

BY-LAWS OF THE
TANYARD PROPERTY OWNERS ASSOCIATION, INC.

ARTICLE I

Definitions

The terms as used in these By-laws are defined as follows:

a. "ASSOCIATION" means Tanyard Property Owners Association, Inc., a Virginia non-stock corporation.

b. "BOARD" means the Board of Directors of the Association.

c. "BY-LAWS" means the By-Laws of the Association.

d. "LOT" means any lot included from time to time in the definition of lot set forth in the Declaration.

e. "DECLARATION" means the Declaration of Protective Covenants for Tanyard Subdivision of record in the Clerk's Office of the Circuit Court of Louisa County, Virginia in Deed Book 273 at page 346 (Section I, lots 1-34): Deed Book 297 at page 528 (Section II lots 35-61): and Deed Book 343 at page 622 (Section III lots 62-82), as the same may be supplemented or amended from time to time.

f. "DEVELOPER" means Lawrence D. Kavanagh, Jr. and Judith M. Kavanagh, and their successors and/or assigns.

g. "DEVELOPMENT" means Tanyard Subdivision as the same may be shown on the plats thereof recorded in the Clerk's Office of the Circuit Court of Louisa County, Virginia.

h. "OWNER" means any person, including the Developer, who holds fee simple title to any lot.

i. "ARTICLES" means the Articles of Incorporation of Tanyard Property Owners Association, Inc., of Record in the Clerk's Office of the Circuit Court of Louisa County in Deed Book 277 at page 210.

ARTICLE II

Association Membership

Section 1. CLASSES OF MEMBERS. Insofar as the Developer has already sold, as of the adoption of these By-Laws more than 20 lots, there is now only one class of Membership, which is the same as that referred to in the Articles as Class A membership.

Section 2. MEMBERS. Each owner, including the Developer, is a Member.

Section 3. VOTING. A total of one (1) vote may be cast for each lot by the owner of that lot or by his designated proxy (as defined in Article IV, Section 5). In the case of multiple ownership of a lot, the various owners shall agree as to which of them shall cast the vote.

Section 4. SUSPENSION OF PRIVILEGES OF MEMBERSHIP. The Board may suspend the voting privileges of any member for:

a. Any period during which any Association charge on such

member's lot remains unpaid;

b. A period to be determined by the Board not to exceed one (1) year, for repeated violations of the By-Laws or the rules and regulations of the Association.

ARTICLE III

Meetings of Members

Section 1. PLACE OF MEETINGS. Any meeting of the members of the Association shall be held in the State of Virginia at such place therein as may be stated in the notice of such meeting. All meetings shall be conducted under Roberts Rules of Order.

Section 2. THE ANNUAL MEETING. The annual meeting of the Association shall be held on such day in the first Quarter of each year as the Board of Directors by resolution may determine.

Section 3. SPECIAL MEETINGS OF THE ASSOCIATION. Special meetings of the Association may be called by the Board at any time in the manner herein provided. A special meeting may also be called upon the written petition of twenty percent (20%) of the members of the Association who would have the right to vote at such meeting. Such petition shall set forth the purpose of the special meeting.

Section 4. NOTICE OF MEETINGS OF THE ASSOCIATION. Written notice stating the place, date and hour of the meeting and in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than thirty (30) nor more than sixty (60) days before the date of the meeting either personally or by mail, to each member entitled to vote at such meeting. If mailed, such notice shall be deemed to have been delivered when deposited in the United States mail, addressed to the member at the address as it appears on the records of the Association, with postage prepaid; or such notice may be published in any newspaper or publication printed under the auspices of the Association and distributed generally among members of the Association. At a special meeting, no business shall be conducted except that stated in the notice of said meeting.

Section 5. QUORUM. A quorum at either a special meeting or the annual meeting shall be ten percent (10%) of the members entitled to vote at such meeting in person or by proxy. The vote of a majority of the votes entitled to be cast at any meeting at which a quorum is present shall be necessary for the adoption of any matter voted upon by the members, unless a greater proportion is required by law.

