

BY-LAWS
OF
Hickory Cove Property Owners Association, Inc.
(herein called the "Association")

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ARTICLE I. DEFINITIONS

Section 1.01. Definitions. The words used in these By- Laws shall have the same meaning as set forth in the Association's Articles of Incorporation and as set forth in the Declaration of Road Maintenance Lien Agreement, a specimen of which is annexed hereto as the Appendix to these By—Laws, unless the context shall prohibit.

(a) **Lot:** The term "Lot" as used herein shall mean or refer to any plot of land shown as a separate parcel on the above- referenced plats or other current plats of record with the Bedford County Clerk's office describing land in the area in and near the Hickory Cove Subdivision.

(b) **Hickory Cove Subdivision:** The area in the Lakes Magisterial District, Bedford County, Virginia, Sections 1, 2 and 3 of which are more fully described on three (3) plats of surveys made by Erskine W. Proffitt, C.L.S., which plats are entitled: "Plat of Survey Showing Section 1 Hickory Cove--" dated July 6, 1964; "Plat of Survey Showing Section 2 Hickory Cove--" dated September 16, 1965: and "Plat Showing Section 3 Hickory Cove--" dated May 7, 1966, recorded in the Bedford County Clerk's Office in Plat Book 11, at pages 9, 53 and 95, respectively.

(c) **Owner:** The term "Owner" as used herein shall mean or refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot, including contract sellers, but excluding those having such interest merely as security for the performance of an

obligation. In the case where a Lot is held by one or more persons for life with the remainder to another or others, the term Owner shall mean and refer only to such life tenant or tenants until such time as the remainderman or remaindermen shall come into use, possession or enjoyment of such Lot.

(d) Declaration: The term "Declaration" as used herein shall refer to the form of "Declaration of Road Maintenance Lien Agreement" set forth as an Appendix to these By-Laws.

(e) Voting Member: The term "Voting Member" as used herein shall mean a Lot owner who has signed a copy of the Declaration and hence has become a Voting Member of the Hickory Cove Property Owners Association, as provided in the Articles of Incorporation and the Declaration, and such term shall also mean all persons thereafter owning the Lot of said Voting Members.

(f) The Roadways: The term "the Roadways" as used herein shall mean two privately maintained roads partly within Hickory Cove Subdivision and nearby, currently named "Hickory Cove Lane" and "Barn Hill Lane", being paved roadways with a 50-foot overall width, connecting parts of the land in and around the Hickory Cove Subdivision to Virginia Secondary Highway 654, as shown on that certain plat of survey entitled "Plat Showing a 50-foot Right of Way--" dated December 4, 1963, made by Erskine W. Proffitt, C.L.S., recorded in Plat Book 10, page 141, and such other adjacent roads as the Association may from time to time resolve to maintain.

ARTICLE II. MEMBERS' MEETING

Section 2.01. Membership. The Association shall have one class of Voting Members, the terms of which are fully set forth in the Declaration and the Articles of Incorporation, which terms are specifically incorporated herein by reference.

Section 2.02. Voting Rights. All Voting Members of the Hickory Cove Property Owners Association shall be entitled to vote on any and all business considered by the Association. Voting Members shall be entitled to one vote for each Lot in which they own an interest. When more than one person or entity holds an interest in any Lot, all such persons or entities shall be Voting Members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Lot.

Section 2.03. Annual Meetings. The annual meeting of the Members of the Association, for the purpose of electing directors for the ensuing year and for the transaction of such other business as may properly come before the meeting, shall be held at such place and at such time as may be designated in the Notice of Annual Meeting, which notice shall be given in accordance with Section 2.05 below.

Section 2.04. Special Meeting. A special meeting of the Members may be called at any time by the President, by the Board of Directors, or by a majority of the Members.

Section 2.05. Place of Meeting. Each annual meeting of the Members shall be held at the principal office of the Association, or at such other place, within or without the Commonwealth of Virginia, as the Board of Directors may designate in the notice of such meeting.

