Directors, will always be held immediately following the Annual Meeting of the members at the same place where the Annual Meeting of the members is held. Meetings may be held at any time without notice, if all the Directors are present or, if at any time before or after the meeting those not present waive notice of such meeting, in writing.

SECTION 5-REMOVAL FROM OFFICE

Any Director may be removed from office by a three-fourths vote of the Board of Directors serving at the time the vote is taken or, by a two-thirds vote of the members, in good standing, at any meeting called for that purpose. No Director will be removed from office unless he/she has been given notice of the proposed action, by certified mail to his last known address, mailed at least ten days before the meeting being held for such purpose.

SECTION 6-EXECUTIVE COMMITTEE

The Board of Directors may, by resolution, passed by a majority or the whole Board, designate an Executive Committee, consisting of the President, Secretary, and such other party or parties as the Board of the Directors may select. This Executive Committee will be selected from members of the Association's Board of Directors and will contain not less than three nor more than five members. The Executive Committee will have and may exercise the powers of the Board of Directors in the management of the business and affairs of the Association except that it cannot fill vacancies in the Board of Directors, authorize the sale of the Association's property, approve a plan of merger, assess dues, suspend members of the Board of Directors, elect Officers, amend the Articles of Incorporation or the By-Laws of the Association, or approve or recommend, to members, action that the Virginia Non-Stock Corporation Act requires to be approved by members.

ARTICLE V OFFICERS

SECTION I-ELECTION OF OFFICERS

The officers of the Association will consist of a President, one or more Vice-Presidents, a Secretary, a Treasurer, and such other officers as may be elected in accordance with Section 3 of this Article.

All officers will be elected at a meeting of the Board of Directors which shall be held as soon as practical after the regular Annual Meeting of members. Elected officers will hold office until the next regular Annual Meeting of the Board of Directors or until their successors are elected and qualify. All officers, especially the Secretary and Treasurer, will avail themselves for at least thirty days for transition to process the necessary financial and legal accounts and records. The President and Vice-President(s) will be chosen from among the Directors.

The Secretary and Treasurer need not be members of the Board. Should the Board of Directors so determine, the two offices of Secretary and Treasurer may be held by the same person; provided, however, that the offices of President and Secretary may not be held by the same person. Vacancies among the officers may be filled by the Board of Directors at any meeting of the Board.

SECTION 2-REMOVAL OF OFFICERS

Any officer may be removed summarily with or without cause, at any time, by a resolution passed by affirmative vote of a majority of all the Directors then serving.

SECTION 3-OTHER OFFICERS

From time-to-time other officers including one or more Assistant Secretaries and Assistant Treasurers, may be elected by a majority vote of the Board of Directors then serving and present at the time the vote is taken. Upon election, such other officers will hold office for such term as may be designated by the Board of Directors.

SECTION 4-DUTIES

Each officer, of the Association, will have such duties as generally pertain to the office, as well as such powers and duties as are hereinafter provided and as will be conferred by the Board of Directors from time-to-time. The Board of Directors may require any officer to give bond for the faithful performance of his/her duties.

SECTION 5-DUTIES OF THE PRESIDENT

The President will be the chief executive officer of the Association and will have direct supervision over the business of the Association and its several offices. He/she will preside at all meetings of the members of the Board of Directors. He/she may, along with other approved officers, sign and execute, in the name of the Association, deeds, mortgages, bonds, contracts, or other instruments and may make work assignments as approved and authorized by the Board of Directors. One other duly elected officer, of the Association, in addition to the President, will be required to execute any of the aforesaid instruments. In addition, the President will perform all duties incident to his/her office and all such other duties as may be assigned him/her by the Board of Directors.

SECTION 6-DUTIES OF THE VICE-PRESIDENT(S)

The Vice-President will have such powers and duties as may be assigned to him/her from time-to-time by the President or Board of Directors. When there shall be more than one Vice-President, the Board of Directors may designate one Vice-President to perform the duties of the President in the absence of the President. Any Vice-President, along with other approved officers, may sign and execute, in the name of the Association, deeds, mortgages, bonds, contracts, work assignments, or other instruments authorized by the Board of Directors.

SECTION 7-DUTIES OF THE SECRETARY

The Secretary will act as Secretary at all meetings of the Board of Directors and the members of the Association, and will keep the minutes thereof in the proper book or books to be provided for that

purpose. He/she will see that all notices, required to be given by the Association, are duly given and served. He/she will be custodian of the seal of the Association and will affix the seal or cause it, or a reasonable facsimile thereof, to be affixed to all documents, the execution of which, on behalf of the Association, under its corporate seal, is duly authorized, in accordance with the provisions of these By-Laws. He/she will have custody of all deeds, leases, contracts, and other important corporate documents. He/she will have charge of the books, records, and papers, of the Association, relating to its organization and management as a corporation. He/she will see that the reports, statements, and other documents, required by law, are properly filed and, in general, he/she will perform both the duties incident to the office of Secretary and all such other duties as may be assigned to him/her by the Board of Directors or the President from time-to-time.

