

SCOTT-McCOY
ASSOCIATION BY-LAWS

ARTICLE I - OBJECT

SECTION 1. 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

Membership in the Scott-McCoy Property Owners Association will be mandatory for all property purchasers as of 26 May 2001. All property owners will pay the assessed dues as determined by the membership at the Annual Meeting. The membership of the Association shall 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 the use of facilities owned by the Association.
- b) Not more than two owners and their husbands or wives, 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) Those persons who have made application to the Association for membership are approved by the Board of Directors, or the Executive Committee, for membership in 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 one such renter for each lot shall be permitted to obtain membership in the Association, however, such renter shall pay the same fees and dues for membership as an owner, and the full annual fees and dues shall be paid, in addition to the lot owners dues and fees, regardless of the length of time any such renter occupies such member's property.

SECTION 3. GUESTS

Each member shall have the right to extend guest privileges for guests visiting their home to use the Association's facilities, provided that no member shall have guests who have more than a total of two vehicles, two trailers or two boats that will use the Association's facilities, on the same day, and any motor vehicle or trailer coming on the Association's property must

have a tag stuck or tied to such vehicle stating the name, address and phone number of the quests, and the name, address and phone number of the host lot owner.

SECTION 4: TERMINATION OF MEMBERSHIP

Membership privileges of a member shall terminate automatically upon such members disposal of all of his property in said subdivision, and such member shall forthwith remove from any vehicle, trailer or boat owned by such member, any identification showing such member to have membership privileges, and such member shall, also, return to the Association, any other evidence of membership in the Association. It shall be the responsibility of the terminating member both to notify the Association of his intent to terminate his membership and to notify the person, or persons, to whom he is selling his property in said subdivision that application for membership in the Association must be made in order for such member to use the Association's privileges. The Association will not grant membership to any party to whom a lot is sold by any member terminating his membership, until the member selling their property have paid all dues and fees they agreed to pay by becoming members in the Association or any organization within such Association.

SECTION 5. SUSPENSION OF MEMBERSHIP

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 hereof. Grounds for suspension of membership privileges shall include, but not be limited to, non-payment of dues or fees due the Association or any of its subsidiaries, for infraction of the By-Laws and/or Rules and Regulations for the Association, or for conduct which is considered by the Board of Directors or its Executive Committee to be detrimental to the best interests of the Association of those members.

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

ARTICLE III - MEETINGS OF MEMBERS

SECTION 1. ANNUAL MEETING OF MEMBERS

The Annual Membership Meeting of the Association will normally be conducted on the Saturday of the Memorial Day weekend, unless extraordinary circumstances dictate otherwise. The Secretary will, at least 30 days in advance, provide notification to the membership of the specific location and date of the meeting, and a proposed agenda. The

location is to be determined by the Board of Directors, but not be more than 25 miles from the Association's property.

SECTION 2. ORDER OF BUSINESS

The order of business at annual meetings shall be as follows:

- Designation of Inspectors of Election and Call for Ballots
- Reading of the Minutes
- Reading of the Financial Report
- Reports of Officers and Committees
- Unfinished Business
- New Business
- Adjournment

SECTION 3. SPECIAL MEETINGS

Special meetings shall be called by the President or Secretary upon written request of the majority of the Board of Directors or not less than 25 percent of the members or 25 members, whichever is less. Such meetings shall be held not more than 40 days thereafter, at a location to be determined by the President or Secretary, within 25 miles of the Association's property.

SECTION 4. NOTICE OF MEETINGS

Written notice of the annual meeting or special meetings, stating the place, day and time, of meeting of members, and in case of a special meeting of members, the purpose or purposes for which the meeting is called and shall be mailed by regular mail to the last know address of such member, not less than 20 days before the time of such meeting.

SECTION 5. MEETINGS

Meetings of members shall be open to all members of the Association and all members of the Association who are present at a meeting, either in person or by proxy, shall be entitled to vote.

SECTION 6. QUORUM OF MEETINGS

A quorum at any meeting of members of the Association shall consist of 10% of number of members of the Association, who may be present either in person or by proxy.

SECTION 7. VOTING RIGHTS

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

SECTION 8. CONDUCT OF MEETINGS

Meetings of the members shall be presided over by the President or, if he 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 absence, an Assistant Secretary, who may be appointed by the presiding officer, shall act as Secretary of all meetings of the members.

