

ARTICLES OF INCORPORATION
OF
IVY HILL HOMEOWNERS ASSOCIATION, INC.

We hereby associate to form a non-stock, not-for-profit corporation under§ 13.1-801, et seq., of the Code Virginia of 1950, as amended, and to that end set forth the following:

ARTICLE 1

NAME

The name of this corporation shall be: IVY HILL HOMEOWNERS ASSOCIATION, INC. ("the Corporation").

ARTICLE 2

PURPOSE

2.1 To provide for the maintenance and preservation of the Ivy Hill and Ivy Woods residential communities in the County of Bedford, Virginia (collectively, "the Community"), and to exercise such of those powers and privileges as it may in the discretion of its Board of Directors elect to exercise (a) as are set forth in or implied from the Bylaws of Ivy Hill Homeowners' Association, Inc. and (b) as may from time to time be delegated to the Corporation by the developer of the Community with respect to the Reservations and Restrictions applicable to the Community (the "Restrictions"), of record in the Clerk's Office of the Circuit Court of Bedford County.

2.2 To promote the health, safety and welfare of the members of the Corporation.

2.3 To establish and collect any and all dues and fees as the members of the Corporation may from time to time agree or be obligated to pay; and to pay and disburse all expenses in connection therewith and all administrative, professional and other expenses incident to the conduct of the business of the Corporation.

2.4 To retain and supervise such contractors and other third parties as may from time to time be deemed necessary to administer and manage the Community and its business and to enter into such contracts as may be necessary or appropriate in that regard.

2.5 To take such other actions as shall from time to time be necessary or appropriate to promote the best interest of its members and the Community.

ARTICLE3

MEMBERS

Any person who is a record owner of a fee interest in any lot shown on a recorded plat of subdivision of any section of the Community may be a member of the Corporation. The foregoing is not, however, intended to include persons or entities who hold an interest merely as security for the performance of an obligation.

ARTICLE4

DIRECTORS

The affairs of the Corporation shall be managed and governed by a Board of Directors. The number of directors constituting the initial Board of Directors is five.

ARTICLE 5

AMENDMENT

Amendments to these Articles of Incorporation may be proposed by any member or director and shall be adopted upon the affirmative vote of members representing at least seventy-five percent (75%) of the total number of lots in the Community whose owners are members in the Corporation. Said amendment(s) shall be effective when a copy thereof has been filed with the State Corporation Commission in accordance with applicable law and all filing fees paid.

ARTICLE6

REGISTERED OFFICE AND AGENT

The address of the initial registered office of the Corporation is _____.
_____. The initial registered agent of the
Corporation is _____ a resident of Virginia, who is a
_____ of the Corporation and whose business office is the same as the registered office
of the Corporation.

ARTICLE?

INDEMNIFICATION

The Corporation shall indemnify its directors and officers against any matters of
Corporation business to the fullest extent as provided and pennitted by§ 13.1-876 et seq. of the
Code of Virginia of 1950, as amended.

ARTICLE8

DURATION

The Corporation shall exist perpetually.

Incorporator

Dated:_____

BY-LAWS
OF
IVY HILL HOMEOWNERS ASSOCIATION, INC.

Article I

Name, Principal Office, and Definitions

Section 1. Name. The name of the Corporation shall be Ivy Hill Homeowners Association, Inc. ("the Corporation").

Section 2. Principal Office. The principal office of the Corporation shall be located in the County of Bedford, Virginia. The Corporation may have such other offices as the Board of Directors may determine or as the affairs of the Corporation may require_

Section 3. Definitions. As used in these Bylaws, the term "Lot" shall mean any lot shown on a plat of subdivision of any section of the residential communities of Ivy Hill and Ivy Woods, as such plat is recorded in the Clerk's Office of the Circuit Court of Bedford County, Virginia.