SECTION 8-DUTIES OF THE TREASURER

The Treasurer will be chief financial and accounting officer of the Association. He/she will collect all dues, fees, and assessments due the Association. He/she will have charge and custody of and be responsible for all funds and securities of the Association and will cause all such funds and securities, of the Association, to be deposited in such banks and depositories as the Board of Directors, from time-to-time, may direct. The Treasurer will maintain records of all assets, liabilities, and transactions of the accounting practice and will exhibit the accounts and records to any member of the Board of Directors upon such Director's request. In addition, the Treasurer will give a Treasurer's Report to the Board of Directors, and will give the members an Annual Treasurer's Report at the regular Annual Meeting of the members in accordance with the Department of Professional and Occupational Regulation. The Treasurer, along with any other authorized officer, may sign and execute, in the name of the Association, deeds, mortgages, bonds, contracts, work assignments, or other instruments authorized by the Board of Directors. He/she will, in general, perform all duties incident to the office of Treasurer and such other duties as from time-to-time may be assigned to him/her by the Board of Directors or the President.

ARTICLE VI MANAGEMENT OF THE ASSOCIATION

SECTION 1-POWERS OF THE BOARD

Management of the Association is vested in the Board of Directors. Subject to proper action duly taken by the membership at any Annual or Special Meeting of the Association, the property, affairs, and business of the Association will be managed, operated, and controlled by the Board of Directors. The Board of Directors will not have power to dispose of any of the Association's real estate, except by unanimous vote of the Board of Directors or, a majority of the Board of Directors may dispose of such property, with the consent and approval of a majority of the vote of the members, however, neither the members or the Association may take away, from the lot owners, the rights to use the Association's property, as granted to the members by the developer from whom members purchased their property in the said subdivision. The Board will provide for the holding and conducting of its meetings and will keep a record of its meeting. The Board will have full power:

- A. to make, adopt, modify, and amend such rules and regulations of the Association as may be reasonable and necessary;
 - 1. to carry out its duties and the provisions of these By-Laws;
 - 2. for the use of any and all property owned by the Association and;
 - 3. to provide for the comfort and convenience of the members.
- B. Such rules and regulations will be published, by the Board, and made available to members.

- C. to fix the dollar amount for dues and fees to be paid by members pursuant to Article VI., Section 2 of these By-Laws.
- D. to employ a General Manager and such other employees as it deems necessary.
- E. to cancel Association privileges or to deny use of Association facilities, in whole or in part, to a member pursuant to Article II, Section 5 of these By-Laws and,
- F. should any lot owner become delinquent in the payment of dues, fees, and assessments to the Association, the Association will record a lien on the lot(s) of such owner in accordance with Virginia Code § 55-344 and 55.1 and will be entitled to enforce any lien pursuant to the provisions therein which includes the recouping of interest, late fees, and legal costs of recording and releasing the lien.

SECTION 2-MEMBERSHIP DUES, FEES, AND ASSESSMENTS

The Board of Directors of the Association will establish membership dues, fees, and will authorize such special assessments as appear it to be proper for:

- A. Maintenance of the Association's property and property rights,
- B. Construction and/or upgrade of community facilities,
- C. Hiring necessary personnel,
- D. Preservation and restoration of all Association property.

Expenditures not included in the approved current annual budget must be voted on and approved by a majority vote of the Board of Directors. The payment of annual dues covers the period of January 1 through December 31 of the current year. Payment is due by January 1st of each year. Annual members' dues and fees not received as of thirty (30) days after January 1st of each year will be deemed delinquent and subject to a late penalty fee. If after sixty days (60) the lot owner remains delinquent, the Association will record a lien with the County on the lot(s) of such owner in accordance with Virginia Code § 55-516. Assessments remaining outstanding as of thirty days after the initial billing statement will be deemed delinquent; the Association will record a lien with the County on the lot(s) of such owner in accordance with Virginia Code § 55-516.

Common area access cards will be suspended until all fees have been paid in full.

SECTION 3-RULES AND REGULATIONS

The Board of Directors will have the authority to make and enforce Rules and Regulations governing the use of all the Association's property. The Board will also have the authority to interpret the Rules and Regulations, should a dispute arise, and to amend the Rules and Regulations as needed.

SECTION 4-OTHER POWERS

In addition to the powers and authorities conferred upon the Directors by these By-Laws and those duties and procedures required of the Board as a result of a vote of the membership at any Annual or Special Meeting, the Board may exercise all such powers, of the Association, and do all such lawful acts and things as are not permitted by statute, by the Articles of Incorporation or by these By-Laws.

ARTICLE VII USE OF FACILITIES

SECTION I

Nothing contained within these By-Laws will authorize the Board of Directors or any other parties to deny or limit the rights granted to any member, in good standing, by the Deed conveying such property or property rights to any lot owner by the developer of said subdivision.

