



BY-LAWS

BY-LAWS
OF
SNOW HILL HOMEOWNER'S ASSOCIATION, INC.

ARTICLE I

Definitions

The words "said property" as used in these By-Laws shall be deemed to mean the following described property situated in the County of Fauquier, State of Virginia, and more particularly described as follows: SNOW HILL, PHASE ONE, as the same is duly dedicated, plotted and recorded in Deed Book 499, at page 213, among the land records of the Clerk's Office of the Circuit Court of Fauquier County, Virginia. Together with any and all other real property which may hereafter, through the operation of conditions, covenants, restrictions, easements, reservations or charges pertaining to the same, be placed under or submitted to the jurisdiction of this Association and be accepted as within the jurisdiction of the Association by resolution of the Board of Directors.

The word "lot" wherever used in these By-Laws shall be deemed to mean a lot as defined in any declaration of conditions, covenants, restrictions, easements, reservations or charges affecting the portion of said property in which the building site is located.

ARTICLE II

Membership

Section 1 - The members of this corporation shall be:

(a) All persons who are owners of record of any lot in said property, provided that no person or corporation taking title as security for the payment of money or the performance of any obligation shall thereby become entitled to membership.

(b) When a lot is owned of record in joint tenancy or tenancy in common, or when two or more residents are purchasing

a lot under a contract or agreement of purchase, the membership as to such lot shall be joint and the right of such membership (including the voting power arising therefrom) shall be exercised only by the joint action of all owners of record of such building site, or of all purchasers under said contract or agreement of purchase, respectively.

Any person claiming to be a member in this Association shall establish his right to membership to the satisfaction of the Secretary of this Association. No membership or initiation fee shall be charged, nor shall members be required to pay at any time any amount to carry on the business of this Association, except to pay annually the charges or assessments set forth in the declaration of conditions, covenants, restrictions, easements and charges dated the _____ day of _____, 1984, executed by SNOW HILL CORPORATION, and recorded on the _____ day of _____, 1984, in the Clerk's office of the Circuit Court of Fauquier County, Virginia, and recorded in Deed Book _____ at page _____, or as set forth in any other declaration affecting any portion of said property.

Membership in this Association shall lapse and terminate when any member shall cease to be the owner of record of a lot.

ARTICLE III

Voting Rights

Section 1 - In all matters which shall come before the members of this Association, and in all corporate matters, the voting power of the members of this Association shall be unequal, according to the following rules:

The number of votes to which each membership is entitled is determined by the number of lots owned. The Association shall have two classes of voting membership as follows:

Class A. Class A members shall be all owners with the exception of the Declarant and shall be entitled to one (1)

vote for each lot they own. When more than one person holds an interest in a given lot, such person or persons shall be but one "Class A member" and their vote may be exercised as they deem appropriate between themselves. In no event shall more than one vote be cast with respect to any one lot by a Class A member.

Class B. The Class B member shall be the Declarant who shall be entitled to exercise three (3) votes for each lot owned. The Class B membership shall cease to exist and be converted to a Class A membership when the total votes outstanding in the Class A membership exceeds the total votes outstanding in the Class B membership.

All decisions of the Association will be decided by a majority vote of two-thirds of the members present at any regular or special meeting, whether in person or by proxy.

ARTICLE IV

Property Rights

Section 1 - Each member of this Association shall have such an interest in all of the property owned by this Association as is represented by the ratio of the number of votes to which said member is entitled to the total number of votes in this Association. Such interest is and shall be appurtenant to the lots in all said property which qualify such person for membership in this Association.

ARTICLE V

Corporate Powers

Section 1 - The corporate powers of this Association shall be vested in, exercised by, and under the authority of, and the business and affairs of this corporation shall be controlled by a Board of three directors. The directors, other than those named in the Articles of Incorporation shall be members of the Association. Two of said directors shall constitute a quorum for the transaction of business. The initial Board of Directors

shall consist of W. Wallace Sanders, Jr., Patricia P. Sanders, and Richard A. Sanders, until such time as Class B membership is converted to Class A. At such time the membership shall elect a new Board of Directors as is herein provided.

ARTICLE VI

Election of Directors

Section 1 - The directors named in the Articles of Incorporation of this Association, herein referred to as Directors, shall hold office until their successors are elected, either at an annual meeting or at a special meeting called for that purpose, unless otherwise provided by the By-Laws of this Association.

Section 2 - Unless otherwise provided by the By-Laws of this Association, the Directors, other than those named in the Articles of Incorporation, shall be elected at the annual meeting of the members, and shall hold office until their successors are elected.

