

**BYLAWS OF**  
**MOUNTAIN RUN HOMEOWNERS' ASSOCIATION, INC.**

THESE BYLAWS OF MOUNTAIN RUN HOMEOWNERS' ASSOCIATION, INC. are made this 26<sup>th</sup> day of March, 2024 by the BOARD OF DIRECTORS OF MOUNTAIN RUN HOMEOWNERS' ASSOCIATION, INC., a Virginia nonstock corporation.

\*\*\*\*\*WITNESSETH\*\*\*\*\*

WHEREAS, by filing its Articles of Incorporation with the Commonwealth of Virginia's State Corporation Commission, Mountain Run Homeowners' Association, Inc. (the "Association") was established as a Virginia nonstock corporation on May 9, 2003;

WHEREAS, pursuant to Section 13.1 - 823 of the Virginia Nonstock Corporation Act, (Code of Virginia), the initial Bylaws of a corporation may be adopted by its Board of Directors;

WHEREAS, it is the desire of the Association's Board of Directors to adopt Bylaws for Mountain Run Homeowners' Association, Inc.; and

NOW, THEREFORE, pursuant to Section 13.1 - 823 of the Virginia Nonstock Corporation Act, the Board of Directors of Mountain Run Homeowners' Association, Inc. hereby adopt the Bylaws of Mountain Run Homeowners' Association, Inc., which shall read as follows:

ARTICLE I  
**NAME, PRINCIPAL OFFICE, AND DEFINITIONS**

Section 1. Name. The name of the corporation and the community association shall be Mountain Run Homeowners' Association, Inc (hereinafter sometimes referred to as the "Association").

Section 2. Principal Office. The principal office of the Association shall be located as the Board of Directors may determine. The Association may have such other offices, as the Board of Directors may determine or as the affairs of the Association require.

Section 3. Definitions. The words used in these Bylaws shall have the same meaning as set forth in that Declaration of Protective Covenants, Conditions and Restrictions for Mountain Run Homeowners' Association, Inc., which was recorded on August 11, 2003, in Deed Book 2151, Page 152 as Instrument 030023893 in the Office of the Clerk of the Circuit Court of the County of Hanover, Virginia

(hereinafter referred to as "Clerk's Office"), (said Declaration, as amended, restated, renewed, or extended from time to time, is hereinafter sometimes referred to as the "Declaration"), unless the context shall prohibit.

## ARTICLE II

### Association: MEMBERSHIP, MEETINGS, QUORUM, VOTING, PROXIES

Section 1. Membership. The Association shall have two (2) classes of membership, Class "A" and Class "B", as more fully set forth in the Declaration, the terms of which pertaining to membership are specifically incorporated herein by reference.

Section 2. Place of Meetings. Meetings of the Association shall be held at the principal office of the Association or at such other suitable place convenient to the Members as may be designated by the Board of Directors either within the Properties or as convenient thereto as possible and practical.

Section 3. Annual Meetings. The first meeting of the Association, whether a regular or special meeting, shall be held within one year from the date of incorporation of the Association. Meetings shall be of the Members of the Association. Subsequent regular annual meetings shall be on a date and at a time set by the Board of Directors.

Section 4. Special Meetings. The President may call special meetings. In addition, it shall be the duty of the President to call a special meeting of the Association if so directed by resolution of the Board of Directors or upon a petition signed by Members representing at least ten percent (10%) of the total votes of the Association.

Section 5. Notice of Meetings. Written or printed notice stating the place, day and hour of any meeting of the Members shall be delivered, either personally, by mail or by email if the intended recipient has consented to receive notice in this manner, to each Member entitled to vote at such meeting, not less than fourteen (14) nor more than fifty (50) days before the date of such meeting, by or at the direction of the President or the Secretary or the officers or persons calling the meeting.

In the case of a special meeting or when required by statute or these Bylaws, the date, time and place of such meeting and the purpose or purposes for which the meeting is called shall be stated in the notice. No business shall be transacted at a special meeting except as stated in the notice.

If mailed, the notice of a meeting shall be deemed to be delivered when deposited in the United States mail addressed to the Member at his or her address as it appears on the records of the Association with postage thereon prepaid.