Article II

Corporation: Membership, Meetings, Quorum, Voting, Proxies

Section 1. Membership. Any person who owns a fee interest in a Lot may be a Member of the Corporation. Membership shall be voluntary; that is, owners of Lots may, or may not, at their sole election, be Members of the Corporation. The membership status of any Lot owner for any calendar year shall be determined by whether the Lot owner has paid the annual dues or membership fees established by the Corporation for that year, on or before such deadline for payment as the Board of Directors of the Corporation has established. A Member's membership in the Corporation shall terminate automatically upon that Member's ceasing to be an owner of a Lot.

Section 2. Organization. Within one hundred twenty (120) days after the date of incorporation of the Corporation, the incorporator shall mail to the owners of each Lot a notice of the formation of the Corporation and an invitation to become a Member in the Corporation. The notice shall be accompanied by a copy of these Bylaws; a brief summary of the duties and projects that the Corporation is expected to undertake; an explanation of the estimated amount of any annual dues or membership fees that are anticipated to be necessary to enable the Corporation to perform the described duties and projects; and a notice of the date, time and place of the first meeting of Members, which shall be set for a date within thirty (30) days from the date that the notice is mailed.

_____Section 3. Place of Meetings. Meetings of the Corporation shall be held at the principal office of the Corporation or at such other suitable place within or near Ivy Hill and convenient to the Members as may be designated by the Board of Directors.

Section 4. Annual Meetings. The first meeting of the Members of the Corporation, whether a regular or special meeting, shall be held within one hundred fifty (150) days from the date of incorporation of the Corporation. Subsequent regular annual meetings shall be set by the Board so as to occur at least thirty (30) but not more than sixty (60) days before the close of the Corporation's fiscal year on a date and at a time set by the Board of Directors.

Section 5. Special Meetings. The President may call special meetings. In addition, it shall be the duty of the President to call a special meeting of the Members in the Corporation if so directed by resolution of a majority of the Board of Directors or upon a petition signed by Members representing at least ten percent (10%) of the total votes of the Corporation. The notice of any special meeting shall state the date, time, and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

Section 6. Notice of Meetings. Written or printed notice stating the place, day, and hour of any meeting of the Members shall be delivered, either personally or by mail, to each Member entitled to vote at such meeting, not less than ten (10) nor more than fifty (50) days before the date of such meeting, by or at the direction of the President or the Secretary or the officers or persons calling the meeting. In the case of a special meeting or when required by statute or these By-Laws, the purpose or purposes for which the meeting is called shall be stated in the notice. If mailed, the notice of a meeting shall be deemed to be delivered when deposited in the United States mail addressed to the Member at his or her address as it appears on the records of the Corporation, with postage prepaid.

Section 7. Waiver of Notice. Waiver of notice of a meeting of the Members shall be deemed the equivalent of proper notice. Any Member may, in writing, waive notice of any meeting of the Members, either before or after such meeting. Attendance at a meeting by a Member shall be deemed waiver by such Member of notice of the time, date, and place thereof unless such Member specifically objects to lack of proper notice at the time the meeting is called to order. Attendance at a special meeting shall also be deemed waiver of notice of all business transacted there unless objection to the calling or convening of the meeting, of which proper notice was not given, is raised before the business is put to a vote.

Section 8. Adjournment of Meetings. If any meeting of the Corporation cannot be held because a quorum is not present, a majority of the Members who are present at such meeting, either in person or by proxy, may adjourn the meeting to a time not less than five (5) nor more than thirty (30) days from the time the original meeting was called. At the reconvened meeting, if a quorum is present, any business which might have been transacted at the meeting originally called may be transacted. If a time and place for reconvening the meeting is not fixed by those in attendance at the original meeting or if for any reason a new date is fixed after the meeting for reconvening the meeting after adjournment, notice of the time and place for

reconvening the meeting shall be given to Members in the manner prescribed for regular meetings.

Section 9. Voting. Voting shall be by Lot. That is, although all owners of any Lot in Ivy Hill may be Members of the Corporation, multiple owners of any Lot shall have only one vote for that Lot and must designate a single owner to exercise the right to vote that Lot's vote.

Section 10. Proxies. Members may vote by written proxy. All proxies must be submitted to the Secretary of the Corporation prior to the commencement of the meeting at which the proxy is to be used, and each proxy must identify the meeting at which it may be exercised.

