

## OPERATION OF

### STAFFORDS FARM SUBDIVISION HOMEOWNERS ASSOCIATION, INC.

#### PURPOSE

The name of the corporation is Stafford's Farm Homeowners Association, Inc. hereinafter referred to as the "Association". The purpose of this Association is to protect the property values of the Stafford Farms neighborhood and to promote fellowship among the residents.

#### MEMBERSHIP AND VOTING RIGHTS

Membership. Members shall refer to the record owners of real property as described in the Declaration of Covenants.

Voting Rights. When more than one (1) person holds an interest in any property, all such persons shall be members. The vote for such property will be exercised as they among themselves determine, but in voting, only one (1) vote may be cast with respect to each property.

#### MEETING OF MEMBERS

Annual Meetings. The first annual meeting of the members shall be held within one year from the date of the incorporation of the Association, and meetings will then be held periodically as necessary, with the length of time between such meetings not to exceed thirteen (13) months. Meetings of members and directors may be held at such places within the State of Virginia, County of Montgomery, as may be designated by the Board of Directors.

Special Meetings. Special meetings of the members may be called at any time by the Board of Directors, or upon written request of the members who are entitled to vote one-fourth (1/4) of all the votes of the membership.

Notice of Meetings. Written notice of each meeting of the members shall be given by, or at the direction of, the Director of Communications or person authorized to call the meeting, sending a copy of such notice not less than 30 days nor more than 60 days before such meeting to each member entitled to

1 vote thereat, to the member's address last appearing on the books of the Association, or supplied by such  
2 member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of  
3 the meeting, and, in the case of a special meeting, the purpose of the meeting.

4 Quorum. The presence at the meeting of members entitled to cast, or of proxies entitled to cast 60%  
5 of the votes of each class of membership shall constitute a quorum for any action except as otherwise  
6 provided in the Articles of Incorporation, the Declaration, or these By-Laws. If the required quorum is not  
7 present, another meeting may be called subject to the same notice requirement, and the required quorum at  
8 the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such  
9 subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

10 Proxies. At all meetings of members, each member may vote in person or by proxy. All proxies  
11 shall be in writing and filed with the Director of Communications and shall specify the date of the meeting  
12 for which the proxy is valid. Every proxy shall be revocable and shall automatically cease upon  
13 conveyance by the member of his/her Lot.

#### 14 BOARD OF DIRECTORS

15 Number. The affairs of this Association shall be managed by a Board of five (5) directors, who need  
16 to be members of the Association.

17 Term of Office. At each annual meeting, the members shall elect the directors for terms of one year.  
18 The members of the Board shall be appointed initially as follows: three (3) members for a term of one (1)  
19 year and two (2) members for a term of two (2) years. Thereafter, the term of such members or their  
20 successors shall be for the term of one (1) year.

21 Resignation and Removal. Any director may resign at any time giving written notice to the Board.  
22 Such resignation shall take effect on the date of receipt of such notice or at any later time specified  
23 therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary  
24 to make it effective. Any director may be removed from the Board, with or without cause, by a two-thirds  
25 (2/3) majority vote of the members of the Association.

Vacancies. In the event of death, resignation or removal of a director, his/her successor shall be  
2 selected by the remaining members of the Board and shall serve for the unexpired term of his/her  
3 predecessor.

4 Compensation. No director shall receive compensation for any service he/she may render to the  
5 Association in his/her capacity as a director. However, any director may be reimbursed with proper  
6 documentation for his/her actual expenses incurred in the performance of his/her duties.

#### 7 NOMINATION AND ELECTION OF DIRECTORS

8 Nomination. Nomination for election to the Board of Directors shall be made by a Nominating  
9 Committee. Nominations may also be made from the floor at the annual meeting. The Nominating  
10 Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two (2)  
11 members of the Association. The Nominating Committee shall be appointed by the Board of Directors  
12 prior to each annual meeting of the members, to serve from the close of such annual meeting until the  
13 close of the next annual meeting and such appointment shall be announced at each annual meeting. The  
14 Nominating Committee shall make as many nominations for election to the Board of Directors as it shall  
15 in its discretion determine, but not less than the number of vacancies that are to be filled.