ARTICLE IV

The Directors

Section 1. POWERS. The Board shall:

- a. Manage and control the affairs of the Association.
- b. Adopt a corporate seal as the seal of the corporation.
- c. Designate a banking institution or institutions as depository for the Association's funds, and the officer or officers authorized to make withdrawals therefrom and to execute obligations on behalf of the Association.
- d. Perform other acts and authority which has been granted herein or by law, including the borrowing of money for Association purposes.
- e. Cause the Association to employ sufficient personnel to adequately perform the responsibilities of the Association.

f. Adopt reasonable rules of order for the conduct of the meetings of the Association, and with reference thereto, on procedural questions upon which no rules have been adopted, the ruling of the Chairman of the meeting shall be final.

g. Select the officers of the Association. It may establish committees of the Association, and specifically will establish the Architectural Review Committee, and appoint the members thereof. It may assign to such committees such responsibilities and duties not inconsistent with the provisions of these By-Laws, with the Articles, or with law.

h. The Board shall, prior to the annual meeting of the Association in each year, adopt an operating budget. The Board shall, taking into consideration all sources of income that the Association may have, levy an annual assessment upon each lot for the following year. The operating budget shall be presented to the members at the annual meeting and members shall be entitled to comment thereon. As per the Articles, no assessment may be made upon a lot owned by the Developer. The Board may, by resolution, fix the time for payment of annual assessments.

Section 2. NUMBER OF DIRECTORS. The number of Directors shall be three (3); however, the Board of Directors may by resolution increase the number of Directors.

Section 3. TERM. The initial Board as named in the Articles shall serve from the time of organization of the Association until their successors, Directors, are duly elected and qualified at the annual meeting of members in the first quarter of 1990. The first election of the Board of Directors shall be those three (3) candidates who receive the highest number of votes and shall be elected for a two-year term. Members of the initial Board and of successive Boards will be eligible for continued election as long as their Membership in the Association is in good standing.

Section 4. QUALIFICATION OF DIRECTORS.

a. The initial Directors have been named in the Articles. In the election of Directors, beginning in 1990, each member shall be entitled to as many votes as shall equal the number of votes which he is entitled to cast on any matter other than the election of Directors multiplied by the number of Directors to be elected, and he may cast all of such votes for a single Director or may distribute them among the number to be voted for, or for any two or more of them, as he may see fit. The persons receiving the largest number of votes shall be elected to fill the number of Directors then to be elected. Unless otherwise provided by resolutions of the Board, elections for Directors shall be by written ballot.

b. Not less than 30 days prior to a meeting in which a Director's position is to be filled, the Board of Directors shall appoint a Nominations Committee which may submit one (1) or more names of candidates to the Board Secretary in time for the Secretary to prepare notice of the meeting and notice of such nominations. In addition, any member in good standing may nominate another member in good standing to be a Director; and if notice of such nomination is presented to the Secretary in a timely fashion, it will be included by the Secretary in the notice of the meeting sent to the general membership. Further nominations may also be presented at the time of the meeting.

Section 5. PROXIES. Every member entitled to vote or execute consents shall have the right to do so either in person or by an agent or agents authorized by a written proxy executed by such member or his duly authorized agent filed with the Secretary of the Association. No such proxy shall be valid after the expiration of eleven (11) months from the date of its execution unless the person executing it specifies therein a longer period, which in no event shall exceed three (3) years from the

date of its execution.

Section 6. MEETINGS OF THE BOARD OF DIRECTORS. The Board shall meet at such times as the Board shall determine. Special meetings of the Board may be called by a majority of the Board or by the President of the Association and shall be held at such place and at such time as the call or notice of the meeting shall designate. Notice of a special meeting may be given in writing or orally at least twenty-four (24) hours prior to the date of said special meeting, or notice thereof may be waived by the Directors in writing. After adoption of a resolution setting forth the times of regular meetings, no notice of such meeting shall be required, or waived, but notice of special meetings of the Board shall be given.

Section 7. ACTION WITHOUT MEETING. Unless prohibited by law, any action which may be taken at a meeting of the Board may be taken without a meeting if authorized in a writing signed by all of the Directors who would be entitled to vote upon said action at a meeting, and filed with the Secretary of the Association.

Section 8. QUORUM. A majority of the Directors shall constitute a quorum to transact business of the Board, and the act of the majority of the Directors present at any meeting shall be deemed to be the act of the Board.

Section 9. VACANCIES. If any vacancy exists on the Board, such vacancy shall be filled by the remaining Directors even though those remaining Directors might be less than a quorum. Any person so elected a Director shall serve out the unexpired term of the Director whom he has replaced.

ARTICLE V

The Officers

Section 1. OFFICERS. The officers of the Association shall be the President, one or two Vice-Presidents, the Secretary, the Treasurer, and such other officers and assistant officers as the Board may from time to time elect. Officers shall serve at the will of the Board. The office of the Secretary and Treasurer may be held by the same person.

Section 2. PRESIDENT. The President shall be general managerial officer of the Association, except as otherwise determined by the Board, and he shall be vested with the powers and duties generally incident to the office of President of a not-for-profit corporation, except as otherwise determined by the Board, or as may be otherwise set forth in these By-Laws. He need not be a Director.