SECTION 9. VOTING OF MEMBERS

Membership shall 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 shall be in writing, shall be filed with the Secretary of the Association. No proxy shall be valid after the expiration of 11 months from the date of its execution and every proxy shall be revocable at the pleasure of the person executing it.

SECTION 10. ELECTION OF OFFICERS

All officers of the Association shall be elected by the Board of Directors, and the Board of Directors shall be elected by the members in accordance with the following requirements and procedures:

a) Nominations: Nominations may be made by a petition signed by 5 members to be filed with the Secretary not less than 30 days prior to the date of the annual meeting or any special meeting of for the purpose of filling any vacancy in the Board of Directors. Each ballot for election of Directors shall contain space for write-in-votes.

b) Casting of Ballots: A letter shall be sent to members including a ballot and notice of the election not less than 15 days before the meeting of such election, and shall also contain a blank envelope within which a member may place their ballot, and an envelope addressed back to the party who is to receive any ballot to be received by mail. The blank envelope may not have but one ballot in it, and any blank envelope received that has more than one ballot shall be discarded by the tellers at the election and no votes counted on any such ballot.

The votes will, also, be received at the meeting in person, and the tellers appointed to receive ballots, may permit any person holding a number of proxies to vote those proxies by a group ballot.

The mailed ballots shall 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 shall be kept of all parties who have voted, so that no party may cast more than the authorized number of ballots.

At least 3 tellers of the election shall be appointed by the presiding officer, and such teller shall be selected fairly to represent the interest of all candidates. Any candidate or a representative of such candidate, may sit in with the tellers when counting the ballots.

Any person who notifies the Secretary prior to the election that they did not receive a mail ballot, may request the Secretary to mail an additional ballot to such person,

however, it shall be the members responsibility to get the ballot back to the meeting prior to the balloting being closed.

ARTICLE IV - DIRECTORS

SECTION 1. BOARD OF DIRECTORS

The Board of Directors shall consist of 9 Directors, all of whom shall be legal age, and shall be members of the Association. The Board of Directors shall be the governing body of the Association. Except as may be otherwise provided, the Board of Directors, or its duly authorized designee, shall establish all rules and regulations and shall authorize such persons as it deems proper to carry out the purposes of the Association.

SECTION 2. TERMS OF OFFICE

At the first annual meeting of members where the members shall elect nine Directors, who shall serve as follows:

The 3 members receiving the highest votes cast shall serve for a term of 3 years; the next 3 members receiving the highest number of votes shall serve for a term of 2 years; and the remaining 3 members shall serve for a term of 1 year. Thereafter, at each annual election, 3 members shall be elected for a period of 3 years, who shall succeed the 3 members whose terms are scheduled to end.

All members of the Board of Directors shall serve until their successors are elected or appointed. New members of the Board of Directors shall take office immediately upon adjournment of the meeting of the members at which they are elected.

In the event of the resignation, death, or inability of one or more of the members of the Board of Directors, 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 shall be elected to fulfill the unexpired term of such Director.

SECTION 3. QUORUM

A quorum of the Board of Directors shall be 3 members, however, a majority of the entire Board of Directors may reverse at the next scheduled or a 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 shall 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 and shall be called, upon request to the Secretary by at least 3 Directors. Such written request shall state the purpose of the meeting, and such special meetings shall be held within 10 days following the receipt of such written request by the Secretary. The secretary shall give notice to each Director of the time, place and purpose of any such meeting, not less than 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 shall always be held immediately following the annual meeting of members is held. Meetings may be held at any time without notice if all Directors are present, or if at anytime before or after the meeting, those not present waive notice of such meeting in writing.

SECTION 5. REMOVAL

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 two-thirds vote of the members at any meeting called for that purpose. No Director shall be removed from office, however, unless he has been given notice of the proposed action by certified mail to his last known address, mailed at least 10 days before the meeting being held for such purpose.