Section 2.06. Notice of Meetings. Written notices of each annual and each special meeting of the Members shall be given by, or at the direction of, the officer or other persons calling the meeting. Such notice shall state the place and time of the meeting, the purpose or purposes for which the meeting is called, and such other information as may be required by law. Except as otherwise required by law, such notices shall be delivered personally or mailed in a postage prepaid envelope not less than twenty-five (25), nor more than sixty (60) days in advance of such meeting, to each Voting Member entitled to vote at such meeting. Notwithstanding the foregoing, a waiver of any notice herein or by law required, if in writing and signed by the person entitled to such notice, whether before or after the time of the event for which notice was required to be given, shall be the equivalent of the giving of such notice. A Voting Member who attends a meeting shall be deemed to have had timely and proper notice of the meeting, unless he attends for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. No notice of the reconvening of any adjourned or recessed meeting need be given except as contained in the resolution or ruling directing the adjournment or recess.

Section 2.07. Quorum. Except as otherwise provided by law, at any meeting of the Members the presence of Voting Members or of proxies entitled to cast 50% of all votes shall constitute a quorum for the transaction of business. If the required quorum is not present, another meeting may be called, and the required quorum at the subsequent meeting shall be one-half of the required quorum at the preceding meeting.

Section 2.08. Organization. At every meeting of the Members, the President, or some person appointed by him, shall act as Chairman of the meeting. The Secretary, or, in the discretion of the Chairman, any person designated by him, shall act as Secretary of the meeting.

Section 2.09. Business and Order of Business. At each meeting of the Members, such business may be transacted as may properly be brought before such meeting, whether or not such business is stated in the notice of meeting or in the waiver of notice thereof, except as otherwise is expressly provided by law or by these By-Laws. The order of business of all meetings of Members shall be as determined by the Chairman, but such order of business may be changed by a majority in voting power of the Voting Members present in person or by proxy and entitled to vote at the meeting.

Section 2.10. Voting Rights. The voting rights of the Members shall be as set forth in the Declaration, the Articles of Incorporation, and these By-Laws. In the event that a conflict arises in the voting rights explicitly granted by these documents, the Declaration shall control over all documents, and the Articles of Incorporation shall control over the By-Laws.

A Voting Member may vote either in person or by proxy executed in writing by the Voting Member or his duly authorized attorney-in-fact. Such proxy shall be filed with the Secretary of the Association or the Secretary of the meeting before or at the time of the meeting.

If a quorum is present, the affirmative vote of the majority of the Members represented at the meeting and entitled to vote on the subject matter shall be the act of the Members, unless the vote of a greater number is required by law or the Articles of Incorporation, except that directors shall be elected upon the vote provided in Section 3.03 of these By-Laws.

Voting on any question or in any election shall be viva voce, unless the Chairman shall order, or any Voting Member or his proxy present and entitled to vote on such question or election shall demand, that voting be by ballot.

Section 2.11. Action by Members Without a Meeting. Any action required to be taken at a meeting of the Members of the Association, or which may be taken at such a meeting, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Voting Members entitled to vote with respect to the subject matter thereof. Such consent shall have the same force and effect as a unanimous vote of Voting Members.

ARTICLE III. DIRECTORS

Section 3.01. Powers. The Board of Directors shall be responsible for the affairs of the Association and shall have all of the powers and duties necessary for the administration of the Association's affairs and, as provided by law, may do all acts and things as are not by the Declaration, Articles of Incorporation, or these By-Laws directed to be done and exercised exclusively by the Members.

Section 3.02. Number, Term of Office. The number of directors of the Association shall be nine (9). The Board of Directors shall be elected annually in the manner provided by these By-Laws, and each director shall hold office until the next annual meeting of Members or until his successor shall have been elected, or until his death, resignation, or removal. The number of Directors may be changed by amendment to these By-Laws, but no decrease in the number of directors by such amendment shall have the effect of shortening the term of any director. All directors shall be selected from among the Voting Members of the Association.

Section 3.03. Election of Directors. At each meeting of the Members for the election of directors, a quorum being present, the persons receiving the greatest number of votes shall be the directors.

If the election of directors shall not be held on the day designated for any annual meeting or at any adjournment of such meeting, the Board of Directors shall cause the election to be held at a special meeting of the Members as soon as convenient thereafter.

Section 3.04. Removal of Directors. Any director may be removed at any time, either with or without cause, by the affirmative vote of a majority in voting power of the Members of record of

the Association entitled to elect a successor, given in person or by proxy at a special meeting of such Members called expressly for that purpose, at which a quorum shall be present.