Section 6. Waiver of Notice. Waiver of notice of a meeting of the Members shall be deemed the equivalent of proper notice. Any Member may, in writing, waive notice of any meeting of the Members, either before or after such meeting. Attendance at a meeting by a Member shall be deemed waiver by such Member of notice of the time, date and place thereof, unless such Member specifically objects to lack of proper notice at the time the meeting is called to order. Attendance at a special meeting shall also be deemed a waiver of notice of all business transacted thereat unless objection to the calling or convening of the meeting, of which proper notice was not given, is raised before the business is put to a vote.

Section 7. Recess of Meetings. If any meeting of the Association cannot be held because a quorum is not present, a majority of the Members who are present at such meeting may recess the meeting and reconvene it to a time not less than forty-eight (48) hours nor more than thirty (30) days from the time the original meeting was called. At the reconvened meeting, if a quorum is present, any business which might have been transacted at the meeting originally called may be transacted. If a time and place for reconvening the meeting is not fixed by those in attendance at the original meeting or if for any reason a new date is fixed for reconvening the meeting after the recess, notice of the time and place for reconvening the meeting shall be given to Members in the manner prescribed for regular meetings.

The Members present at a duly called or held 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, provided that Members representing at least ten percent (10%) of the votes, in person or by proxy, of the Association remain in attendance, and provided further that any action taken is approved by at least a majority of the Members required to constitute a quorum.

Section 8. Voting and Rights of Members. The voting rights of the Members shall be as set forth in the Declaration, and such voting rights provisions are specifically incorporated herein.

Section 9. Proxies. Unless provided otherwise in the Declaration, these Bylaws or the Articles of Incorporation, Members may vote by person or by proxy.

Section 10. Majority. As used in these Bylaws, the term "majority" shall mean those votes, owners, or other groups as the context may indicate totaling more than fifty percent (50%) of the total eligible number.

Unless otherwise provided by law or by specific provisions herein, the vote of a majority of the votes entitled to be cast by the Members present in person or by proxy at a meeting at which a quorum is present shall be necessary for the adoption of any matter voted upon by such Members.

Section 11. Quorum. Except as otherwise provided in these Bylaws or in the Declaration, the presence in person or by proxy of the Members representing ten (10%) percent of the total eligible votes of the Association shall constitute a quorum at all meetings of the Association. Any provision in the Declaration concerning quorums is specifically incorporated herein.

Section 12. Conduct of Meetings. The President shall preside over all meetings of the Association, and the Secretary, or his designee as determined by the Board, shall keep the minutes of the meeting and record in a minute book all resolutions adopted at the meeting, as well as a record of all transactions occurring at the meeting. If the President or Secretary are not present, then those Directors present shall choose a pro-tem official.

### ARTICLE III

#### BOARD OF DIRECTORS: NUMBER, ELECTION, POWERS, MEETINGS

##### A. Composition and Selection.

Section 1. Governing Body; Composition. The affairs of the Association shall be governed by a Board of Directors, each of whom shall have one (1) equal vote. Except with respect to directors appointed by the Class "B" Member, the directors shall be Members or spouses of such Members; provided, however, no person and his or her spouse may serve on the Board at the same time. In the case of a Member which is not a natural person, any officer, director, partner or trust officer of such Member shall be eligible to serve as a director unless otherwise specified by written notice to the Association signed by such Member; provided, no Member may have more than one such representative on the Board at a time, except in the case of directors appointed by the Class "B" Member.

Section 2. Number of Directors. The number of directors in the Association shall be five (5), as provided in Section 4 below and within the Protective Covenants. The initial Board shall consist of two (2) members as identified in the Articles of Incorporation.

Section 4. Nomination of Directors. Except with respect to the Director selected by the Class "B" Member, nominations for election to the Board of Directors shall be made by a Nominating Committee. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and three (3) or more Members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the Members to serve a term of one (1) year or until their successors are appointed.

The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but in no event less than the number of positions to be filled. The Nominating Committee shall nominate separate slates for the directors to be elected at large by the Members. Nominations for each slate shall also be permitted from the floor. All candidates shall have a reasonable opportunity to communicate their qualifications to

the Members and to solicit votes.

