

**BYLAWS
OF
EMERALD HILLS HOMEOWNERS ASSOCIATION, INC.**

**ARTICLE I.
GENERAL**

Section 1. These are Bylaws of Emerald Hills Homeowners Association, Inc.(the “Association), a Virginia Nonstock Corporation, which was organized under the Laws of the Commonwealth of Virginia with Articles of Incorporation which were filed in the office of the Clerk of the State Corporation Commission and subject to the Amended and Restated Declaration affecting the land and all residential improvements thereon known as Emerald Hills Subdivision, Sections 1-6 and all annexations and additions thereto. The Association has been organized for the purpose of owning and administering control over the Common Areas and Storm Water Management Facilities shown on the subdivision plats of record in the Augusta County Circuit Court Clerk’s Office, and such other Common Areas that from time to time may be platted and conveyed to this Association.

Section 2. The office of the Association shall be at P.O. Box 1024, Fishersville, Virginia, or as established by the Board of Directors.

Section 3. The fiscal year of the Association shall run from July 1st through June 30th of each year.

Section 4. The seal of the corporation shall bear the name of the corporation and the state of incorporation.

**ARTICLE II.
MEMBERS.**

Section 1. *Annual Meetings.* The annual Members’ meeting shall be in September of each year for the purpose of electing Directors and of transacting any other business authorized to be transacted by the Members. Members shall be notified in advance of meeting dates and locations. Said meetings shall begin at 7:00 PM or at such other date and hour as may be specified.

Section 2. *Special Meetings.* Special Members’ meetings shall be held whenever called by the President or by a majority of the Board of Directors, and must be called by such officers upon receipt of a written request from one-third of the entire Membership.

Section 3. *Notice of Meetings.* Notice of all Members’ meetings stating the time and place and the objects for which the meeting is called shall be given by the President or Secretary unless waived in writing. Such notice shall be in writing to each Member at his address as it appears on the books of the Association and shall be mailed or hand delivered not less than fourteen (14) days nor more than thirty (30) days prior to the date of the meeting. Notice of meeting may be waived before or after meetings.

Section 4. *Quorum.* Subject to contrary provisions in the Declaration, which may in

some instances have a greater requirement than is controlling in all other circumstances, a quorum at Members' meetings shall consist of Members entitled to cast ten percent (10%) of the votes. The joinder of a Member in the action of a meeting by signing and concurring in the minutes thereof shall constitute the presence of such Member for the purpose of determining a quorum.

Section 5. *Voting Certificates.* The vote of the owners of a lot owned by more than one person or by a corporation or other entity shall be cast by the person named in a certificate signed by all of the owners of the lot and filed with the Secretary of the Association. Such certificate shall be valid until revoked by a subsequent certificate. If such a certificate is not on file, the vote of such owners shall not be considered in determining the requirement for a quorum nor for any other purpose.

Section 6. *Proxies.* Vote may be cast in person or by written proxy. Proxies shall be valid only for the particular meeting designated therein and must be filed with the Secretary before or at the appointed time of the meeting.

Section 7. *Authority to Act.* Approval or disapproval of a lot owner upon any matter, whether or not the subject of an Association meeting, shall be by the same person who would cast the vote of such owner at an Association meeting.

Section 8. *Adjourned meetings.* If any meeting of Members cannot be organized because a quorum has not attended, the Members who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum is present.

Section 9. *Order of Business.* The order of business at annual Members' meetings, and, as far as practical, at all other Members' meetings, shall be:

- A. Calling of the roll and certifying of proxies.
- B. Proof of notice of meeting or waiver of notice.
- C. Reading and disposal of any unapproved minutes and treasurer's report.
- D. Reports of all other officers.
- E. Reports of committees.
- F. Election of Directors (if applicable).
- G. Unfinished business.
- H. New business.
- I. Adjournment.

ARTICLE III. DIRECTORS.

Section 1. *Number and Qualifications.* The Board of Directors shall consist of not less than two (2) persons nor more than five (5) as is determined from time to time by the Members.