Section 3.05. Organization. At each meeting of the Board of Directors, the President of the Association, or in his absence, a director chosen by the majority of the directors present, shall act as Chairman. The Secretary of the Association, or, in the discretion of the Chairman, any person appointed by him, shall act as secretary of the meeting.

Section 3.06. Place of the Meeting, etc. The Board of Directors may hold its meetings at such place or places within or without the Commonwealth of Virginia as the Board of Directors may from time to time by resolution determine, or (unless contrary to resolution of the Board of Directors), at such place as shall be specified in the respective notices or waivers of notice thereof.

Section 3.07. Annual Meeting. The Annual meeting of the Board of Directors may be held without other notice than this By-Law immediately after and at such time and place as the annual meeting of Members. Such annual meeting may be held at any other time or place specified in a notice given as provided for special meetings of the Board of Directors or in a waiver of notice.

Section 3.08. Regular Meetings. Regular meetings of the Board of Directors may be held at such times and places as may be fixed from time to time by action of the Board of Directors.

Section 3.09. Special Meetings. Special meetings of the Board of Directors shall be held whenever called by the President or by any two or more directors or, at the direction of any of the foregoing, by the Secretary.

Section 3.10. Notice of Meetings. Unless required by resolution of the Board of Directors, notice of any regular meeting of the Board need not be given. Notice of each special meeting shall be mailed to each director, addressed to him at his residence or usual place of business, at least three (3) days before the date on which the meeting is to be held; or such notice shall be sent to each director at such place by telegram, cable or wireless, or be delivered to him personally or by telephone not later than twenty-four (24) hours before the time at which the meeting is to be held. Every such notice shall state the time and place of the meeting, but need not state the purposes of the meeting. No notice of the reconvening of any adjourned or recessed meeting need be given except as contained in the resolution or ruling directing the adjournment or recess.

Section 3.11. Open Meetings. Subject to the provisions of Section 3.17 of this Article, all meetings of the Board shall be open to all Members, but Members 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.

Section 3.12. Waivers of Notice of Meetings. Anything in these By-Laws or in any resolution adopted by the Board of Directors to the contrary notwithstanding, proper notice of any meeting of the Board of Directors shall be deemed to have been given to any director if such notice shall be waived by him in writing (including telegram, cable or wireless) before or after the meeting.

A director who attends a meeting shall be deemed to have had timely and proper notice thereof, unless he attends for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

Section 3.13. Quorum and Manner of Acting. A majority of the number of directors shall constitute a quorum for the transaction of business. The act of a majority of the directors present at any meeting at which a quorum is present shall be the act of the Board of Directors. In the absence of a quorum, a majority of the directors present may adjourn the meeting from time to time without further notice until a quorum is obtained. The directors shall act only as a Board and the individual directors shall have no power.

Section 3.14. Resignations. Any director of the Association may resign at any time, orally or in writing, by notifying the President or the Secretary of the Association. Such resignation shall take effect at the time therein specified; and, unless otherwise specified, the acceptance of such resignation shall not be necessary to make it effective.

Section 3.15. Vacancies. Any vacancy in the Board of Directors caused by death, resignation, removal, disqualification, or any other cause, may be filled for the unexpired term by the majority vote of the remaining directors then in office, though less than a quorum, at any regular or special meeting of the Board of Directors.

Section 3.16. Compensation. The directors of the Association shall serve without compensation, fees or salary. However, the Association shall reimburse authorized or ratified reasonable out-of-pocket expenditures of directors for the Association's business. In addition, the Board may from time to time authorize remittance of a fee to the director or officer who prepares any Disclosure Packet report required by the law of Virginia, in an amount not to exceed \$100 per report.

Section 3.17. Action by Directors Without Meeting. Any action required to be taken at a meeting of the Board of Directors, or which may be taken at a meeting of the Board of Directors, may be taken without a meeting if a consent in writing, setting forth the action so to be taken, shall be signed by all of the Directors. Such consent shall have the same force and effect as a unanimous vote.

ARTICLE IV. OFFICERS

Section 4.01. Officers. The officers of the Association shall be a President, Vice President, Secretary, and Treasurer, and such other officers as may be elected or appointed by the Board of Directors. The President may hold no other office; any other offices may be held by the same person.

