

**FULLY AMENDED AND RESTATED BY-LAWS  
OF**

**SOUTH KESWICK OWNERS ASSOCIATION**

**Dated: November 15, 2006**

These bylaws revoke all prior versions of the Bylaws including any amendments recorded in the Clerk's office of the Circuit Court of Fluvanna County. The Board is authorized to record a document memorializing that revocation.

**ARTICLE I – GENERAL**

1.01. Name. The name of the association is South Keswick Owners Association hereinafter referred to as the "Association".

1.02. Principal Office. The principal office of the Association as filed with the State Corporation Commission shall be located at General Delivery, Boyd Tavern, Fluvanna County, Virginia, 22947, but meetings of Members and directors may be held at such places within the State of Virginia as may be designated from time to time by the Board of Directors.

1.03. Purposes and Powers of the Association. The Association does not contemplate pecuniary gain or profit to its Members. The Association is formed for the purposes of interpreting, applying, administering, and enforcing the covenants, restrictions, conditions, liens and charges contained in the Amended and Restated Declaration of Restrictions, Covenants and Conditions dated October 15, 1987, for "South Keswick", as the same may from time to time be amended or supplemented (hereafter the "Declaration"). No part of the net receipts of the Association shall inure (other than by providing the maintenance within and

administration of South Keswick as set forth in the Declaration, and other than by a rebate of excess fees and assessments) to the benefit of any private individual. The Association shall have all of the powers and duties set forth in the Declaration, the Articles of Incorporation, Rules promulgated by the Board and these By-Laws and as are necessary for the administration of the affairs of the Association.

1.04. Definitions. All capitalized terms used herein shall have the same respective meanings set forth in the Declaration.

1.05. Incorporation by Reference. The provisions of the Declaration are incorporated herein by this reference as a part of these By-Laws as if the provisions of the Declaration were set forth fully herein.

1.06. Construction of Provisions in By-Laws. The provisions of these By-Laws are expressly subject to the provisions set forth in the Declaration and any recorded Supplementary Declaration. The terms and provisions of the Declaration and any recorded Supplementary Declaration(s) are to be controlling wherever the same may be in conflict herewith.

## ARTICLE II - MEETINGS OF MEMBERS

2.01. Annual Meetings. The Association shall hold an Annual Meeting of the Members each year on such day in October and at such place and time as shall be determined by the Board of Directors.

2.02. Special Meetings. Special meetings of the Members may be called at any time by the President or by the Board of Directors, or upon written request of at least one-third (1/3) of the voting Members.

2.03. Notice of Meetings. Written notice of each meeting of the Members shall be given by, or at the direction of, the Secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least fifteen (15) days before such meeting to each Member entitled to vote thereat, addressed to the Member's address last appearing on the books of the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

2.04. Quorum. At any duly called meeting of the Association, the presence of Members or of proxies entitled to cast 50% of all votes shall constitute a quorum. If the required quorum is not present, another meeting may be called, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting.

2.05. Proxies. At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his Lot.

2.06. Majority. At any duly called meeting of the Association having a quorum, the majority of such quorum shall decide any question or matter that may come before the meeting, unless a greater number of votes is required on a particular question or matter by the Declaration.

2.07. Voting Rights. Each Member of the Association shall be entitled to one (1) vote for each Lot owned by said Member. In the event that more than one person or entity holds such interest in any Lot, all such persons or entities shall be Members and the vote for such Lot shall be exercised as they among themselves determine but in no event shall more than one vote be cast with respect to any Lot.

### ARTICLE III - BOARD OF DIRECTORS; SELECTION; TERM OF OFFICE

3.01. Number. The affairs of this Association shall be managed by a Board of Directors of **five (5)** persons, who need not be Members of the Association. The number of Directors may be changed by amendment of the By-Laws of the Association.

3.02. Term of Office The directors shall be elected annually at the Annual Meeting of the Members and each shall serve for one (1) year unless he or she shall sooner resign, or be removed, or otherwise be disqualified to serve. A director may be elected for successive terms. The term of each director shall commence November 1 and end October 31.

3.03. Removal. Any director may be removed from the Board of Directors, with or without cause, at a regular or special meeting of the Members, by a vote of a majority of a quorum present in person or by proxy. In the event of death, resignation, or removal of a director, his or her successor shall be elected by the remaining members of the Board of Directors and shall serve for the unexpired term of his or her predecessor.

3.04. Compensation. No director shall receive compensation for any service he or she may render to the Association. However, any director may be reimbursed for his or her actual expenses incurred in the performance of his or her duties and shall be indemnified as provided in Article XII hereof.

### ARTICLE IV - NOMINATION AND ELECTION OF DIRECTORS

4.01. Nomination. Nomination for election to the Board of Directors shall be made by a Nomination and Election Committee. Nominations may also be made from the floor at the Annual Meeting. The Nomination and Election Committee shall be appointed by the Board of

Directors at least thirty days prior to each Annual Meeting of the Members, to serve until the close of the next Annual Meeting. The Nomination and Election Committee shall make nominations for election to the Board of Directors. This committee shall also be charged with the responsibility of overseeing the election, formulating the procedures, and reporting the election results to the Board and the membership.