Section 3 - Unless otherwise provided by the By-Laws of this Association, the term of office for any director shall begin immediately after election. The term of office of members of the Board of Directors of this Association may be determined by a majority of the members of this Association and may, from time to time, be changed if demanded in writing by a majority of the members of this Association.

ARTICLE VII

Vacancies

Section 1 - Vacancies in the Board of Directors shall be filled by a majority of the remaining directors though less than a quorum, and each director so elected shall hold office until his successor is elected at an annual meeting or at a special meeting called for that purpose. If any director at any time tenders his resignation to the Board of Directors, the

Board of Directors shall have power to elect his successor to take effect at such time as the resignation becomes effective.

ARTICLE VIII

Powers of Directors

Section 1 - The Board of Directors shall have power:

(a) To call special meetings of the members whenever it deems it necessary, and it shall call a meeting at any time upon written request of the members who have the right to vote at least one-third of all the votes of the entire membership.

(b) To appoint and remove at pleasure all officers, agents, and employees of the Association, prescribe their duties, fix their compensation, and require from them security or a fidelity bond for faithful performance of the duties to be prescribed for them.

(c) To conduct, manage and control the affairs and business of this Association, and to make rules and regulations not inconsistent with the laws of the Commonwealth of Virginia or the By-Laws of this Association for the guidance of the officers and management of the affairs of the Association.

(d) To establish, levy and assess, and collect the charges or assessments.

(e) To exercise for the Association all powers, duties and authorities vested in or delegated to this Association or which it may lawfully exercise.

ARTICLE IX

Duties of Directors

Section 1 - It shall be the duty of the Board of Directors:

(a) To cause to be kept a complete record of all of their minutes and acts, and of the proceedings of the members, and present a full statement at the regular annual meeting of the members, showing in detail the assets and liabilities of this Association, and generally the condition of its affairs. A similar statement shall be presented at any other meeting of

members when required by members who have the right to vote at least one-third of all the votes of the entire membership.

(b) To supervise all offices, agents and employees of this Association, and to see that their duties are properly performed.

ARTICLE X

Directors' Meetings

Section 1 - The annual meeting of the Board of Directors shall be held on the _____ day in _____ of each and every year at _____ P.M.

Section 2 - A regular meeting of the Board of Directors shall be held on the _____ of each month at _____ P.M., provided that the Board of Directors may, by resolution, change the day and hour of holding such regular meetings.

Section 3 - Notice of such annual meeting and such regular meeting is hereby dispensed with. If the day for the annual or regular meeting shall fall upon a holiday, the meeting shall be held at the same hour on the first day following which is not a holiday, and no notice thereof need be given.

Section 4 - Special meetings of the Board of Directors shall be held when called by the President, the Vice-President, or Secretary or Treasurer, or upon the written request of any two directors. Written notice of each special meeting of the Board of Directors shall be delivered personally to the directors, or given or sent to each director, at least three days before the time for holding said meeting, by letter, postage thereon fully prepaid addressed to the director. Each director shall register his address with the Secretary, and notices of meetings shall be mailed to him at such address.

Section 5 - The transactions of any meetings of the Board of Directors, however called and noticed, or wherever held, shall be as valid as though had a meeting duly held after regular call and notice if a quorum be present, and if either before or after the meeting each of the directors not present sign a written waiver of notice, or a consent to holding such meeting, or an approval of the minutes thereof. All such waivers, consents or approvals shall be filed with the corporate records and made a part of the minutes of the meeting.

Section 6 - Every act, or decision, done or made by a majority of the directors present at a meeting duly held at which a quorum is present shall be regarded as the act of the Board of Directors. In the absence of a quorum, the majority of the directors present may adjourn from time to time until the time fixed for the next regular meeting of the Board.

ARTICLE XI

Meetings of Members

Section 1 - The regular annual meeting of the members shall be held on the _____ of the month of _____ in each year, at the hour of _____ P.M. If the day for the annual meeting of the members shall fall upon a holiday, the meeting shall be held at the same hour on the first day following which is not a holiday.

Section 2 - Special meetings of the members for any purpose may be called at any time by the President, the Vice-President, the Secretary, the Treasurer, or by the Board of Directors, or by any two or more members thereof, or upon written request of the members who have the right to vote at least one-third of all of the votes of the entire membership.