SECTION 6. EXECUTIVE COMMITTEE

The Board of Directors may, by resolution, passed by a majority of the whole Board, designate an Executive Committee, consisting of the President, Secretary and such other party or parties as the Board of Directors may select, such executive committee shall be selected from members of the Association and shall contain not less than 3 not more than 5 members. The Executive Committee shall 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 vacancy in the Board of Directors, cannot authorize the sale of the Association's property, asses dues, suspend members of the Board of Directors, elect Officers or amend the By-Laws of the Association.

ARTICLE V - OFFICERS

SECTION 1. ELECTION OF OFFICERS

The officers of the Association shall 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 shall be elected at a meeting of the Board of Directors, which shall be held as soon as practicable after the regular annual meeting of members. Elected officers shall hold office until the next regular annual meeting of the Board of Directors or until their successors are elected and qualify. The President and Vice-President shall be chosen from among the Directors. The Secretary and Treasurer need not be members of the Board. Should the Board of Directors so determine, any 2 officers 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 by a majority of all 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 shall hold office for such term as to be designated by the Board of Directors.

SECTION 4. DUTIES

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

SECTION 5. DUTIES OF THE PRESIDENT

The President shall be the chief executive officer of the Association and shall have direct supervision over the business of the Association and its several offices. He shall preside at all meetings of the members and of the Board of Directors. He 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 shall be required in addition to the President to execute any of the aforesaid instruments. In addition, the President shall perform all duties incident to his office and all such other duties as may be assigned him by the Board of Directors.

SECTION 6. DUTIES OF THE VICE-PRESIDENT

Each Vice-President shall have such powers and duties as may be assigned to him from time to time by the President or the 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 shall act as secretary at all meetings of both the Board of Directors and the members of the Association, and shall keep the minutes thereof in the proper book or books to be provided for that purpose; he shall see that all notices required to be given by the Association are duly given and served; he shall be custodian of the seal of the Association and shall 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 shall have custody of all deeds, leases, contracts and other important corporate documents; he shall have charge of the books, records and papers of the Association relating to its organization and management as a corporation; he shall see that the reports, statements and other documents required by law are properly filed; and in general shall perform both the duties incident to the office of Secretary and all such other duties as may be assigned to him by the Board of Directors or the President from time to time. The Secretary, along with 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.

SECTION 8. DUTIES OF THE TREASURER

The Treasurer shall be chief financial and accounting officer of the Association. He shall collect all dues and assessments due the Association, he shall have charge and custody of and be responsible for all funds and securities of the Association; and he shall 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 shall maintain records of all assets, liabilities, and transactions of the accounting practice and shall exhibit the accounts and records to any member of the Board of Directors at the Association office upon such Director's request. In addition, The Treasurer shall give a Treasurer's Report to the Board of Directors and the Officers of the Association at each regular monthly meeting of the Board of Directors and shall give the members an annual Treasurers Report at the regular annual meeting of the members. 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 instrument authorized by the Board of Directors. He shall, in general, perform all duties incident to the office Treasurer and such other duties as from time to time may be assigned to him 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 shall be managed, operated, and controlled by the Board of Directors. The Board of Directors shall 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 its members, however, neither the members of the Association may take away from the lot owners the right 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 shall provide for the holding and conducting of its meetings and shall keep a record of the meetings. The Board shall have full power:

a) to make, adopt, and modify and amend such rules and regulations of the Association as may be reasonable and necessary:

- i. to carry out its duties and the provisions of these By-Laws;
- ii. for the use of any and all property owned by the Association;
- iii. to provide for the comfort and convenience of the members.

Such rules and regulations shall be published by the Board and be made available to members.

b) to fix the amount of dues and fees to be paid by members pursuant to Article VI, Section 2, of these By-Laws.

c) to employ a General Manager and such other employees as it deems necessary.

d) to suspend or expel a member, to cancel Association privileges or to deny use of Association facilities, in whole or in part, to a member, or to deny a member the use of the roads in Subdivision, other than as required for direct access to his property, for violation of Association By-Laws and Rules and Regulations or for conduct detrimental to the best interests of the Association of its members, provided, however, that any member charged with an offense which could subject him to any of the aforementioned sanctions for a period of more than thirty (30) days shall be entitled to have a hearing before a majority of the Board.