Section 11. Majority. As used in these By-Laws, the term "majority" shall mean more than fifty (50%) percent.

Section 12. Quorum. The presence in person or by proxy of the Members representing at least ten percent (10%) of the total Lots whose owners are Members in the Corporation shall constitute a quorum at all meetings of the Corporation.

Section 13. Conduct of Meetings. The President shall preside over all meetings of the Corporation, and the Secretary shall keep the minutes of the meeting and record in a minute book all resolutions adopted at the meeting, as well as a record of all transactions occurring at the meeting.

Article III

Board of Directors: Number, Powers, Meetings

A. Composition and Selection.

Section 1. Governing Body; Composition. The affairs of the Corporation shall be governed by a Board of Directors, each of whom shall have one (1) vote. All directors shall be Members, but only one owner of any single Lot may serve on the Board at any time. In the case of an owner which is a corporation or partnership, the person designated in writing to the

secretary of the Corporation as the representative of such corporation or partnership shall be eligible to serve as a director.

Section 2. Number of Directors. The number of directors of the Corporation shall be five (5), unless and until increased or decreased by amendment of these Bylaws.

Section 3. Nomination of Directors. At the initial meeting of the Members, nominations for election to the Board of Directors shall be made from the floor. Thereafter, nominations for election to the Board of Directors shall be made by a Nominating Committee. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and three (3) or more Members of the Corporation. The Nominating Committee shall be appointed by the Board of Directors not less than thirty (30) days prior to each annual meeting of the Members to serve a term of one (1) year or until their successors are appointed, and such appointment shall be announced at each such annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but in no event less than the number of positions to be filled. Nominations shall also be permitted from the floor. All candidates shall have a reasonable opportunity to communicate their qualifications to the Members and to solicit votes.

Section 4. Election and Tenn of Office. Each director shall be elected by the vote of Members who own a majority of the Lots represented at the meeting. Each director shall be elected to serve a term of two (2) years. The Directors so elected shall hold office until their respective successors have been elected. Directors may be elected to serve any number of consecutive terms.

Section 5. Removal of Directors and Vacancies. Any elected director may be removed, with or without cause, by the vote of Members holding a majority of the votes entitled to be cast for the election of such director. Any director whose removal is sought shall be given notice prior to any meeting called for that purpose. Upon removal of a director, a successor shall

then and there be elected by the Members entitled to elect the director so removed, to fill the vacancy for the remainder of the term of such director.

Any director who has three (3) consecutive unexcused absences from Board meetings or who is delinquent in the payment of any amount due the Corporation for more than thirty (30) days may be removed by a majority of the directors present at a regular or special meeting at which a quorum is present, and a successor may be appointed by the Board to fill the vacancy for the remainder of the term. In the event of the death, disability, or resignation of a director, a vacancy may be declared by the Board, and it may appoint a successor in the same manner as when a director has been removed by the Board. Any director appointed by the Board shall serve for the remainder of the term of the director who vacated the position.

B. Meetings.

Section 1. Organizational Meetings. The first meeting of the Board of Directors following each annual meeting of the membership shall be held within thirty (30) days thereafter at such time and place as shall be fixed by the Board.

Section 2. 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, but at least one (1) such meeting shall be held during each fiscal year. Notice of the time and place of the meeting shall be communicated to directors not less than four (4) days prior to the meeting; provided, however, notice of a meeting need not be given to any director who has signed a waiver of notice or a written consent to holding of the meeting.

Section 3. Special Meetings. Special meetings of the Board of Directors shall be held when called by written notice signed by the President of the Corporation or by any director. The notice shall specify the time and place of the meeting and the nature of any business to be considered. The notice shall be given to each director by one of the following methods: (a) by personal delivery; (b) written notice by first class mail, postage prepaid; or (c) by telephone, facsimile or electronic communication, either directly to the director or to a person at the

director's office or home who would reasonably be expected to communicate such notice promptly to the director. All such notices shall be given at the director's telephone or facsimile number or sent to the director's mail or email address as shown on the records of the Corporation. Notices sent by first class mail shall be deposited into a United States mailbox at least four (4) days before the time set for the meeting. Notices given by personal delivery, telephone, facsimile or email shall be delivered, telephoned, faxed or emailed at least seventy-two (72) hours before the time set for the meeting.