Section 5. Election and Term of Office and Director Groups. Notwithstanding any other provision contained herein:

(a) The Director appointed by the Declarant shall serve for a period of one (1) year or until they resign or are removed and replaced by the Declarant, or until they are replaced pursuant to these Bylaws.

(b) At the first annual meeting of the membership after the termination of the Class "B" Control Period, the Directors shall be selected as follows: a minimum of five (5) directors shall be elected, with the Members representing the Class "A" and Class "B" Members casting one (1) vote for each Lot which it owns. The top two (2) candidates receiving the most votes cast by the members entitled to vote in the election at a meeting at which a quorum is present shall be elected for a term of two (2) years, and the one (1) to three (3) candidates receiving the next most votes shall be elected for a term of one (1) year. At the expiration of the initial term of office of each member of the Board of the Directors and at each annual meeting thereafter, a successor shall be elected to serve a term of two (2) years, subject to compliance with Section 7 below.

Each Member shall be entitled to cast a vote with respect to each vacancy to be filled from each slate on which such Member is entitled to vote. There shall be no cumulative voting. [As used herein, the term "cumulative voting" means a system of voting by which each voter multiplies the number of votes he or she is entitled to cast in the election by the number of directors for whom he or she is entitled to vote and then casts the product for a single candidate or distributes the product among two or more candidates.]. The candidate(s) receiving the most votes on each slate shall be elected. The directors elected by the Members shall hold office until their respective successors have been elected by the Association. Directors may be elected to serve any number of consecutive terms.

Section 6. Removal of Directors and Vacancies. Any Director elected by the Members may be removed, with or without cause, by the vote of the Members holding a majority of the votes entitled to be cast for the election of such director. Any director whose removal is sought shall be given notice prior to any meeting called for that purpose. Upon removal of a director, a successor shall be elected by the Members entitled to elect the director so removed to fill the vacancy for the remainder of the term of the director.

Any director elected by the Members who has three (3) consecutive unexcused absences from Board meetings or who is delinquent in the payment of any assessment or other charge due the Association for more than thirty (30) days may be removed by a majority of the directors present at a regular or special meeting at which a quorum is present, and a successor may be appointed by the Board to fill the vacancy until the next annual meeting, at which time, in the event the term has not expired the position will be filled by a vote of the Members for the remainder of the term.

In the event of the death, disability, or resignation of any director, the Board may declare a vacancy and appoint a successor to fill the vacancy until the next annual meeting, at which time the Members entitled to fill such directorship may elect a successor for the remainder of the term. Any director appointed by the Board shall serve until the next meeting of the Membership, at which time the Membership shall elect a director to fill the position in a manner so as to preserve the staggered term construct of the Board. Any person appointed by the Board to fill a vacancy may be eligible for election to the Board for the remainder of the term of such director.

B. Meetings.

Section 1. Organizational Meetings. The first meeting of the Board of Directors following each annual meeting of the membership shall be held within thirty (30) days thereafter at such time and place as shall be fixed by the Board.

Section 2. Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the directors, but at least four (4) such meetings shall be held during each fiscal year with at least one (1) per quarter. Notice of the time and place of the meeting shall be communicated to directors not less than four (4) days prior to the meeting; provided, however, notice of a meeting need not be given to any director who has signed a waiver of notice or a written consent to holding of the meeting.

Section 3. Special Meetings. Special meetings of the Board of Directors shall be held when called by written notice by the President of the Association or by any three (3) directors. The notice shall specify the time and place of the meeting and the nature of any special business to be considered. The notice shall be given to each director by one of the following methods: (a) by personal delivery; (b) written notice by first class U.S. mail, postage prepaid; or (c) by email, if the Director has previously provided written consent to receive such notice by email. All such notices shall be sent to the director's residential or email address as shown on the records of the Association. Notices sent by first class U.S. mail shall be deposited into a United States mailbox at least four (4) days before the time set for the meeting. Notices given by personal delivery or email shall be delivered, or sent by email at least twenty-four (24) hours before the time set for the meeting. Notices may be sent by email pursuant to this Section if the Association has the consent in writing from the email recipient that delivery of email notice for the purposes of this Section is acceptable.