4.02. Election. Election to the Board of Directors shall be by written ballot. At such election the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

#### ARTICLE V - MEETINGS OF DIRECTORS

5.01. Regular Meetings. Regular meetings of the Board of Directors shall be held bimonthly, at such place and hour as may be fixed from time to time by resolution of the Board of Directors. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

5.02. Special Meeting. Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any two directors, after not less than three (3) days notice to each director and the membership.

5.03. Quorum. A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board of Directors.

## ARTICLE VI - POWERS AND DUTIES OF THE BOARD OF DIRECTORS

6.01. Powers. The Board of Directors shall have power to:

(a) Exercise for the Association all powers, duties, and authority vested in or delegated to this Association by the Declaration, and all powers, duties, and authority necessary for the administration of the affairs of the Association, and all such acts and things as are not by the Declaration or these By-Laws required to be exercised or done by the Members of the Association;

(b) Declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors; and

(c) Employ a managing agent, an independent contractor or such other employees as they deem necessary, and to prescribe their duties.

6.02. Duties. It shall be the duty of the Board of Directors to:

(a) Cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the Annual Meeting of the Members, or at any special meeting when such statement is requested in writing by one-third (1/3/) of the Members who are entitled to vote;

(b) Supervise all officers, agents, and employees of this Association, and to see that their duties are properly performed;

(c) Issue, or to cause an appropriate officer to issue, within two weeks upon request by

any person, a Disclosure Packet pursuant to Virginia Code Section 55-512. A reasonable charge may be made by Board of Directors for the issuance of these Disclosure Packets. If a Disclosure Packet states an assessment has been paid, such Disclosure Packet shall be conclusive evidence of such payment. The person or entity keeping such records shall be paid such reasonable compensation by the Association as may be determined by the Board of Directors;

(d) Procure and maintain adequate liability and hazard insurance on property owned by the Association, and/or any property the Association has the authority to improve and/or maintain, as it may deem appropriate;

(e) Promote the enjoyment, health, safety and welfare of the residents in South Keswick;

(f) Provide for the repair, maintenance, upkeep, improvement and enhancement of South Keswick as provided for in the Declaration;

(g) Provide for snow removal; and,

(h) In the event of an emergency (e.g. earthquake, ice storm, hurricane, etc.) the Board shall be authorized with or without prior approval to make expenditures to provide for safety, relief, and/or repairs for the Association;

(i) Perform all other duties and obligations required of or delegated to the Association by the Declaration.

## ARTICLE VII - OFFICERS AND THEIR DUTIES

7.01. Enumeration of Offices. The officers of this Association shall be a President and Vice-President, who shall at all times be members of the Board of Directors, a Secretary, and a Treasurer, and such other officers as the Board may from time to time by resolution create.

7.02. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each Annual Meeting of the Members.

7.03. Term. The officers of this Association shall be elected annually by the Board of Directors and each shall hold office for one (1) year unless he or she shall sooner resign, or be removed, or otherwise disqualified to serve.

7.04. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board of Directors may, from time to time, determine.

7.05. Resignation and Removal. Any officer may be removed from office with or without cause by the Board of Directors. Any officer may resign at any time by giving written notice to the Board of Directors, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

7.06. Vacancies. A vacancy in any office may be filled by appointment by the Board of Directors. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he or she replaces.

7.07. Multiple Offices. No person shall simultaneously hold more than one of any of the offices except in the case of special offices created pursuant to Section 7.04 of this Article.

7.08. Duties. The duties of the officers are as follows:

President: The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board of Directors are carried out; shall sign all leases,



mortgages, deeds, and other written instruments and shall co-sign checks and promissory notes.

Vice-President: The Vice-President shall act in the place and stead of the President in the event of his or her absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required by him or her by the Board of Directors.

Secretary: The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board of Directors and of the Members; keep the corporate seal of the Association and affix it on all papers requiring said seal: serve notice of meetings of the Board of Directors and of the Members; keep appropriate current records showing the Members of the Association together with their addresses, and shall perform such other duties as required by the Board of Directors.

Treasurer: The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular Annual Meeting.

#### ARTICLE VIII – COMMITTEES

8.01. The Board of Directors shall appoint committees as it deems appropriate in carry out its purpose and the purpose of the Association.

#### ARTICLE IX - BOOKS AND RECORDS

9.01. The books, records, and papers of the Association shall be available for examination by any Member at convenient hours of weekdays upon reasonable notice. The Declaration, Articles of Incorporation, By-Laws and rules of the

Association shall be available for inspection by any Member at the principal office of the Association, where copies may be purchased at reasonable cost.

#### ARTICLE X - AMENDMENTS

10.01. These By-Laws may be amended, at a regular or special meeting of the members, by a vote of a majority of a quorum present in person or by proxy.