Section 4. Waiver of Notice. The transactions of any meeting of the Board of Directors, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice if (a) a quorum is present, and (b) either before or after the meeting each of the directors not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. Notice of a meeting shall also be deemed given to any director who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

Section 5. Quorum of Board of Directors. At any meeting of the Board of Directors, a majority of the directors then in office shall constitute a quorum for the transaction of business, and the votes of a majority of the directors present at a meeting at which a quorum is present shall constitute the decision of the Board of Directors; provided, however, that the vote of at least three directors shall be required to adopt and recommend to the Members any annual or capital budget or to recommend to the Members any amendment of the Articles of Incorporation or these By-laws. If any meeting of the Board cannot be held because a quorum is not present, a majority of the directors who are present at such meeting may adjourn the meeting to a time not less than five (5) nor more than thirty (30) days from the date the original meeting was called. At the reconvened meeting, if a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

Section 6. Compensation. No director shall receive any compensation from the Corporation for acting as such; however, any director may be reimbursed for expenses incurred on behalf of the Corporation upon approval of a majority of the other directors.

Section 7. Conduct of Meetings. The President shall preside over all meetings of the Board of Directors, and the Secretary shall keep a minute book of meetings of the Board of Directors, recording therein all resolutions adopted by the Board of Directors and all transactions and proceedings occurring at such meetings. Meetings may be conducted by telephone and shall be considered as any other meeting, provided all directors are able through telephone connection to hear and to be heard.

Section 8. Open Meetings. 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 9. Action Without a Formal Meeting. Any action to be taken at a meeting of the directors or any action that may be taken at a meeting of the directors may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the directors, and such consent shall have the same force and effect as a unanimous vote.

C. Powers and Duties.

Section 1. Powers. The Board of Directors shall be responsible for managing the affairs of the Corporation and shall have all of the powers and duties necessary to enable it to fulfill that responsibility and, as provided by law, may do all acts and things as are not by the Articles or these By-Laws directed to be done and exercised exclusively by the Members.

In addition to the duties imposed by these By-Laws or by any resolution of the Corporation that may hereafter be adopted, the Board of Directors shall have the power to and shall be responsible for the following, by way of explanation and not of limitation:

(a) preparing, adopting and recommending to the Members annual and capital budgets in which there shall be established the contribution of the owner(s) of each Lot to the payment of the Corporation's expenses of operation;

(b) establishing the means and methods of collecting the dues or membership contributions established by the Board and approved by the Members. Unless otherwise determined by the Board of Directors, the annual payment for each Lot's contribution to cover the Corporation's expenses shall be payable in one annual payment, to be due and payable within ninety (90) days after the amount is established;

(c) providing for the operation, care, upkeep, and maintenance of all of the areas in Ivy Hill for which the Corporation affirmatively assumes responsibility;

(d) retaining by contract the personnel necessary for the maintenance of any properties for which the Corporation is responsible, and, where appropriate, providing for the compensation of such personnel and for the purchase of any necessary equipment, supplies, and materials to be used by such personnel in the performance of their duties;

(e) collecting the Members' dues or contributions, depositing the proceeds thereof in a bank depository which it shall select, and using the proceeds to administer the affairs of the Corporation;

(f) opening bank accounts on behalf of the Corporation and designating the signatories required;

(g) if: when and to the extent that it determines it necessary or appropriate to do so, enforcing by legal means the provisions (i) of the Restrictions which it has been empowered to enforce by the developers of Ivy Hill and (ii) of these By-Laws, and bringing any proceedings which may be instituted on behalf of or against any Lot owner concerning the Corporation or the Restrictions (which power is intended to be in addition to, and not in lieu of: the power of the developers of Ivy Hill and individual lot owners in Ivy Hill to enforce the Restrictions);

- (h) obtaining and carrying insurance against such casualties and liabilities as the Board may deem prudent, and paying the premium cost;
- (i) paying the cost of all services rendered to the Corporation or its Members and not chargeable directly to specific owners of Lots;
- G) keeping books with detailed accounts of the receipts and expenditures affecting the Corporation and its administration; and
- (k) making available to any Member and to any purchaser or prospective purchaser of a Lot, all books, records, and financial statements of the Corporation.