Section 4. Waiver of Notice. With respect to notice to the directors of a meeting of the Board, the transactions of any meeting of the Board, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice if: (a) a quorum is present, and (b) either before or after the meeting each of the directors not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. Notice of a meeting shall also be deemed given to any director who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

Section 5. Quorum of Board of Directors. At all meetings of the Board of Directors, a majority of the directors shall constitute a quorum for the transaction of business, and the votes of a majority of the directors present at a meeting at which a quorum is present shall constitute the decision of the Board of Directors. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of directors, if any action taken is approved by at least a majority of the required quorum for that meeting. If any meeting of the Board cannot be held because a quorum is not present, a majority of the directors who are present at such meeting may recess the meeting and reconvene it to a time not less than forty-eight (48) hours nor more than thirty (30) days from the date the original meeting was called. At the reconvened meeting, if a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

Section 6. Compensation. No director shall receive any compensation from the Association for acting as such unless approved by Members representing a majority of the votes of the Association, in person or by proxy, at a regular or special meeting of the Association. Any director may be reimbursed for expenses incurred on behalf of the Association upon approval of a majority of the other Directors. Nothing herein shall prohibit the Association from compensating a Director, or any entity with which a Director is affiliated, for services or supplies furnished to the Association in a capacity other than as a director pursuant to a contract or agreement with the Association, provided that such Director's interest was made known to the Board prior to entering into such contract and such contract was approved by a majority of the Board of Directors, excluding the interested director.

Section 7. Conduct of Meetings. The President, or in his absence the Vice President, shall preside over all meetings of the Board of Directors, and the Secretary, or his designee as determined by the Board, shall keep a minute book of meetings of the Board of Directors, recording therein all resolutions adopted by the Board of Directors and all transactions and proceedings occurring at such meetings.

Section 8. Open Meetings. All meetings of the Board shall be open to all Members subject to reasonable rules adopted by the Board. During a meeting the Members shall have a period of time designated by the Board in which to have the opportunity to comment on any matter relating to the Association. During a meeting at which the agenda is limited to specific topics or at a special meeting, the Board may limit the comments of Members to the topics listed on the meeting agenda. Otherwise, a Member other than Directors may not participate in any discussion or deliberation unless permission to speak is requested on his or her behalf by a director. In such case, the President may limit the time any Member may speak. Notwithstanding the above, the President may recess any meeting of the Board of Directors and reconvene in executive session, excluding Members, but only in strict conformance with the procedures specified in the Virginia Property Owners' Association Act, of the Code of Virginia, 1950, as amended.

Section 9. Action Without a Formal Meeting. Any action to be taken at a meeting of the directors or any action that may be taken at a meeting of the directors may be taken without a

meeting only if a consent in writing, setting forth the action so taken, is signed by all of the directors, and such consent shall have the same force and effect as a unanimous vote. For the purposes of this Section an email transmission constitutes a “writing”.

C. Powers and Duties.

Section 1. Powers. The Board of Directors shall have all of the powers and duties necessary for the administration of the Association's affairs and for performing all responsibilities and exercising all rights of the Association as set forth in the Declaration, these Bylaws, the Articles, and as provided by law. The Board may do or cause to be done all acts and things as are not by the Declaration, Articles, these Bylaws, or Virginia law directed to be done and exercised exclusively by the membership generally.

In addition to the duties imposed by these Bylaws or by any resolution of the Association that may hereafter be adopted, the Board of Directors shall have the power to establish policies relating to, and shall be responsible for performing or causing to be performed, the following, in way of explanation, but not limitation:

(a) preparing and adopting, in accordance with the Declaration, annual budgets in which there shall be established the contribution of each Owner to the Common Expenses;

(b) levying of assessments to defray the Common Expenses and establishing the means and methods of collecting such assessments.