Section 2. *Elections.* Election of Directors shall be conducted in the following manner:

- A. Members of the Board of Directors shall be elected by a majority of the votes cast at the annual meeting of the Members of the Association.

B. Vacancies in the Board of Directors may be filled until the date of the next annual meeting by the remaining Directors.

Section 3. *Terms.* At the next annual meeting following the adoption of these Bylaws, three Directors, who shall serve as Treasurer, Vice President and Secretary, shall be elected by the Members to serve for a two-year term and until their successor is elected and qualified. The remaining two Directors, who shall serve as President and Secretary, shall be elected by the Members at the second annual meeting following the adoption of these Bylaws for a two-year term and until their successor is elected and qualified.

Section 4. *Annual Meetings.* The annual meeting of each newly elected Board of Directors shall be held immediately following the annual meeting of the Members and at the same place. No further notice of the annual meeting shall be necessary providing a quorum shall be present.

Section 5. *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. Notice of regular meetings shall be given to each director, personally or by mail, e-mail, fax, telephone, or telegraph at least three (3) days prior to the day named for such meeting unless such notice is waived.

Section 6. *Special Meetings.* Special meetings of the Directors may be called by the President and must be called by the Secretary at the written request of one-third of the votes of the Board. Not less than three (3) days' notice of the meeting shall be given personally or by mail, telephone, or telegraph, which notice shall state the time, place and purpose of the meeting.

Section 7. *Waiver of notice.* Any director may waive notice of a meeting before or after the meeting, and such waiver shall be deemed equivalent to the giving of notice.

Section 8. *Quorum.* A quorum at Directors' meetings shall consist of the Directors entitled to cast a majority of the votes of the entire Board. The acts of the Board approved by a majority of votes present at a meeting at which a quorum is present shall constitute the acts of the Board of Directors, except as specifically otherwise provided in the Declaration. If, at any meeting of the Board of Directors, there be less than a quorum present, the majority of those present may adjourn the meeting from time to time until a quorum is present. At an adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice. The joinder of a director in the action of a meeting by signing and concurring in the minutes thereof shall constitute the presence of such director for the purpose of determining a quorum.

Section 9. *Presiding Officer.* The presiding officer of Directors' meetings shall be the President. In the absence of the presiding officer, the Directors present shall designate one of their number to preside.

ARTICLE IV.

POWERS AND DUTIES OF THE BOARD OF DIRECTORS.

Section 1. All of the powers and duties of the Association shall be exercised by the Board of Directors, including those existing under the common law and statutes, the Articles of Incorporation of the Association, and the documents establishing the subdivision. Such powers and duties of the Directors shall be exercised in accordance with the provisions of the

Declaration that governs the use of the land, and shall include but shall not be limited to the following:

- A. To make and collect assessments against Members.
- B. To use the proceeds of assessments in the exercise of its powers and duties.
- C. The maintenance, repair, replacement and operation of the Common Areas and any Storm Water Management Facilities , except those maintained by the County.
- D. The reconstruction of improvements after casualty and further improvement of the property.
- E. To make and amend regulations respecting the use of the corporate property.
- F. To enforce by legal means the provisions of the Declaration, the Articles of Incorporation, the Bylaws of the Association, and the regulations for the use of the property in the subdivision.
- G. To appoint persons to serve on the Architectural Review Committee.
- H. To pay taxes and assessments which are liens against any part of the property and the appurtenances thereto, and to assess the same against the lot owners.
- I. To carry insurance for the protection of lot owners and the Association against casualty and liabilities.
- J. To employ personnel for reasonable compensation to perform the services required for proper administration of the purposes of the Association.

ARTICLE V. OFFICERS.

Section 1. The executive officers of the corporation shall be a President, a Vice President, a Treasurer, a Secretary and an Architectural Review Committee Chair, all of whom shall be elected to two-year terms by the membership of the Association pursuant to Article III above. Any person may hold two (2) or more offices, except that the President shall not also be the Secretary. The Board of Directors shall from time to time elect such other officers and designate their powers and duties, as the Board shall find to be required to manage the affairs of the Association.