16 Election. Election to the Board of Directors shall be by secret written ballot. At such election the  
17 members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to  
18 exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall  
19 be elected. Cumulative voting is not permitted.

#### 20 MEETINGS OF DIRECTORS

21 Regular Meetings. Regular meetings of the Board of Directors shall be held periodically as  
22 necessary, with the length of time between such meetings not to exceed 13 months. Notice of such  
23 meetings shall be made at least 7 days in advance.

1 Special Meetings. Special meetings of the Board of Directors shall be held when called by the  
2 Director of Homeowners Association after not less than three (3) days notice to each director.

3 Quorum. A majority of the number of directors shall constitute a quorum for the transaction of  
4 business. Every act or decision done or made by a majority of the directors present at a duly held meeting  
5 at which a quorum is present shall be regarded as the act of the Board.

#### 6 POWERS AND DUTIES OF-THE BOARD OF DIRECTORS

7 Powers. The Board of Directors shall have the power to:

8 (a) suspend the voting rights of a member during any period in which such member shall be in  
9 default in the payment of any assessment levied by the Association.

10 (b) exercise for the Association all powers, duties and authority vested in or delegated to this  
11 Association and not reserved to the membership by other provisions of these By-Laws, the Articles of  
12 Incorporation, or the Declaration;

13 (c) declare the office of a member of the Board of Directors to be vacant in the event such  
14 member shall be absent from three consecutive regular or special meetings of the Board of Directors;  
15 and

16 (d) employ a manager, an independent contractor, or such other employees as they deem  
17 necessary, and to prescribe their duties.

18 Duties. It shall be the duty of the Board of Directors to:

19 (a) supervise all agents and employees of this Association, and to see that their duties are  
20 properly performed;

21 (b) fix the amount of the annual assessment against each Lot;

22 (c) send written notice of each assessment to every Owner subject thereto;

23 (d) take action as it deems appropriate to collect assessments, including, but not limited to,  
24 foreclosure of the lien against the property for which assessments are not paid;

25 (e) issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate  
26 setting forth whether or not any assessment has been paid. A reasonable charge may be made by the

Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

(f) take action as it deems appropriate to enforce provisions of the Declaration and ensure that the purposes of the Declaration are fulfilled;

(g) provide for the maintenance and improvement of the common areas

## BOARD OF DIRECTORS AND THEIR DUTIES

Enumeration of Offices. The officers of this Association shall be a Director of Homeowners Association, Director of Finance, Director of Communication, Director of Grounds, and Director of Architecture Control, who shall at all times be members of the Board of Directors, and such other officers as the Board may from time to time by resolution create.

Multiple Offices. No person shall simultaneously hold more than one of any of the other offices.

Duties. The duties of the officers are as follows:

(a) Director of Homeowners Association. The Director of Homeowners Association shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all written instruments and may co-sign all checks and promissory notes.

(b) Director of Finance. The Director of Finance shall act in the place and stead of the Director of Homeowners Association in the event of his/her absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him/her by the Board. The Director of Finance shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds without direction of the Board for amounts not greater than five hundred (500) dollars; shall sign all checks and promissory notes of the Association; keep proper books of account; cause a review of the Association books to be made by 2 non-officer members of the Association as determined at the Annual Meeting, at the completion of each fiscal year; cause an audit of the Association books by a public accountant every three years; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the members at the Annual Meeting.

(c) Director of Communications. The Director of Communications shall record the votes and keep the minutes of all annual meetings and proceedings of the Board and of the members; keep the

1 corporate seal of the Association and affix it on all papers requiring said seal; serve notice of  
2 meetings of the Board and of the members; keep appropriate current records showing the members of  
3 the Association together with their addresses, and shall perform such other duties as required by the  
4 Board.