(c) providing for the operation, care, upkeep and maintenance of all of the Common Area

(d) designating, hiring and dismissing the personnel necessary for the operation of the Association and the maintenance, operation, repair and replacement of its property and the Common Area and, where appropriate, providing for the compensation of such personnel and for the purchase of equipment, supplies and materials to be used by such personnel in the performance of their duties;

(e) collection of assessments, depositing the proceeds thereof in a federally insured bank depository which it shall approve, and using the proceeds to operate the Association; provided, any reserve fund may be deposited, in the directors' best business judgment, in federally insured depositories other than banks;

(f) promulgating and amending rules and regulations;

(g) opening bank accounts on behalf of the Association and designating the signatories required;

(h) making or contracting for the making of repairs, additions and improvements



to or alterations of the Common Area in accordance with the other provisions of the Declaration and these Bylaws;

(i) enforcing by legal means the provisions of the Declaration, these Bylaws, and the rules and regulations adopted by it and bringing any proceedings which may be instituted on behalf of or against the Owners concerning the Association;

(j) obtaining and carrying property and liability insurance and fidelity bonds for the Association and the Areas of Common Responsibility, as provided in the Declaration, assessing the costs thereof as a Common Expense, and filing and adjusting claims, as appropriate;

(k) assessing as a Common Expense the cost of all services rendered to the Association or its Members and not chargeable directly to specific Owners;

(l) keeping books with detailed accounts of the receipts and expenditures affecting the Association and its administration, specifying the maintenance and repair expenses and any other expenses incurred;

(m) making available, subject to reasonable rules adopted by the Board, to any prospective purchaser of a Lot, any Owner, and the holders, insurers, and guarantors of a first Mortgage on any Lot, current copies of the Declaration, the Articles of Incorporation, the Bylaws, rules and all other books, records, and financial statements of the Association;

(n) permitting utility suppliers to use portions of the Common Area reasonably necessary to the ongoing development or operation of the Properties;

(o) indemnifying a director, officer or committee member, or former director, officer or committee member of the Association in accordance with Virginia law, and in accordance with the Articles of Incorporation and the Declaration; and

(p) entering into contracts or agreements with other parties for any purposes consistent with the Declaration, Bylaws and applicable law.

Section 2. Management. The Board of Directors may employ for the Association a professional management agent or agents at a compensation established by the Board of Directors to perform such duties and services as the Board of Directors shall authorize. The Board of Directors may delegate to the managing agent or manager, subject to the Board's supervision, all of the powers granted to the Board of Directors by these Bylaws, other than the powers set forth in subparagraphs (a), (b), (f), (g) and (i) of Section 16 of this Article.

The Board of Directors may delegate to one of its members the authority to act on behalf of the Board of Directors on all matters relating to the duties of the managing agent or manager, if any, which might arise between meetings of the Board of Directors.

The Association shall not be bound, either directly or indirectly, by any management contract executed during the Class “B” Control Period unless such contract contains a right of termination exercisable by the Association, with or without cause and without penalty, at any time after termination of the Class “B” Control Period upon not more than one hundred and twenty (120) days written notice.

Section 3. Borrowing. The Board of Directors shall have the power to borrow money for the purpose of maintenance, repair or restoration of the Common Area or Facilities without the approval of the Members of the Association. The Board shall also have the power to borrow money for other purposes, provided the Board shall obtain Member approval in the same manner provided in the Declaration for special assessments in the event that the proposed borrowing is for the purpose of making discretionary capital improvements and the total amount of such borrowing, together with all other debt incurred within the previous twelve (12) month period, exceeds or would exceed ten percent (10%) of the budgeted gross expenses of the Association for that fiscal year.

Section 4. Rights of the Association. In accordance with the Articles of Incorporation and the Declaration, the Association shall have the right to contract with any person for the performance of various duties and functions. Without limiting the foregoing, this right shall entitle the Association to enter into common management, operational, or other agreements with trusts, condominiums, cooperatives, or other owners or residents associations, both within and without the Properties. Such agreements shall require the consent of a majority of the total number of directors on the Board of Directors.

Section 5. Enforcement.

(a) Notice. Prior to imposition of any sanction hereunder, the Board of its delegate shall serve the alleged violator with written notice describing: (i) the nature of the alleged violation; (ii) the proposed sanction to be imposed, including the amount of any assessed charge; (iii) a period of not less than ten (10) days within which the alleged violator may present a written request to the Covenants Committee, if any, or Board of Directors for a hearing; and (iv) a statement that the proposed sanction shall be imposed as contained in the notice unless a challenge is begun within ten (10) days of the notice. If a timely challenge is not made, the sanction stated in the notice shall be imposed.

