

PROPERTY OWNERS OF SHENANDOAH FARMS, INC.

BY - LAWS

(revised July 13, 1996)

ARTICLE I

NAME, ADDRESS, PURPOSE, AND FORM OF ORGANIZATION

Section 1. The name of this corporation shall be "Property Owners of Shenandoah Farms, Inc." Its mailing address will be the address of its registered agent which is the POSF, INC. office as shown in the records of the State Corporation Commission of Virginia. The purpose of this corporation shall be as set forth in the Articles of Incorporation. The form of organization shall be that of a non-stock, non-profit corporation.

ARTICLE II

MEMBERSHIP AND ACTIVITY FEE

Section 1. Each person or corporation having a fee simple interest in real property lying within the subdivision of Shenandoah Farms is entitled to membership upon application in this corporation. Membership in the corporation entitles owners to vote for the Board of Directors and any other issue as may be determined as needing a vote of the membership. Each membership shall have one vote. Where ownership may be divided among more than one district, said owner shall determine the district, and only one district in which he wishes to vote. A membership fee may be determined by the Board of Directors at any regular meeting of the Board by a majority vote of those present representative of a quorum. All deeded lot fees due prior to the creation of the Shenandoah Farms Sanitary District on June 19, 1996, must be paid in order to qualify for membership. Property Owners not currently

registered with the POSF, INC. may become eligible to vote at the annual meeting, provided said owners provide proof of ownership as well as payment of any applicable lot and/or membership fees prior to this meeting. Upon transfer of said interest membership shall automatically cease.

Section 2. An activity fee for use of the common properties of the association may be established by the Board of Directors at any regular meeting of the Board by a majority vote of those present representative of a quorum.

Section 3. Neither fee, so determined, shall be considered to be an obligation, retroactively, in regard to those members registered at the time the Board makes such determination and must remain effective for a period of not less than twelve (12) months.

ARTICLE III

ADMINISTRATION

Section 1. The administration of the purposes of this corporation shall be carried out by its Board of Directors.

ARTICLE IV

BOARD OF DIRECTORS

Section 1. The Board of Directors shall be composed of twelve (12) duly elected property owner representatives and four (4) elected alternate representatives. Each board shall consist of four (4) at large directors with each of the four voting districts of Shenandoah Farms having two (2) voting directors and one (1) non-voting alternate director. The voting districts are as designated below:

1) Ridge District: Section A & B, Mountain, Ridge, Meadow, Chain Spring, Patty Tract, Venus Branch, River Park, Quiet Oak, Camel Back, and Timberline.

2) River View District: River View One, Two, Three, Five, Six.

3) Mountain Lake District: Mountain Lake One, Two, Three, Four, Five, Six, Seven, and all resubdivided sections.

4) Mountain View District: Mountain View One, Two, Two-B, Three, Four, Four Resub, and Five.

Section 2. Directors shall hold office for a term of two (2) years, with one of the district directors and two (2) at large directors being elected each year. Alternates to the Board shall hold office for one (1) year.

Section 3. Vacancies arising among the Board of Directors shall be filled as follows:

a) The Board shall appoint one of the elected alternates from any voting district.

b) If there does not exist any elected alternate, the Board shall solicit eligible candidates, one of which shall be appointed to the Board by a majority vote of those present at any regular or special session of the Board considering such. Any appointed members shall serve for the remaining term of the director replaced.

ARTICLE V

BOARD OF DIRECTORS NOMINATIONS AND ELECTIONS

Section 1. The Board of Directors shall appoint annually a nominating committee consisting of one representative from each of the voting districts and two members at large. Each district representative shall solicit members for the Board from his district and present their names to the committee. Members at large will solicit members from any district.

Section 2. The election of the Board of Directors shall be accomplished by the following procedures. The incumbent Board of Directors shall mail a ballot, on or before September 1st to each property owner. Said ballot shall include all names presented to the Board by the nominating committee. The mail in ballots shall be returned by the property owners on or before the Friday preceding the second Saturday in September to a ballot committee, appointed by the Board of Directors. Eligible property owners shall also be allowed to nominate, by ballot, a candidate of one's choice. Ballots shall be accepted until commencement of the annual meeting. The ballot committee shall tabulate the ballots and announce the results with a plurality of votes cast determining the person(s) elected.

ARTICLE VI

ABSENCE, QUORUM, REMOVAL

Section 1. The Board of Directors may, following the absence of a Board member for three consecutive meetings whose absence has not been explained satisfactorily to a majority of the other members of the Board then present, remove such member from office and appoint an alternate to fill the vacancy from that district. Upon the absence of a Board member at a meeting, the alternate member for the absentee's district shall be seated for such meeting. If an alternate or alternates from any other district is or are present, the Chairman shall seat one of them for such meeting. At such time, said seated alternate member shall be permitted to cast his vote in place of the absentee member.

Section 2. One-third of the number of Board members fixed by the By-laws of this corporation shall constitute a quorum at

any regular meeting of the Board and Board action will be by a majority of those present. A minimum of four (4) board members shall be required to conduct business.

Section 3. The Board of Directors may remove any member of the Board from office who fails to abide by the Articles of Incorporation and By-Laws of the Property Owners of Shenandoah Farms, Inc., or any member whose conduct, actions, or representations are considered by the board to be detrimental to the affairs and the administration of the Board and the interests of the membership as a whole. The Board shall remove such director from office only where the number of directors present to consider such action constitute a quorum and a majority vote of those directors approve such action.