SECTION 2. MEMBERSHIP DUES, FEES, ASSESSMENTS

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

- 1) Maintenance of the Association's property and property rights.
- 2.) Maintenance of other facilities.
- 3) Construction of community facilities.
- 4) Hiring necessary personnel, and
- 5) Preservation and restoration of all Association property; however, no dues, fees, or assessments may be made against the general membership, except for the maintenance of the boat access area and pier, or for the improvement of the way of access for the roads, leading to these facilities or to the members' property. The construction and maintenance of other facilities/structures or any other development of community facilities shall be paid for from dues/assessments if approved by a majority vote of the members attending a Membership meeting. However, the Board of Directors may authorize expenditure of funds for maintenance of existing facilities if it is deemed an emergency situation. Any such action will be briefed to the membership at the next Membership meeting.

SECTION 3. RULES AND REGULATIONS

The Board of Directors shall have the authority to make and enforce Rules and Regulations governing the use of all the Association's property. The Board shall 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 prohibited by statute, by the Articles of Incorporation or by these By-Laws.

ARTICLE VII - USE OF FACILITIES

SECTION 1

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

SECTION 2

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

ARTICLE VIII - DEFINITION

SECTION 1

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

a) "Association" means the Association of members, whether incorporated or not, who have been conveying certain recreational facilities for the use of all lot owners in the subdivision, who have been granted rights to use the facilities supervised or owned by the Association.

b) "Member" or "Members" shall mean an individual or individuals who own lots within the said subdivision or in case 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 member owner cannot designate more than 2 persons, and their husbands and wives and all children of either or both, as being eligible for membership because of such Corporate lot ownership. All such parties shall meet the qualifications as set forth in Article II of these By-Laws.

c) "Subdivision, Development or Lots" shall mean the properties surrounding the Association's facilities, whereby the developer of the Association's facilities granted the lot owners the right to use the property deceded to or supervised by the Association upon the condition that such lot owners or members would pay the cost of maintenance, upkeep and repair of such facilities.

d) "Privileges" shall mean the right to use, in accordance with these By-Laws, and such other Rules and Regulations as may be duly adopted by the Association, the roads, the way of access to and from the Association's facilities, the pier, loading ramp and parking area owned by the Association or over which the Association has supervision, so long as the parties using same has paid their proportionate share of the cost for maintenance and upkeep and repair of same.

e) "Special Privileges" shall mean any additional facilities as may be developed or constructed by the Association not included in Paragraph (d) above, that certain members have constructed or developed on the Association's property with the consent of the Board of Directors, the use of such facilities being limited to those members who join in the construction, development, maintenance and upkeep of such additional facilities.

ARTICLE IX - INDEMNITY OF OFFICERS AND DIRECTORS

SECTION 1

Any present or future director or officer, or the executor, administrator, or other legal representative of any such director or officer, shall be indemnified by the Association against reasonable costs, expenses (exclusive to 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 Director or Officer or his Executor, Administrator, or other legal representative may hereafter be made a party by reason of his being or having been such Director or Officer, provided (1) said action, suit or proceeding shall be prosecuted against such Director or Officer or against his Executor, Administrator or other legal representative to final determination, and it shall not be finally adjudged in such action, suit or proceeding that he had been derelict in the performance of his duties as such Director or Officer, or (2) said action, suit, or proceeding shall be settled or otherwise terminated as against such Director or Officer or his 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 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 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, and the indemnification hereby granted by the Association shall be in addition to and not in restriction or limitation of any other privileges 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

SECTION 1

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, after giving the members such notice of such amendment by regular mail, mailed out less than twenty (20) days prior to the meeting of the proposed action, however, 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 shall be governed by the laws of the Commonwealth of Virginia as may be applicable to a non-profit membership organization, or as to any matters not covered by law. Robert's Rules of Order shall apply.

Amendments of these By-Laws

ARTICLE II

SECTION 3.

All other vehicles will be towed at owner's expense, no overnight camping, no open fires, and no discharge of any firearms at the dock area.

Recorded: Sept. 24, 1983

ARTICLE II, SECTION 1: Mandatory Membership; as written.

ARTICLE III, SECTION 1: Annual Membership Meeting change; as written.

Recorded May 26, 1997

ARTICLE VI, SECTION 2, PARA 5: Membership Dues, Fees, Assessments change; as written.

Recorded: May 25, 2013

Retyped by V. Fischer. President, May 2013