(b) Hearing. If a hearing is requested within the allotted ten (10) day period, the Board shall send the owner notice of the date, time and place of the hearing by registered or certified mail, return receipt requested, to the Member at the address of record with the Association at least fourteen (14) days prior to the hearing. The hearing may, at the discretion of the hearing tribunal, be held in executive session affording the alleged violator a reasonable opportunity to be heard. Prior to the effectiveness of any sanction hereunder, proof of proper notice shall be placed in the minutes of the meeting. Such proof shall be deemed adequate if a copy of the notice, together with a statement of the date and matter of delivery, is entered by the

officer, Director, or agent who delivered such notice. The notice requirements shall be deemed satisfied if the alleged violator appears at the meeting. The minutes of the meeting shall contain a written statement of the results of the hearing and the sanction, if any, imposed. The Board of Directors or the Covenants Committee, if any, may, but shall not be obligated to, suspend any proposed sanction if the violation is cured within the ten (10) day period. Such suspension shall not constitute a waiver of the right to sanction future violations of the same or other provisions and rules by any Member or resident. Notice of the results of the hearing shall be hand-delivered or sent by registered certified mail, return receipt requested, to the alleged violator within seven (7) days of the hearing.

(c) Appeal. If there is a Covenants Committee, following a hearing before the Covenants Committee, the violator shall have the right to appeal the decision to the Board of Directors. If the hearing is before the Board of Directors, the violator shall have the right to appeal the decision to the Board of Directors for rehearing. To perfect this right, a written notice of appeal must be received by the manager, President, or Secretary of the Association within thirty (3) days after the hearing date.

(d) Charges and Suspensions. In addition to such other rights as are specifically granted under the Declaration and Virginia law, the Board shall have the power to assess charges against an Owner for his or her or his or her families', tenants', guests', residents' or other invitees' violation of any provision of this Declaration, Bylaws or rules of the Association, after notice and an opportunity for a hearing have been provided to the Owner pursuant to Virginia law. The Board shall also have the power to suspend the voting rights for the nonpayment of assessments or the right of an Owner to use facilities or services, including utility services, provided directly through the Association, for nonpayment of assessments which are more than sixty (60) days past due, to the extent that access to the Lot through the Common Areas is not precluded and provided that such suspension shall not endanger the health, safety or property of any owner, tenant or occupant, after notice and an opportunity for a hearing have been provided to the Owner pursuant to Virginia law. The failure of the Board to enforce any provision of the Declaration, Bylaws, or any rule or regulation shall not be deemed a waiver of the right of the Board to do so thereafter. Any sanction or charge assessed against an Owner pursuant to this Section be in full compliance with applicable law, including Section 55-508 et seq. of the Code of Virginia.

(e) Additional Enforcement Rights. Notwithstanding anything to the contrary herein contained, the Association, acting through the Board of Directors, may elect to enforce any provision of the Declaration, these Bylaws or the rules and regulations of the Association by self-help or by suit at law or in equity to enjoin any violation or to recover monetary damages or both without the necessity of compliance with the procedure set forth above. In any such action, to the maximum extent permissible, the Owner or occupant responsible for the violation of which abatement is sought shall pay all costs, including reasonable attorneys' fees, actually incurred.

ARTICLE IV  
OFFICERS

Section 1. Officers. The officers of the Association shall be elected by the Board and shall be a President and Vice President to be elected from among members of the Board, and a Secretary and a Treasurer, who may be elected from any member of the Board and the Association Membership. The Board of Directors may appoint such other officers, including one or more Assistant Secretaries and one or more Assistant Treasurers, as it shall deem desirable, such officers to have the authority and perform the duties prescribed from time to time by the Board of Directors. Such other officers may, but need not be members of the Board. Any two (2) or more offices may be held by the same person, except the office of President.

Section 2. Election, Term of Office, and Vacancies. After the termination of the Class “B” Control Period, the officers of the Association shall be elected annually by the Board of Directors at the first meeting of the Board of Directors following each annual meeting of the Members, as herein set forth in Article III. A vacancy in any office arising because of death, resignation, removal, or otherwise may be filled by the Board of Directors for the unexpired portion of the term.