Section 3 - Notices of annual and special meetings shall be given in writing to the members by the Secretary. Notice may be given to the members either personally, or by sending a copy of the notice through the mail, postage thereon fully prepaid to his address appearing on the books of the Association. Each member shall register his address with the Secretary and notices of meetings shall be mailed to him at such address. Written notice of each meeting shall, at least thirty days before the time for holding said meeting, be given or sent to each member by letter, postage thereon fully prepaid addressed to the member. Notice of each annual or special meeting of the members shall specify the place, the date, and the hour of the meeting, and the general nature of the business to be transacted.

Section 4 - The transactions at any meeting of the members however called or noticed shall be as valid as though had at a meeting duly held after regular call and notice if a quorum be present, in person or by proxy, if either before or after the meeting each member entitled to vote not present signs a written waiver of notice, or a consent to the holding of such meeting, or approval of the minutes thereof. All such waivers, consents or approvals shall be filed with the corporate records and made a part of the minutes of the meeting. The presence in person or by proxy of a majority of the members of this Association shall constitute a quorum for the transaction of business. In the absence of a quorum any meeting of the members may be adjourned from time to time by a vote of a majority of the members present, but no other business may be transacted. Members present at any duly called or held meeting at which a quorum is present in person or by proxy may continue to do

business notwithstanding the withdrawal of enough members to leave less than a quorum.

ARTICLE XII

Officers

Section 1 - The officers of this Association shall be a President, a Vice-President, who shall at all times be members of the Board of Directors, and a Secretary, and a Treasurer, and such other officers as the Board of Directors may, from time to time, by resolution, create.

Section 2 - The officers of this Association, except such other officers as may be appointed in accordance with Sections 3 or 5 of this Article, shall be chosen annually by the Board of Directors, and each shall hold his office for one year unless he shall sooner resign or shall be removed, or otherwise disqualified to serve.

Section 3 - The Board of Directors may appoint such other officers as the business 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.

Section 4 - Any officer may be removed from office either with or without cause by a majority of the Directors at time in office at any annual, regular or special meeting of the Board. Any officer may resign at any time by giving a written notice to the Board of Directors, or the the President, or the Secretary of the Association. Any such resignation shall take effect at 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.

Section 5 - A vacancy in any office because of death, resignation, removal, disqualification or other cause shall be filled in the manner prescribed in the By-Laws for regular appointment to such office.

Section 6 - The offices of Secretary or Assistant-Secretary, and Treasurer may be held by the same person.

ARTICLE XIII

President

Section 1 - The Board of Directors shall at their first regular meeting elect one of their number to act as President, and shall also at said meeting elect a Vice-President.

Section 2 - If at any time the President shall be unable to act, the Vice-President shall take his place and perform his duties. If the Vice-President, for any cause shall be unable to act the Board of Directors shall appoint some member of the Board to act, in whom shall be vested for the time being all the duties and functions of the President.

Section 3 - The President, or the Vice-President, or in the absence or inability to act of both the President and the Vice-President, the Director appointed as above provided:

(a) Shall preside over all meetings of the members and of the Board of Directors.

(b) Shall sign as President all deeds, contracts and other instruments in writing which have been first approved by the Board of Directors.

(c) Shall call the Directors together whenever he deems it necessary and shall have, subject to the advice of the Board of Directors, general supervision, direction and control of the business affairs of the corporation, and generally shall discharge such other duties as may be

required of him by the Board of Directors.

ARTICLE XIV

Vice-President

Section 1 - All duties and powers required by law, or by these By-Laws of, an all powers conferred by law or by these By-Laws upon, the President, shall, in his absence, inability or refusal to act be performed by the Vice-President.

ARTICLE XV

Secretary and Assistant-Secretary

Section 1 - The Board of Directors shall elect a Secretary, and it shall be the duty of the Secretary

(a) To keep a record of all meetings and proceedings of the Board of Directors, and of the members.

(b) To keep the corporate seal of the Association, and to affix it on all papers requiring the seal of the Association.

(c) To keep proper books.

(d) To serve notices of meetings of the Board of Directors and the members required either by law or by the By-Laws of this Association.

(e) To keep appropriate records showing the members of this Association together with their addresses as furnished by such members.

Section 2 - The Board of Directors may appoint an Assistant-Secretary who, in case of the absence, inability or refusal to act of the Secretary shall perform the duties of the Secretary.

Section 3 - The Assistant-Secretary shall also perform such other duties as may be required of him by the Board of Directors.