Section 4.02. Election, Term of Office. The officers shall be elected annually by the Board of Directors as soon as practicable after the annual election of directors in each year. Each officer shall hold office until his successor shall have been duly elected or until death, resignation or

removal in the manner hereinafter provided. The President shall be chosen from among the directors, but no other officer need be a director.

Section 4.03. Subordinate Officers. The Board of Directors may from time to time establish offices in addition to those expressly designated in Section 4.01 with such duties as are provided in these By-Laws or as may from time to time be determined.

Section 4.04. Removal. Any officer may be removed, either with or without cause, by resolution declaring such removal to be in the best interests of the Association and adopted by any regular or special meeting of the Board of Directors by a majority of the directors then in office. Any such removal shall be without prejudice to the recovery of damages for breach of the contract rights, if any, of the person removed. Election or appointment of an officer or agent shall not of itself, however, create contract rights.

Section 4.05. Resignations. Any officer may resign at any time by giving oral or written notice to the Board of Directors, 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 therein specified; and, unless otherwise specified, the acceptance of such resignation shall not be necessary to make it effective. No resignation hereunder, however, or the acceptance thereof by the Board of Directors, shall prejudice the contract or other rights, if any, of the Association with respect to the person resigning.

Section 4.06. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or any other cause shall be filled for the unexpired portion of the term by the Board of Directors.

Section 4.07. Compensation. The officers of the Association shall serve without compensation, fees or salary. However, the Association shall reimburse authorized or ratified reasonable out-of-pocket expenditures of officers for the Association's business. In addition, the Board may from time to time authorize remittance of a fee to the director or officer who prepares any Disclosure Packet report required by the law of Virginia, in an amount not to exceed \$100 per report.

Section 4.08. President. The President of the Association shall have such authority and perform such duties as are prescribed from time to time by the Board of Directors or otherwise implicitly or explicitly conferred by these By-Laws, the Declaration, or the Articles of Incorporation.

Section 4.09. Vice President. The Vice President of the Association shall have such authority and perform such duties as are prescribed from time to time by the Board of Directors or otherwise implicitly or explicitly conferred by these By-Laws, the Declaration, or the Articles of Incorporation. The Vice President also shall act on behalf of the President, having such authority and performing such duties as the President shall have and perform, in the event that the President is unable or unavailable to act.

Section 4.10. Treasurer. The Treasurer of the Association shall have such authority and perform such duties as are prescribed from time to time by the Board of Directors or otherwise

implicitly or explicitly conferred by these By-Laws, the Declaration, or the Articles of Incorporation.

Section 4.11. Secretary. The Secretary of the Association shall have such authority and perform such duties as are prescribed from time to time by the Board of Directors or otherwise implicitly or explicitly conferred by these By-Laws, the Declaration, or the Articles of Incorporation.

ARTICLE V. CONTRACTS, CHECKS, DRAFTS, BANK ACCOUNTS, ETC.

Section 5.01. Contracts and other Documents. The Board of Directors, except as otherwise required by law or by these By- Laws, may authorize any officer or officers, or agent or agents, in the name of and on behalf of the Association, to enter into any contract or execute and deliver any instrument, and such authority may be general or confined to specific instances. Whenever the Board of Directors, in authorizing or directing the execution of any contract or other instrument, shall fail to specify the officer or officers or other agent or agents who are to execute the same, such contract or other instrument shall be executed on behalf of the Association by the President or any Vice President and, where necessary or appropriate, the corporate seal shall be affixed thereto and attested by the Secretary.

Section 5.02. Loans. Any officer or officers, or agent or agents of the Association thereunto authorized by the Board of Directors may effect loans or advances at any time for the Association in the ordinary course of the Association's business from any bank, trust company or other institution or from any firm, corporation, or individual; and for such loans and advances, may execute certificates or evidence of indebtedness of the Association; and, when authorized so to do, may pledge or transfer any securities or other property of the Association as security for any such loans or advances. Such authority conferred by the Board of Directors may be general or confined to specific instances.