5 (d) Director of Grounds. The Director of Grounds shall oversee maintenance and upkeep of all  
6 common areas. Maintenance and upkeep shall include walking trail, silt pond, grass in common  
7 areas, mulching of trees in common areas and entrance sign, shrubbery and plantings in common  
8 areas and entrance sign. The Director of Grounds is responsible for securing a minimum of three bids  
9 and contracts on work deemed necessary to common areas. The Director of Grounds will also  
10 execute an annual cleanup of all common areas.

11 (e) Director of Architecture Control. The Director of Architecture Control shall chair an  
12 architectural committee of two members. The Director and committee members shall execute the  
13 established procedure for the preparation, submission, and determination of applications for any  
14 exterior alteration or improvement. The Director and committee members will review plans and  
15 render a decision within a maximum of sixty (60) days of the completed package submission. The  
16 Director and committee members will act upon each application in order of submission. It shall be  
17 the goal of the Director and committee members to act in an expeditious manner. The Director and  
18 committee members have authority to request a meeting with lot owner acquiring more information  
19 or clarification of completed package. The Director and committee members shall have the right to  
20 refuse approval of the exterior alteration or improvement proposal. In the case of a refused exterior  
21 alteration or improvement proposal, an appeal may be made to the Board of Directors. The Board  
22 (not including the Director of Architecture Control) and one (1) member at large from each street  
23 (one (1) member from Alexander Street, one (1) member from Meadow Drive, and one (1) member  
24 from either Katie Lane or Jessie Circle) selected by the Board will convene to hear the appeal. The  
25 final appeal decision will be made within thirty (30) days after submission of the appeal. It shall be  
26 the goal of the appeal process to be done in an expeditious manner. In the event the Director of  
27 Architecture Control or committee members submit a proposal for exterior alteration or  
28 improvement, the Director of Homeowners Association will serve as Director of Architecture Control  
29 or committee member in place of individual submitting proposal. Upon rendering a decision the  
30 individual will return to their respective position immediately.

## COMMITTEES

2           The Association shall appoint a Nominating Committee, as provided in these By-Laws.  
3 The Director of Finance, Director of Communications, Director of Grounds, and Director of Architecture  
4 Control will each chair a committee of two members at large of finance, communications, grounds and  
5 architecture control, respectively. The Board of Directors shall appoint committees as deemed  
6 appropriate.

## BOOKS AND RECORDS

2           The books, records and papers of the Association shall at all times, during reasonable business  
3 hours, be subject to inspection by any member. The Declaration, the Articles of Incorporation and the  
4 By-Laws of the Association shall be available for inspection by any member, where copies may be  
5 purchased at reasonable cost.

## ASSESSMENTS

6           As more fully provided in the Declaration, each member is obligated to pay to the Association  
7 annual and special assessments.  
8

## CORPORATE SEAL

9           The Association shall keep the corporate seal.  
11

## AMENDMENTS

12           These By-Laws may be amended, at a regular or special meeting, of the members, by a vote of  
13 two-thirds (2/3) majority of a quorum of members present in person or by proxy.

14           In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles  
15 shall control; and in the case of any conflict between the Declaration and these By-Laws, the Declaration  
16 shall control.

## MISCELLANEOUS

17           The fiscal year of the Association shall begin on the first day of March and end on the last day of  
18 February every year, except that the first fiscal year shall begin on the date of incorporation.  
19

IN WITNESS WHEREOF, we, being, all of the directors of the Stafford's Farm Homeowner's Association have hereunto set our hands this 27th day of February. 2006.

Director of Homeowner Association

Director of Finance

Director of Communication

Director of Grounds

Director of Architecture Control

CERTIFICATION

the undersigned, do hereby certify:

THAT I am the duly elected and acting Director of Communications of the Stafford's Farm Homeowner's Association, a Virginia corporation, and,

THAT the foregoing By-Laws constitute the original By-Laws of said Association, as duly adopted at a meeting, held on the 13th day of February, 2006.

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Director of Communications