Section 3. VICE-PRESIDENT. In the absence of the President, or in the event of his inability or refusal to act, the Vice-President is empowered to act and shall thereupon be vested with the powers and duties of the President. In the event that there are more than one (1) Vice-President, the Board shall establish the order in which they serve.

Section 4. SECRETARY. The Secretary of the Association shall keep the minutes of the business and other matters transacted at the meetings of the members and of the Board. He shall mail, or cause to be mailed, all notices required under the By-Laws. He shall have the custody of the corporate seal and records and maintain a list of the members and their addresses and perform all other duties incident to the office of Secretary.

Section 5. TREASURER. The Treasurer shall have custody of funds of

the Association, collect monies due, pay the obligations of the Association out of its funds, and perform such other duties as are incident to the office of Treasurer. The Board may require that the Treasurer be bonded for such amount and under such conditions as the Board may require.

Section 6. REMOVAL OF OFFICERS. Any officers may be removed when, in the judgment of the Board, the best interests of the Association will be served by such removal.

Section 7. The Board of Directors, and the officers shall serve without pay.

ARTICLE VI

Duties of Members

Section 1. PAYMENT OF ASSESSMENTS. The charges or assessments levied by the Association as provided in Article II of the Articles of Incorporation shall be paid to the Association on or before the date fixed by resolution of the Board. Written notice of the charge and the date of payment shall be sent to each Owner (Member) at the address last given by such Owner to the Association, stating the amount of the annual charge and its due date, which due date shall be on the first day of the month next following thirty (30) days from the date the notice is mailed by U. S. mail. Said notice may, at the option of the Board, include a copy of the appropriate section of the Articles of Incorporation or otherwise advise of the penalties for failure to pay the charge when due.

Section 2. COLLECTION AND LIEN. The amount of the assessment levied by the Association shall be paid to it on or before the date fixed by resolution of the Board. If not so paid, the amount of such assessment plus a late charge for any assessment not paid within thirty (30) days of the due date and thereafter interest at twelve percent (12%) per annum from date of delinquency on the total amount and costs of collection including attorney's fees of not less than \$150.00 or one-third (1/3) of the total amount due, whichever is the greater amount, shall be due and payable to the Association and shall constitute a lien on the applicable lot. The Association may cause said lien to be filed in the Clerk's Office of the Circuit Court of Louisa County, Virginia, which notice shall state the amount of the assessment and other such charges and a description of the lot which has been assessed. The Board may seek to recover sums by any other available judicial or other procedure and shall be entitled to its internal costs, attorney's fees aforesaid, and costs of suits in said collection. If the Association does claim a lien on the lot, upon payment of said assessment and charges or other satisfaction thereof, the Board shall within a reasonable time cause to be recorded a further notice stating the satisfaction and the release of said lien.

Section 3. PRIORITY OF LIEN. Conveyance of any lot shall not affect any lien for assessments provided herein. Such liens shall be prior to all other liens recorded subsequent to said notice of assessment.

Section 4. ENFORCEMENT. The lien provided for herein may be enforced by suit by the Association or in such other manner as the Board of Directors or the President of the Association may elect, and all enforcement remedies may be exercised independently, successively or concurrently, and in such event the Association may be a bidder at any foreclosure or creditor's sale. The Association may also pursue any other remedy against any owner owing money to it which is available to it by law or equity for the collection of debt.

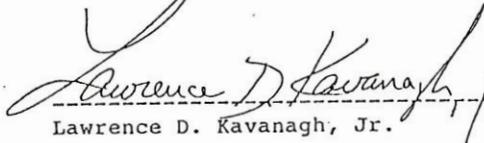
Section 5. PROOF OF PAYMENT. Upon request, the Association shall furnish a statement certifying that all assessments then due have been paid or indicating the amount then due.

Section 6. SUSPENSION. The Association shall not be required to transfer membership on its books or to allow the exercise of any rights or privileges of membership on account thereof to any owner or to any person claiming under them unless or until all assessments and charges which they or their lot are subject have been paid.

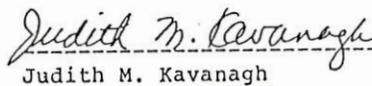
Section 7. AMENDMENTS. These By-Laws may be amended by a majority vote of the Board of Directors.

APPROVAL AND ADOPTION:

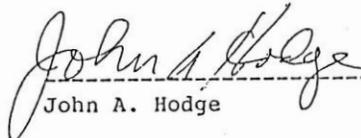
These By-Laws are hereby adopted for the Tanyard Property Owners Association, Inc.



Lawrence D. Kavanagh, Jr. Director 7/13/89 Date



Judith M. Kavanagh Director 7/13/89 Date



John A. Hodge Director 7/14/89 Date