Section 5.03. Checks, Drafts, Etc. All checks, drafts, and other orders for payment of money out of the funds of the Association shall be signed on behalf of the Association in such manner as shall from time to time be determined by resolution of the Board of Directors. "

Section 5.04. Deposits. The funds of the Association not otherwise employed shall be deposited from time to time to the order of the Association in such banks, trust companies or other depositories as the Board of Directors may from time to time select, or as may be selected by an officer or officers, or agent or agents of the Association to whom such power may from time to time be delegated by the Board of Directors.

Section 5.05. Disposition of Funds at Dissolution. In the event that the Association at any time terminates its operations it shall comply in all respects with the laws of the Commonwealth of Virginia in winding up its affairs. After paying all required fees and charges to the Commonwealth of Virginia and to creditors of the Association, and complying with any other

obligations of law, it shall disburse any remaining funds under its control to the Members, dividing the total available for disbursement by the number of lots whose assessment obligations are then fully paid- up, distributing the funds ratably to the owners of such fully paid-up lots.

ARTICLE VI. MISCELLANEOUS

Section 6.01. Seal. The corporate seal of the Association shall contain the name of the Association, the year of its creation, and the words "Corporate seal, Virginia", and shall be in such form as may be approved by the Board of Directors.

Section 6.02. Fiscal Year. The books of account of the Association shall be kept and annual financial statements shall be prepared on a fiscal year basis, running from September 1 through August 31, annually.

Section 6.03. Indemnification. The Association shall provide indemnification to any director, officer, employee or agent in accordance with the mandatory and discretionary provisions of the laws of Virginia and the Articles of Incorporation.

Section 6.04. Notices. Unless otherwise provided in these By-Laws, the Declaration, or the Articles of Incorporation, all communications under these By-Laws, the Declaration, or the Articles of Incorporation 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 Voting Member, at the address that the Member has designated in writing and filed with the Secretary of the Association, or if no such address has been designated, at the address of the Lot of such Voting Member; or

(b) If to the Association, the Board of Directors, or the officers, at the Principal Office of the Association or the Registered Office of the Association.

Section 6.05 Offices.

(a) The Principal Office of the Association shall be at such place as the Board of Directors shall from time to time by resolution determine.

(b) The Registered Office of the Association shall be at the offices of Radford & Wandrei, Esqs., 112 South Bridge Street, Bedford, Virginia 24523-1008, or at such address as is currently listed as the Registered Office of the Association at the State Association Commission of the Commonwealth of Virginia.

Section 6.06. Records and Receipts. The Association shall keep and maintain detailed, accurate records in chronological order of the receipts and expenditures specifying and itemizing the expenses incurred. Such records shall be available for examination by members and others

with an interest such as encumbrances or prospective lenders at convenient hours of weekdays upon reasonable notice. The person or entity keeping such records may be paid such reasonable compensation by the Association as may be determined by the Board of Directors of the Association.

Section 6.07. Reports and Disclosure Packets. The Association shall cause to be prepared a report as contemplated in the Virginia Property Owners' Association Act, Code of Virginia 55-55-508 et seq. when requested by any Voting Member as defined in these By-Laws. The Board may from time to time fix a nominal charge for the preparation of the Disclosure Packet, in accord with the Code of Virginia. when a Disclosure Packet is requested by any person other than a Voting Member, the Association shall notify such requesting person that a Disclosure Packet will be prepared upon the execution by the requester of a copy of the Declaration in form suitable for recordation with respect to such requesting person's Lot.

ARTICLE VII. AMENDMENTS

Section 7.01. By the Directors. The Board of Directors may amend, alter or repeal these By-Laws or adopt new By-Laws of the Association at any meeting of the Board by a majority vote of the directors present at the meeting.

Section 7.02. By the Voting Members. The Voting Members may amend, alter or repeal these By-Laws or adopt new By-Laws by a majority vote of the Voting Members at an annual or special meeting at which a quorum of the Voting Members is present.

CERTIFICATION

I, the undersigned, do hereby certify that I am the duly elected and acting secretary of Hickory Cove Property Owners Association, Inc., a Virginia non-stock Corporation; that the foregoing By-Laws constitute the restated By-Laws of said Association, as duly adopted at a meeting of the Board of Directors thereof held on the 22nd day of July, 1990.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Association this day of , 1990.

Holly Oakey
Secretary

Hickory Cove Property Owners Association, Inc.

(SEAL)