#### ARTICLE XI - TRANSACTIONS WITH OFFICERS, DIRECTORS AND AFFILIATES

11.01. Approval of Contract. No contract or other transaction between the Association and one or more of its officers or directors or in which one or more of its officers or directors are interested, and no contract or other transaction between the Association and any other corporation, firm, association or entity in which one or more of its officers or directors are directors, shareholders or officers or are interested shall be either void or voidable because of such relationship or interest or because such director or directors are present at the meeting of the Board of Directors of the Association or a committee thereof which authorizes, approves or ratifies such contract or transaction or because the votes of such director or directors are counted for such purpose, provided that the material facts as to the relationship or interest are disclosed or known:

(a) to the Board of Directors or committee, which authorizes, approves or ratifies the contract or transaction by a vote sufficient for the purpose without counting the votes of such interested directors; or,

(b) to the Members entitled to vote and they authorize, approve or ratify such contract or transaction by majority vote or written consent.

11.02. Contract Fair and Reasonable. In any event, no contract or other transaction described in Section 11.01 of this Article shall be void or voidable despite failure to comply with parts (a) or (b) of Section 11.01 provided that such contract or transaction was fair and reasonable to the Association in view of all the facts known to any officer or director at the time such contract or transaction was entered into on behalf of the Association. In an action to obtain relief for the Association on account of a contract or other transaction described in Section 11.01 in which there was no compliance with parts (a) or (b) of Section 11.01, such contract or transaction may be voided for the benefit of the Association, and the court may grant other appropriate relief, unless the party seeking to uphold the transaction contract or transaction sustains the burden of proving that such contract or transaction complied with the requirements of the first sentence of this Section 11.02.

## ARTICLE XII - INDEMNIFICATION OF DIRECTORS AND OFFICERS

### 12.01. Indemnification of Directors and Officers.

(a) The Association shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, arbitratve or investigative (other than an action by or in the right of the Association) by reason of the fact that he is or was a director or officer of the Association, or is or was serving at the request of the Association as a director, officer, employee or agent of another association, corporation, partnership, joint venture, trust or other

enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in the manner he reasonably believed to be in or not opposed to the best interest of the Association, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent shall not of itself create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interest of the Association, and, with respect to any criminal action or proceeding, had no reasonable cause to believe that his conduct was unlawful.

(b) The Association shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Association to procure a judgment in its favor by reason of the fact that he is or was a director or officer of the Association. or is or was serving at the request of the Association as a director, officer, employee or agent of another association, corporation, partnership, joint venture, trust or other enterprise against expenses (including attorneys' fees) actually and reasonably incurred by him in connection with defense or settlement of such action or suit if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Association except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his duty to the Association unless and only to extent that the court in which such action or suit was brought shall determine upon application that, despite the adjudication of but in view of all circumstances of the case, such

person is fairly and reasonably entitled to indemnity for such expenses which such court shall deem proper.

12.02. Indemnification of Additional Persons. Any indemnification under Section 12.01 above shall continue as to any person who has ceased to have the capacity as director or officer and shall inure to the benefit his heirs, executors and administrators. The Association shall have the power, generally and in specific cases, to indemnify its other employees and agents to the same extent as provided in this Article XII with respect to its directors and officers.

12.03. Procedure. Any indemnification under Sections 12.01 and 12.02 above (unless ordered by the court) shall be made by the Association only as authorized in the specific case upon a determination that indemnification of the director, officer, employee or agent is proper in the circumstances because he has met the applicable standard of conduct set forth in Section 12.01 above. Such determination shall be made (1) by the Board of Directors by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceeding, or (2) if such a quorum is not obtainable, or, even if obtainable a quorum of disinterested directors so directs, by independent legal counsel a written opinion, or (3) by the Members of the Association.

12.04. Advance Payments. Expenses (including attorneys' fees) incurred in defending an action, suit or proceeding, whether civil, criminal, administrative, arbitratve or investigative, may be paid by the Association in advance of the final disposition of such action, suit or proceeding as authorized in the manner provided in Sections 12.03 above upon receipt of an undertaking by or on behalf of such director, officer, employee or agent to repay such

amount unless it shall ultimately be determined that he is entitled to be indemnified by the Association as authorized in this Article XII.

12.05. Additional Indemnification. The Association may make any other or further indemnity, including in criminal proceedings to any person referred to in this Article XII that may be authorized herein or in any bylaw or in any resolution adopted, before or after the event, by the members, except an indemnity against his gross negligence or willful misconduct.

2.06. Insurance. The Association shall purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Association, or is or was serving at the request of the Association, as a director, officer, employee or agent of another association, corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him and incurred by him in any such capacity or arising out of his status as such, whether or not the Association would have the power to indemnify him against such liability under the provisions of this Article XII.

### ARTICLE XIII - DISSOLUTION

13.01. The Association may be dissolved with the assent given in writing of one hundred percent (100%) of its Members. Upon dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association shall be dedicated to an appropriate public agency to be used for purposes similar to those for which this Association is created. In the event that such dedication is refused acceptance, the assets shall be granted, conveyed and assigned to any non-profit corporation, association, trust or other organization to be devoted to such similar purpose.

#### ARTICLE XIV - FISCAL MATTERS

South Keswick Owners Association adopted a fiscal year ending September 30. An official fiscal year is necessary for the continuity of our accounting system and for any required tax or other reports. September 30 ends a calendar quarter and will allow time to prepare reports for the Annual Meeting in mid October.

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