ARTICLE XVI

Treasurer

Section 1 - The Treasurer shall receive and deposit in such bank or banks as the Board of Directors may, from time to time direct, all of the funds of the corporation, which funds shall be withdrawn by such officer or officers as the Board of Directors shall, from time to time, designate.

ARTICLE XVII

Environmental Protection Board

Section 1 - The Environmental Protection Board, hereinafter referred to as the EPB, shall consist of three members, elected by the membership. The initial EPB shall consist of W. Wallace Sanders, Jr., Richard A. Sanders and Meade Palmer and shall hold office under the same terms and conditions as the Board of Directors. The EPB shall be empowered to do the following:

Section 2 - Review by the Environmental Protection Board. No structure, whether residence, accessory building, tennis court, swimming pool, antenna on a structure or on a lot, flag poles, fences, walls, exterior lighting, or other improvements, shall be constructed or maintained upon any lot and no alteration or repainting to the exterior of a structure shall be made and no landscaping performed unless complete plans, specifications, and lot plans therefore, showing the exterior design, height, building material and color scheme thereof, the location of the structure plotted horizontally and vertically, the location and size of driveways, the general plan of landscaping, fencing, walls and windbreaks, and the grading plan shall have been submitted to and approved in writing by the EPB, and a copy of such plans, specifications and lot plans as finally approved deposited with the EPB.

Section 3 - The EPB shall exercise its best judgment to see that all improvements, constructions, landscaping and alterations on lands within the properties conform to and harmonize with existing surroundings and structures.

Section 4 - Procedures. The EPB shall approve or disapprove all plans and requests within thirty (30) days after submission. In the event the EPB fails to take any action within thirty (30) days after requests have been submitted, approval will not be required, and this Article will be deemed to have been fully complied with.

Section 5 - A majority vote of the EPB is required for approval or disapproval of proposed improvements.

Section 6. The EPB shall maintain written records of all applications submitted to it and of all actions it may have taken.

Section 7 - The EPB shall not be liable in damages to any person submitting requests for approval or to any owner within the properties by reason of any action, failure to act, approval, disapproval, or failure to approve or disapprove with regard to such requests.

ARTICLE XVIII

OPERATION OF THE PROPERTY

Section 1 - Budget. The Board shall from time to time, prepare a budget for the Community of Snow Hill, and in connection therewith, determine the amount of common expenses

of the Community and allocate and assess each common charge among the lot owners. The common expenses shall include, among other things, the cost of all insurance premiums on all policies of insurance required to be, or which have been obtained by the Board pursuant to the provisions of these By-Laws. The common expenses shall also include the amount charged for the operation, care, upkeep and maintenance, including, without limitation, any amount for working capital, for a general operating reserve, for a reserve fund for replacements, and to make up any deficit in the common expenses of any prior year. The common expenses may also include such amounts as may be required for the purchase or lease by the Board on behalf of all the lot owners, of any lot whose owners have elected to sell or lease such lot or of any lot which is to be sold at foreclosure or other judicial sale, such purchase or lease to be in accordance with the provisions of this instrument.

The Board shall advise all owners promptly and in writing of the amount of the common charges payable by each of them, respectively, as determined by the Board as aforesaid and shall furnish copies of each budget on which such charges are based to all lot owners. The Grantors will be required to pay common charges in full on any lot owned by them.

Section 2 - Payment of Common Charges. All lot owners shall pay the common charges assessed by the Board, at such time or times as the Board shall determine.

No lot owner shall be liable for the payment of any part of the common charges assessed against his lot subsequent to a sale, transfer or other conveyance by him and duly recorded. A purchaser of a lot shall be liable for the

payment of common charges assessed and unpaid against such lot prior to the acquisition by him of such lot; and a mortgagee or other purchaser of a lot at a foreclosure sale of such lot shall be subject to, and shall be liable for, a lien for the payment of common charges assessed both prior to and subsequent to the foreclosure sale.

Section 3 - Default. In the event of default by any lot owner in the payment of the common charges, such lot owner shall be obligated to pay interest at the prevailing legal rate per annum on such common charges from the due date thereof, together with all expenses including attorneys fees, incurred by the Board in collecting same. The Board may seek to recover such common charges, interest and expenses by an action to recover the same brought against such lot owner, or by foreclosure of the lien which such unpaid charges have become on the lot.

Section 4 - Power to Suspend Membership. In the event of default by any lot owner in the payment of the common charges, or any other amounts owed the Association, the Board shall have the power to suspend the lot owner's membership in the Association and such suspension shall remain in effect only until such amounts as are owed are paid.