SECTION II

All members, guests, or any other parties using the Association's facilities will do so at their own risk and, such members will be responsible for his/her own safety and the safety of any of his/her guests. The Association will not, at any time, attempt to enforce safety regulations, furnish life guards, or permit supervised swimming. Any member using the Association's facilities agrees to indemnify and hold the Association harmless from claims from any party using the Association's facilities because of any rights granted to them, members of their family or guests, by the Association. The Rules and Regulations for members governing the use of all the Association's property will apply to all guests when using the Association's facilities.

ARTICLE VIII DEFINITION

Where used in these By-Laws, unless content clearly indicates otherwise, the word or words.

"Association" means the Association of members, whether incorporated or not, who have been conveyed certain recreational facilities for the use of all members, in good standing, in the subdivision.

<u>"Member or Members"</u> will mean an individual or individuals who own a lot(s) within the said subdivision or, in a case of corporate ownership of any such lot, individuals who have been designated by the Corporation as those entitled to receive benefits as lot owners in the Association, however, any Corporate owner cannot designate more than two persons, and their spouse and all children of either or both, as being eligible for membership because of such Corporate lot ownership. All such parties will meet the qualifications as set forth in Article II of these By-Laws.

"Member in Good Standing" will mean the member

- 1. has paid all dues, fees, and assessments in full per lot owned;
- 2. is not otherwise in violation of the Association Covenants, Rules, Regulations, or By-Laws and;
- 3. has not been suspended for conduct which is considered, by the Board of Directors or its Executive Committee, to be detrimental to the best interests of the Association or its members.

<u>"Privileges"</u> will mean the right to use, in accordance with these By-Laws, and such other Rules or Regulations as may be duly adopted by the Association, the way of access to and from the Association's facilities, facilities that may be put on the Association's properties, the piers, loading ramp and parking area owned by the Association or over which the Association has supervision, so long as the parties using the same have paid their proportionate share of the cost for maintenance, upkeep, and repair of the same.

<u>"Subdivision, Development, or Lots</u>" will mean the lots as plated on Cuckoo's Nest subdivision plats as recorded in the Clerk's Office of the Circuit Court of Louisa County, Virginia, and any other properties to which the developer granted the right to use the Association's recreational facilities.

ARTICLE IX IDEMNITY OF OFFICERS AND DIRECTORS

Any present or future Director or Officer, or the executor, administrator, or other legal representative of any such Director or Officer will be indemnified by the Association against reasonable costs, expenses

(exclusive of any amount paid to the Association in settlement) and counsel fees paid or incurred in connection with any action, suit, or proceeding to which any such Director or Officer or his Executor, Administrator, or other legal representative may hereafter be made a part by reason of his being or having been such Director or Officer, provided

- A. said action, suit, or proceeding shall be prosecuted against such Director or Officer or against his/her Executor, Administrator, or other legal representative to final determination, and it shall not be finally adjudged in said action, suit, or proceeding that he had been derelict in the performance of his/her duties as such Director or Officer or,
- B. said action, suite, or proceeding shall be settled or otherwise terminated as against such Director, Officer, or his/her Executor, Administrator, or other legal representative without a final determination on the merits and, it shall be determined that such Director or Officer had not, in any substantial way, been derelict in the performance of his/her duties as charged in such action, suit, or proceeding, such determination to be made by a majority of the members of the Board of Directors who were not parties to such action, suit, or proceeding, through less than a quorum, or by any one or more disinterested persons to whom the question may be referred by the Board or of Directors. The foregoing right of indemnification shall not be exclusive of any other rights to which any Director or Officer may be entitled as a matter of law or which may be lawfully granted to him/her and the indemnification hereby granted by the Association shall be in addition to and not in restriction or limitation of any other privilege or power which the Association may lawfully exercise with respect to the indemnification or reimbursement of Directors, Trustees, Officers, or Employees.

ARTICLE X AMENDMENT OF BY-LAWS

These By-Laws may be amended, altered, or repealed at any meeting of the Board of Directors by affirmative vote of the majority of the Directors. Notice of the change to the By-Laws must be given to the Board of Directors by regular USPS mail, mailed not less than twenty days (20) prior to the meeting of the proposed action or by email. The Board of Directors may not amend these By-Laws to grant itself additional powers to dispose of any of the Association's property rights or other rights or privileges or to change the voting rights of the members, or to change the conditions of this Article, such rights being reserved to the members. The members shall have the power, by a majority vote of all members to rescind, alter, amend, or repeal any By-Laws and to enact By-Laws which, if expressly so provided, may not be amended, altered, or repealed by the Board of Directors.

ARTICLE XI OTHER MATTERS

Any other matters not covered by these By-Laws will be governed by the laws of the Commonwealth of Virginia as may be application to a non-profit membership corporation or, as to any matters not covered by law, Robert's Rules of Order will apply.

Adopted and recorded:

June 6, 2011 at 11:44 a.m. Instrument #110003135 Recorded in the Clerk's Office of Louise County Susan R. Hopkins, Clerk/Recorded by ELK

Pete McKenney, President Cuckoo's Nest Property Owners' Association State of Virginia, County of Louisa

Amended and adopted:

Carl Moellering, President Cuckoo's Nest Property Owners' Association State of Virginia, County of Louisa 2/14/2020