ARTICLE VII

REGULAR, EXECUTIVE, AND SPECIAL MEETINGS

Section 1. Regular meetings of the Board of Directors will be held monthly on the second Saturday at 10:00 a.m. Normally these meetings will be held in the POSF, INC. recreation hall. Executive meetings, as initiated on September 20, 1990, will be held bi-weekly on Thursdays at 7:00 p.m. at the office of the POSF, INC., unless determined otherwise by the Chairman or Vice-Chairman.

Section 2. Special meetings shall be called by the Chairman or Vice-Chairman. The Secretary shall issue a call for such a meeting to all members of the Board, stating its purpose. In the event the Secretary is not available to call a special meeting, a quorum of members can appoint a director to telephone or otherwise attempt to contact all members of the Board of Directors. The

minutes of the meeting shall reflect the attempt and the results thereof.

ARTICLE VIII

ANNUAL MEETING

Section 1. The annual meeting of the Corporation shall be held on the second Saturday of September of each year, unless an alternate date is designated by the Board of Directors.

Section 2. Written notice stating the place, day, and hour of this meeting shall be mailed to each property owner not less than ten (10) days prior to the date of the meeting.

Section 3. The annual meeting shall provide an opportunity for the general membership to discuss with the Board of Directors problems and policy that are in conflict with these By-Laws or the Articles of Incorporation.

Section 4. Upon a majority vote of the general membership present, specific problems and requests may be presented to the Board of Directors for action. The Board of Directors must investigate and report on such matters no later than the next annual meeting.

ARTICLE IX

ELECTION OF OFFICERS OF THE BOARD OF DIRECTORS

Section 1. The Board of Directors shall elect from its body a Chairman, Vice Chairman, Treasurer, and Secretary at the annual meeting each year, and may designate such non-voting positions as it considers necessary in the furtherance of its functions, including a corresponding secretary, financial secretary, and a managing editor for the Newsette.

Section 2. Vacancies occurring during the term of any officers position, shall be filled by the Board of Directors.

ARTICLE X

DUTIES OF OFFICERS OF THE BOARD OF DIRECTORS

Section 1. The duties of the officers listed in Article IX hereof shall be to carry out the policies of the corporation. Each shall perform the duties appropriate to his title and as further provided in the Standing Rules.

Section 2. The Treasurer will make annual financial reports to the membership at the annual meeting. The accounts of the Treasurer shall be audited on an annual basis.

Section 3. No officer of the Board of Directors shall receive compensatory wages for administering the responsibilities of their designated office.

Section 4. All officers of the Board of Directors shall abide by any directives set forth by the Chairman or the Board of Directors in addition to the established responsibilities of their office.

ARTICLE XI

STANDING COMMITTEES

Section 1. Standing Committees may be created, combined, and/or discontinued by the Board of Directors as shall be found necessary to carry on the work of the corporation. The Chairman of the Board of Directors shall be a member ex-officio on all Standing Committees. The Chairperson of each Standing Committee shall submit a tentative plan of action to the Board of Directors for approval. The Board of Directors at its discretion may remove a Chairperson of a Standing Committee who fails to submit a plan of work or fails to attend three (3) consecutive meetings, regular or executive, whose absences have not been explained satisfactorily to a majority of the members of the Board then

present. All Standing Committee Chairpersons will submit a brief written summary and oral report at each meeting and will submit a written report to be read at the Annual Meeting. No Committee Chairperson shall receive compensatory wages to fulfill their responsibilities on such a committee.

ARTICLE XII

STANDING RULES

Section 1. Duties and responsibilities of officers and Board members shall be defined in the Standing Rules of POSF, INC. The Standing Rules shall become a separate addendum to these By-Laws.

Section 2. The Board of Directors shall establish rules and regulations governing the use of all common properties and facilities with Shenandoah Farms.

ARTICLE XIII

COMMON PROPERTIES

ACQUISITION AND/OR DISPOSAL LIMITATIONS

Section 1. Under no condition shall disposal by sale or otherwise of common properties acquired under the Deeds of Gift dated June 25, 1976 be made except as stated in the Articles of Incorporation.

Section 2. Acquisition of additional recreational facilities adjacent to or within the general confines of Shenandoah Farms may be made by a majority vote by the Board of Directors unless the value exceeds Two Thousand Five Hundred Dollars (\$2,500.00). For values in excess of Two Thousand Five Hundred Dollars (\$2,500.00) acquisition can be made by a majority vote of the membership, present and voting at a meeting held at

least fifteen (15) days after notice of such meeting has been sent to all members.

Section 3. Disposition or encumbrances on Common Properties acquired under the preceding section shall be made under the same guidelines as set up for acquisition.

Section 4. Special Police Vehicles, Maintenance Vehicles and equipment, and other routine material may be acquired and/or disposed of by a majority vote of the Board of Directors.

ARTICLE XIV

PARLIAMENTARY AUTHORITY

Section 1. Robert's Rules of Order Revised shall govern this organization in all cases in which they are not in conflict with these By-Laws.

ARTICLE XV

AMENDMENTS

Section 1. Any articles except Articles XIII and XV are subject to amendment at any regular meeting by a majority of all members of the Board of Directors, then present. Due notice of such amendment will be presented at a previous meeting.

Section 2. Amendment of Articles XIII and XV may be made by a majority vote of the general membership. Due notice of such amendment shall be sent to all members at last thirty (30) days prior to such vote specifying date, time, and place.

I hereby certify the above to be an original of the By-Laws of the Property Owners of Shenandoah Farms, Inc., a Virginia non-stock, non-profit corporation, effective July 13, 1996, and

affirmed, ratified, and approved by the Board of Directors
Resolution of July 13, 1996.

Kathleen M. George

Kathleen M. George, Secretary, POSF, INC.

Catherine R. Avery

Catherine R. Avery, Chairman, POSF, INC.