Section 3. Removal. Any officer may be removed by the Board of Directors whenever in its judgment the best interests of the Association will be served thereby. A vacancy in any office arising because of death, resignation, removal or otherwise, may be filled by the Board of Directors for the unexpired portion of the term.

Section 4. Powers and Duties. The officers of the Association shall each have such powers and duties as generally pertain to their respective offices, as well as such powers and duties as may from time to time specifically be conferred or imposed by the Board of Directors. The President shall be the chief executive officer of the Association. The Treasurer shall have primary responsibility for the preparation of the budget as provided for in the Declaration and may delegate all or part of the preparation and notification duties to a finance committee, management agent, or both.

Section 5. Resignation. 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 the 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.

Section 6. Agreements, Contracts, Deeds, Leases, Checks, Etc. All agreements, contracts, deeds, leases, checks and other instruments of the Association shall be executed by the President, or in the President’s absence, Vice President or by such other person or persons as may be designated by resolution of the Board of Directors.

Section 7. Compensation. Compensation of officers shall be subject to the same limitations as compensation of directors under Article III Section 12 of these Bylaws.

## ARTICLE V COMMITTEES

The Board may appoint such committees as it deems appropriate to perform such tasks and to serve for such periods as the Board may designate by resolution. Each committee shall operate in accordance with the terms of the resolution of the Board of Directors designating the committee or with rules adopted by the Board of Directors.

## ARTICLE VI LIABILITY AND INDEMNIFICATION OF OFFICERS AND DIRECTORS

Section 1. Liability and Indemnification of Officers and Directors. The Association shall indemnify every officer, director, committee member or recognized volunteer of the Association (collectively and hereafter “Association Volunteer”) against any and all expenses, including attorneys' fees, reasonably incurred by or imposed upon any Association Volunteer in connection with any action, suit or other proceeding (including settlement of any suit or proceeding if approved by the Board of Directors) to which the Association Volunteer may be made a party by reason of being or having been an Association Volunteer regardless of whether he is an Association Volunteer at the time such expenses are incurred. The Association Volunteers shall not be liable to the Members for any mistake of judgment, negligence, or otherwise, except for their own individual willful misconduct or bad faith. The Association Volunteers shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Association (except to the extent that such Association Volunteers are liable as Members) and the Association shall indemnify and forever hold each Association Volunteer free and harmless against any and all liability to others on account of any such contract or commitment. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any current or former Association Volunteer may be entitled.

Section 2. Common or Interested Directors. The Board of Directors shall exercise its powers and perform its duties in good faith and with a view to the interests of the Association. A contract or other transaction between the Association and one or more of its directors, or between the Association and any corporation, firm or association (including the Declarant) in which one or more of the directors of the Association are directors or officers or are pecuniarily or otherwise interested, shall not be void or voidable because such Director or Directors are present at the meeting of the Board of Directors or any committee thereof which authorizes or approves the contract or transaction, or because such director's or directors' votes are counted for such purpose, provided that any of the conditions specified in any of the following subparagraphs exist:

(a) The fact of the common directorate or interest is disclosed or known to the Board of Directors or a majority thereof or noted in the minutes and the Board of Directors authorizes, approves, or ratifies such contract or transaction in good faith by a vote sufficient for the purpose; and

(b) The fact of the common directorate or interest is disclosed or known to the Lot Owners, or a majority thereof, and they approve or ratify the contract or transaction in good faith by a vote sufficient for the purpose; or

(c) The cost of any services or goods contracted for is competitive with the cost of like services or goods provided by other reputable companies offering such services or goods in the Richmond, Virginia metropolitan area; or

(d) The contract or transaction is commercially reasonable for the Association at the time it is authorized, ratified, approved or executed.

A common or interested director may be counted in determining the presence of a quorum of any meeting of the Board of Directors or committee thereof which authorizes, approves or ratifies any contract or transaction, and may vote thereat to authorize any contract or transaction as if he were not such a common or interested director.

Disclosure for the purposes of subsections (a) and (b) is mandatory.