Section 2. The President shall be the chief executive officer of the Association. He shall have all of the powers and duties which are usually vested in the office of president of an association, including but not limited to the power to appoint committees from among the Members from time to time, as he may in his discretion determine appropriate, to assist in the conduct of the affairs of the Association.

Section 3. The Vice President shall in the absence or disability of the President exercise the powers and performs the duties of the President. He shall also generally assist the President and exercise such other powers and perform such other duties as shall be prescribed by the Directors.

Section 4. The Secretary shall keep the minutes of all proceedings of the Directors and the Members. He shall attend to the giving and serving of all notices to the Members and Directors and other notices required by law. He shall have custody of the seal of the Association and affix the same to instruments requiring a seal when duly signed. He shall keep the records of

the Association, except those of the Treasurer, and shall perform all other duties incident to the office of secretary of an association as may be required by the Directors or the President. The Assistant Secretary shall perform the duties of the Secretary when the Secretary is absent.

Section 5. The Treasurer shall have custody of all property of the Association, including funds, securities and evidences of indebtedness. He shall keep the assessment rolls and accounts of the Members; he shall keep the books of the Association in accordance with good accounting practices; and he shall perform all other duties incident to the office of Treasurer.

ARTICLE VI. FISCAL MANAGEMENT.

Section 1. *Assessment Rolls.* The assessment roll shall be maintained in a set of accounting books in which there shall be an account for each lot. Such an account shall designate the name and address of the owner or owners, the amount of each assessment against the owners, the dates and amounts in which the assessments come due, the amounts paid upon the account and the balance due upon assessments.

Section 2. *Budget.*

A. The Board of Directors shall adopt a budget for each fiscal year which shall contain estimates of the cost of performing the functions of the Association, including, but not limited to, the following items:

1. Common expense budget:

(a) Maintenance, repair, replacement and operation of the Common Areas and Storm Water Management Facilities;

(b) Casualty insurance;

(c) Liability insurance;

(d) Administration; and

(e) Reserves for future maintenance, repairs and capital improvements.

2. Assessments against the Members.

B. Copies of the budget and assessments shall be transmitted to each Member at the annual meeting. If the budget is subsequently amended before the assessments are made, a copy of the amended budget shall be furnished each Member concerned.

Section 3. The depository of the Association shall be such bank or banks as shall be designated from time to time by the Directors and in which the moneys of the Association shall be deposited. Withdrawal of moneys from such accounts shall be made only by checks signed by at least two Directors.

Section 4. A review of the accounts of the Association shall be made within 14 days of the end of the old Treasurer's term by an audit committee of the Association consisting of three (3) of its Members who shall review and approve the books and make a report to the Members at the annual meeting.

ARTICLE VII.
PARLIAMENTARY RULES.

The most current edition of Roberts Rules of Order shall govern the conduct of all meetings of the Association and the Board of Directors when not in conflict with the Articles of Incorporation and Bylaws of the Association or the laws of the Commonwealth of Virginia.

ARTICLE VIII.
AMENDMENTS.

Section 1. *Notice.* Notice of the subject matter of a proposed amendment to these Bylaws shall be included in a notice of any meeting at which a proposed amendment is considered.

Section 2. *Adoption.* A resolution adopting a proposed amendment to these Bylaws must receive approval of the majority of the votes of the Board of Directors and the majority of the votes of the entire Membership of the Association. Directors and Members not present at the meetings considering an amendment may express their approval in writing.

Section 3. *Initiation.* An amendment may be proposed by either the Board of Directors or by the Membership of the Association; and after being proposed and approved by one of such bodies, it must be approved by the other.

Section 4. *Effective Date.* An amendment when adopted shall become effective immediately unless otherwise expressly stated.

Section 5. *Deemed Amendments.* These Bylaws shall be deemed amended, if necessary, to the extent required and so as to make the same consistent with the provisions of the Declaration or Articles of Incorporation of the corporation that shall control in the event of conflict with these Bylaws.