Section 10. Accounts and Reports. The following management standards of performance will be followed unless the Board by resolution specifically determines otherwise:

- (a) accrual accounting, as defined by generally accepted accounting principles, shall be employed;
- (b) accounting and controls shall conform to generally accepted accounting principles;
- (c) cash accounts of the Corporation shall not be commingled with any other accounts;
- (d) financial reports shall be prepared for the Corporation at least annually containing:
 - (i) an income statement reflecting all income and expense activity for the preceding period on an accrual basis;
 - (ii) a statement reflecting all cash receipts and disbursements for the preceding period; and
 - (iii) a balance sheet as of the last day of the preceding period; and
- (e) an annual report consisting of at least the following shall be distributed to all Members within one hundred twenty (120) days after the close of the fiscal year: (1) a balance sheet; (2) an operating (income) statement; and (3) a statement of changes in financial

position for the fiscal year. The annual report shall be prepared on a reviewed basis by an independent public accountant selected by the Board.

Section 11. Borrowing. The Board of Directors shall have no power to borrow money without the specific approval of the Members of the Corporation. Approval of any borrowing by the Members shall not, however, constitute any Member as the guarantor of repayment of any loan made to the Corporation.

Article IV

Officers

Section 1. Officers. The officers of the Corporation shall be a President, Secretary, and Treasurer, to be elected from among the members of the Board of Directors. The Board may elect such other officers from the Board, including one or more Vice Presidents, Assistant Secretaries and/or Assistant Treasurers, as it shall deem desirable, such officers to have the authority and perform the duties prescribed from time to time by the Board.

Section 2. Election, Term of Office, and Vacancies. The officers of the Corporation shall be elected annually by the Board of Directors at the first meeting of the Board of Directors following each annual meeting of the Members, as herein set forth. A vacancy in any office arising because of death, resignation, removal, or otherwise may be filled by the Board of Directors for the unexpired portion of the term.

Section 3. Removal. Any officer may be removed by the Board of Directors whenever in its judgment the best interests of the Corporation will be served thereby.

Section 4. Powers and Duties. The officers of the Corporation shall each have such powers and duties as generally pertain to their respective offices, as well as such powers and duties as may from time to time specifically be conferred or imposed by the Board of Directors. The President shall be the chief executive officer of the Corporation. The Treasurer shall have

primary responsibility for the preparation of the budget and may delegate all or part of the preparation and notification duties to a finance committee, management agent, or both.

Section 5. Resignation. Any officer may resign at any time by giving written notice to the Board of Directors. Such resignation shall take effect on the date of the 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 6. Agreements, Contracts, Deeds, Leases, Checks, Etc. All agreements, contracts, deeds, leases, checks, and other instruments of the Corporation shall be executed by the President or by such other officer or officers as may be designated from time to time by resolution of the Board of Directors.

Section 7. Committees. Committee.5 are authorized to perform such tasks and to serve for such periods as may be designated by the Board of Directors. Each committee shall operate in accordance with the terms of the resolution of the Board of Directors establishing the committee.

Article V

Miscellaneous

Section 1. Fiscal Year. The fiscal year of the Corporation shall be the calendar unless and until otherwise set by resolution of the Board of Directors.

Section 2. Parliamentary Rules. Except as may be modified by Board resolution, Robert's Rules of Order (current edition) shall govern the conduct of Corporation proceedings when not in conflict with Virginia law, the Articles of Incorporation, or these By-Laws.