## ARTICLE VII MISCELLANEOUS

Section 1. Fiscal Year. The fiscal year of the Association shall be set by resolution of the Board of Directors. In the absence of a resolution, the fiscal year shall be the calendar year.

Section 2. Parliamentary Rules. Except as may be modified by Board resolution, Association proceedings shall be conducted in accordance with best business practices when not in conflict with Virginia law, the Articles of Incorporation, the Declaration or these Bylaws.

Section 3. Conflicts. If there are conflicts between the Articles of Incorporation and the Bylaws, the Articles of Incorporation shall prevail. If there are conflicts between the Declaration and the Bylaws, the Declaration shall prevail.

Section 4. Books and Records.

(a) Inspection by Members and Mortgagees. The Board shall make available for inspection and copying by any holder, insurer or guarantor of a first Mortgage on a Lot, for a purpose reasonably related to the interest in the Lot, or by a Member of the Association in good standing, for a purpose reasonably related to the Member's interest in the Association or Lot, or by the duly appointed representative of any of the foregoing, upon five (5) days' written notice at

a mutually convenient time and location: the Declaration, Bylaws or Articles of Incorporation, any amendments to the foregoing, the rules and regulations of the Association, the membership register, books of account and/or the minutes of meetings of the Members, the Board and/or committees. Any books or records kept by or on behalf of the Association may be withheld from inspection to the extent permitted by the Virginia Property Owners' Association Act, as amended, and the Virginia Nonstock Corporation Act, as amended.

(b) Rules for Inspection. The Board shall establish reasonable rules with respect to:

(i) notice to be given to the custodian of the records;

(ii) hours and days of the week when such an inspection may be made;

and

(iii) payment of the actual cost of materials and labor for implementing any necessary redactions and reproducing copies of documents requested prior to providing the requested copies.

(c) Inspection by Directors. Every Director shall have the absolute right at any reasonable time to inspect all books, records or documents of the Association and the physical properties owned or controlled by the Association. The right of inspection by a Director includes the right to make extracts and a copy of relevant documents at the expense of the Association.

Section 5. Notices. Unless otherwise provided in these Bylaws, all notices, demands, bills, statements or other communications under these Bylaws shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by United States Mail, first class postage prepaid:

(a) if to a Member, at the address of record with the Association; or

(b) if to the Association, the Board of Directors, or the managing agent, at the principal office of the Association or the managing agent, if any, or to the Secretary of the Association.

Section 6. Amendment.

(a) By Members Generally. Except as provided above, these Bylaws may be amended by the affirmative vote or written consent, or any combination thereof, of Members representing sixty-six and two-thirds percent (66 2/3%) of the total votes of the Association and the consent of the Class "B" Member, if such exists. In addition, the approval requirements set forth in the Declaration shall be met, if applicable, notwithstanding the above. The percentage of

votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause.

If an Owner consents to any amendment to the Declaration or these Bylaws, it will be conclusively presumed that such Owner has the authority to consent and no contrary provision in any Mortgage or contract between the Owner and a third party will affect the validity of such amendment. No amendment may remove, revoke or modify any right or privilege of Declarant without the written consent of Declarant or the assignee of such right or privilege.

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IN WITNESS WHEREOF, the undersigned Board of Directors of Mountain Run Homeowners' Association, Inc have executed these Bylaws for Mountain Run Homeowners' Association, Inc this 26 day of MARCH, 2024.

MOUNTAIN RUN HOMEOWNERS' ASSOCIATION, INC.,

a Virginia nonstock corporation

Matthew Wicichowski, President on behalf of the Board of Directors

COMMONWEALTH OF VIRGINIA

CITY/COUNTY OF Hanover, to-wit:

I, Ivana Bailey, a Notary Public in and for the jurisdiction aforesaid, so certify that the foregoing Bylaws of Mountain Run Homeowners' Association, Inc was executed and acknowledged before me this 26<sup>th</sup> day of March, 2024, by Matthew Wicichowski, President of Mountain Run Homeowners' Association, Inc, a Virginia nonstock corporation, on behalf of the Board of Directors.

Ivana Bailey  
Notary Public

My Commission Expires: 9/30/2027  
Notary Registration #: 8072991