Section 5 - Foreclosure. The Association may foreclose upon any duly acquired lien under these provisions or the Covenants. The Board acting on behalf of the owners, shall have the power to purchase any such lot at the foreclosure sale and to acquire, hold, lease, convey, mortgage (but not to vote the share(s) appurtenant thereto), or otherwise deal with the same. A suit to recover a money judgment for unpaid common charges shall be maintainable without foreclosing or waiving the lien securing same.

Section 6 - Statement of Unpaid Common Charges. The Board shall promptly provide any lot owner requesting same in writing, with a written statement of all unpaid common charges due from such owner in form suitable for recording and the same when recorded in the Clerk's Office shall operate to discharge the lot from any other sums not included in such statement then unpaid, at least as to bonafide third parties relying on such statement.

Section 7 - Maintenance. All maintenance, repair and replacements to the common open space as defined in the covenants or to those areas concerning which easements have been conveyed to the Association, shall be done by the Board or its appointee and shall be included as a common expense of the Association, except to the extent that same are necessitated by the negligence, misuse or neglect of a lot owner, in which case such expense shall be charged to such lot owner in the same manner as a common charge and enforceable in the same manner as a common charge.

ARTICLE XIX

Insurance

Section 1 - Physical Damage. All buildings and improvements and all of the personal property owned by the Association shall be insured for the benefit of the Association, and the Owners as their interest may appear, against risks of physical damage.

Section 2 - Liability Insurance. The Board of Directors shall obtain and maintain public liability insurance for bodily injury and property damage in such limits as the Board of Directors may from time to time determine, insuring

the Association, the Board of Directors, the Managing Agent (at the discretion of the Board), with respect to their liability arising from operation, maintenance or repair.

ARTICLE XX

Amendments to By-Laws

These By-Laws may be modified or amended by the affirmative vote of sixty-six and two-thirds percent (66 2/3%) (or if such modification or amendment effects a provision requiring a larger percentage, such larger percentage) in common interest of all lot owners, present in person or by proxy, at a meeting of such owners duly held for such purpose.

ARTICLE XXI

Conflicts

In case any of these By-Laws are in conflict with the provisions of any statute, the Articles of Incorporation, or the Master Declaration, the provisions of said statute, Articles of Incorporation, or Master Declaration as the case may be, shall control.

ARTICLE XXII

Miscellaneous

Section 1 - Invalidity. The invalidity of any part of these By-Laws shall not impair or affect in any manner the validity, enforceability or effect of the balance of these By-Laws.

Section 2 - Captions. The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of these By-Laws or the intent of any provisions hereof.

Section 3 - Gender. The use of the masculine gender in these By-Laws shall be deemed to include the feminine and neuter gender, and the use of the singular shall be deemed to include the plural, whenever the context so requires.

Section 4 - Waiver. No restriction, conditions, obligation, or provisions contained in these By-Laws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches thereof which occur.

ARTICLE XXIII

Books and Papers

Section 1 - The books, records and such papers as may be placed on file by the vote of the members or the board of Directors shall at all times, during reasonable business hours, be subject to the inspection of an member.

ARTICLE XXIV

Proxies

Section 1 - At all Association meetings of members, each member may vote in person or by proxy.

Section 2 - All proxies shall be in writing, and filed with the secretary.

ARTICLE XXV

Corporate Seal

Section 1 - This Association shall have a seal in circular form having within its circumference the words: SNOW HILL HOMEOWNER'S ASSOCIATION, INC.

RESOLUTION

We, the undersigned Directors of SNOW HILL HOMEOWNER'S ASSOCIATION, a Virginia non-stock corporation, do hereby certify that the following resolution was duly approved by the Board of Directors of the aforesaid corporation on the ___ day of July, 1988, and is now in full force and effect:

"RESOLVED that Richard A. Sanders is hereby authorized for, on the behalf of, and in the name of this Corporation, to execute the Deed and Agreement and the plat, in regard to the conveyance of the expanded well lot to the Fauquier County Water and Sanitation Authority and the conveyance of the old well to Snow Hill Corporation."

IN WITNESS WHEREOF, we hereby set out hands as Directors of the Snow Hill Homeowner's Association on this ___ day of July, 1988.

SNOW HILL HOMEOWNER'S ASSOCIATION

By Richard A. Sanders (SEAL)
Richard A. Sanders, Director

By W. Wallace Sanders (SEAL)
W. Wallace Sanders, Director

By Patricia P. Sanders (SEAL)
Patricia P. Sanders, Director