Section 3. Conflicts. If there are conflicts between the provisions of Virginia law, the Articles of Incorporation, and these By-Laws, the provisions of Virginia law, the Articles of Incorporation, and the By-Laws (in that order) shall prevail.

Section 4. Books and Records.

(a) Inspection by Members. The By-Laws, membership register, books of account, and minutes of meetings of the Members, the Board, and committees shall be made available for inspection and copying by any Member of the Corporation, or by his or her duly appointed representative, at any reasonable time and for a purpose reasonably related to his or her interest as a Member, at the office of the Corporation or at such other place within Ivy Hill as the Board shall prescribe.

(b) Rules for Inspection. The Board shall establish reasonable rules with respect to:

- (i) notice to be given to the custodian of the records;
- (ii) hours and days of the week when such an inspection may be made;
- and
- (iii) payment of the cost of reproducing copies of documents requested.

(c) Inspection by Directors. Every Director shall have the absolute right at any reasonable time to inspect all books, records, and documents of the Corporation and the physical properties on which Corporation funds have been spent by the Corporation. The right of inspection by a Director includes the right to make extracts and a copy of relevant documents at the expense of the Corporation.

Section 5. Notices. Unless otherwise provided in these By-Laws, all notices, demands, bills, statements, or other communications under these By-Laws 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 Member, at the address which the Member has designated in writing and filed with the Secretary or, if no such address has been designated, at the address of the Lot of such Member; or

(b) if to the Corporation, the Board of Directors, or the managing agent, at the principal office of the Corporation or the managing agent, if any, or at such other address as shall be designated by notice in writing to the Members pursuant to this Section.

Section 6. .Amendment These By-Laws may be amended only by the affirmative vote of Members representing a majority of the total Lots whose owners are Members of the Corporation.

Amendment 1

Article II, Section 4 be amended to read as follows: "The first meeting of the Members of the Corporation, whether a regular or special meeting, shall be held within one hundred fifty (150) days from the date of incorporation of the Corporation. Subsequent regular annual meetings shall be set by the Board so as to occur at least thirty (30) but not more than sixty (60) days after the close of the Corporation's fiscal year on a date and at a time set by the Board of Directors."

Adopted September 17, 2009

Ameimdment 2

Article II., Section 12 shall be amended to read as follows: "Quorum. The presence in person or by proxy of the members representing at least 5 percent (5%) of the total lots whose owners are members in the Corporation shall constitute a quorum at all meetings of the Corporation."

Adopted September 17, 2009

Amendment 3

Article III C.. Section 10 (c) shall be amended to read as follows: "an annual report consisting of at least the following shall be distributed to all members within one hundred twenty (120) days after the close of the fiscal year: (1) a balance sheet; (2) an operating (income) statement; and (3) a statement of changes in financial position for the fiscal year. The annual report shall be reviewed by an Audit Committee made up of two or more non-officer Board members and one or more non-Board member selected by the Board."

Adopted September 17, 2009

Amendment 4

Article V. Section 6 shall be amended to read as follows: "These By-Laws may be amended only by the affirmative vote of Members representing thirty-five percent (35%) of the total lots whose owners are members of the Corporation."

Adopted October 8, 2009

Amendment 5

Article III, Section 2 shall be amended to read as follows: ¹¹The number of directors of the Corporation shall not be less than seven (7) or more than fifteen (15), unless and until either limit shall be increased or decreased by amendment of these Bylaws. ¹¹

Adopted February 24, 2011

Amendment 6

Article 11, Section 4 shall be amended to read as follows: "The first meeting of the members of the Corporation, whether a regular or special meeting, shall be held within one hundred and fifty (150) days from the date of incorporation of the Corporation. Subsequent regular annual meetings shall be set by the Board so as to occur at least thirty (30) but not more than sixty (60) days after the close of the Corporation's fiscal year on a date and time set by the Board of Directors. *Alternatively, the Board may elect to conduct all business normally conducted at the annual meeting, such as presentation of the annual financial report and election of Directors, entirely via written and/or electronic communications.*" [The italicized words are added per this amendment.)

Adopted December 15, 2013

