

BY-LAWS
OF
HOLLYMEAD CITIZENS ASSOCIATION, INC.

ARTICLE I
NAME AND LOCATION

The name of the corporation is Hollymead Citizens Association, Inc., hereinafter referred to as the "Association". The registered office of the corporation shall be located at the office of Virginia Land Company, U. S. Highway 29 North, Charlottesville, Virginia, in the County of Albemarle, Virginia, but meetings of members and directors may be held at such places within the State of Virginia, County of Albemarle, as may be designated by the Board of Directors.

ARTICLE II
DEFINITIONS

Section 1. "Association" shall mean and refer to Hollymead Citizens Association, Inc., its successors and assigns.

Section 2. "Declaration" shall mean and refer to the Hollymead Declaration of Covenants, Conditions and Restrictions, applicable to the Properties, dated June 22, 1973, and recorded in the Clerk's Office of the Circuit Court of Albemarle County, Virginia, in Deed Book 531, at page 288, as supplemented or amended from time to time in accordance with the provisions of the original Declaration.

Section 3. "Properties" shall mean and refer to that certain real property described in the Declaration and such additions thereto as may hereafter be brought within the jurisdiction of this Association by annexation as provided in Article III of the Articles of Incorporation of the Association.

Section 4. "Hollymead", unless specifically stated otherwise herein, shall mean and refer to all such real property and additions thereto as are subject to the Declaration or any supplemental declaration under the provisions of Article II thereof.

Section 5. "Common Properties" shall mean and refer to those areas of land shown on any recorded subdivision plat of real estate located within Hollymead and devoted to the common use and enjoyment of the owners of property located in Hollymead and such other persons as they may delegate this right to pursuant to these By-Laws and to all improvements located thereon and owned or otherwise held by the Association for the common use and enjoyment of said persons.

Section 6. "Lot" shall mean and refer to any plot of land shown on any recorded subdivision plat of real estate located within Hollymead with the exception of Common Properties.

Section 7. "Townhouse Lot" shall mean and refer to each Townhouse "Living Unit" constructed upon real estate located within Hollymead.

Section 8. "Condominium Lot". Where real property located within Hollymead has been submitted to the provisions of Title 55, Chapter 4.1 of the Code of Virginia (1950), as supplemented and amended, (popularly known as the "Horizontal Property Act") the term "Condominium Lot" shall mean and refer to the entire right, title and interest in said real property which is owned by each "Co-owner of an Apartment" constructed thereon as those terms are defined in said Horizontal Property Act.

Section 9. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot located within Hollymead but shall not mean or refer to the mortgagees of any such lot unless and until such mortgagee has acquired title pursuant to foreclosure of said deed of trust or mortgage. Where any such Lot is being sold by the fee owner to a contract vendee who is entitled to possession of the Lot, the contract vendee shall be considered the "Owner" upon furnishing adequate proof of this situation to the Association. In the event that any Lot located within Hollymead shall be submitted to the provisions of the Horizontal Property Act referred to hereinabove then each "Co-Owner" located upon said land submitted to the provisions of said Act, as the term "Co-Owner" is defined in said Act shall be considered as Owner hereunder.

Section 10. "Developers" shall mean and refer to North Corporation, a Virginia corporation, and Charles Wm. Hurt, and to any legal entity to which said North Corporation and Charles Wm. Hurt may specifically assign the rights and interests vested in Developers pursuant to the terms of the Declaration..

Section 11. "Member" shall mean and refer to those persons entitled to membership as provided in the Declaration.

ARTICLE III
MEMBERSHIP

Section 1. Every owner of a residential Lot, Condominium Lot, or Townhouse Lot which is subject to assessment shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of such Lots which are subject

to assessment.

Section 2. The rights of membership are subject to the payment of annual and special assessments levied by the Association, the obligation of which assessments is imposed against each owner of and becomes a lien upon the property against which such assessments are made as provided by Article VI of the Declaration, which article is hereby incorporated into and made a part of these By-Laws by reference thereto.

Section 3. The membership rights of any person whose interest in the Properties is subject to assessments under Article III, Section 2, whether or not he be personally obligated to pay such assessments, may be suspended by action of the Directors during the period when the assessments remain unpaid; but, upon payment of such assessments, his rights and privileges shall be automatically restored. If the Directors have adopted or approved and have published rules and regulations governing the use of the common properties and facilities, and the personal conduct of any person thereon, as provided in Article X, Section 1, they may, in their discretion, suspend the rights of any such persons for violation of such rules and regulations for a period not to exceed sixty (60) days.

ARTICLE IV

VOTING RIGHTS

Section 1. The voting rights of Association members are set forth in Article III of the Declaration, which Article is hereby incorporated into and made a part of these By-Laws by reference thereto.

ARTICLE V

PROPERTY RIGHTS AND RIGHTS OF ENJOYMENT OF COMMON PROPERTY

Section 1. Each member shall be entitled to the use and enjoyment of the common properties and facilities as provided by deed of dedication and Article IV of the Declaration.

Section 2. Any member may delegate his rights of enjoyment in the Common Properties and Facilities to the members of his family who reside upon the Properties or to any of his tenants who reside thereon. Such member shall notify the Secretary in writing of the name of any such person and of and of the relationship of the member to such person. The rights and privileges of such person are subject to suspension under Article III, Section 3, to the same extent as those of the member.

ARTICLE VI

MEETINGS OF MEMBERS

Section 1. Annual Meetings. The first annual meeting of the members shall be held at the registered office of the Association or at such other place as may be fixed by the Board of Directors and announced in the notice of the meeting. Each subsequent regular annual meeting of the members shall be held on the day of of each year thereafter, at the hour of o'clock .M. If the day for the annual meeting of the members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the members for any purpose may be called at any time by the president, the vice-president, the secretary or treasurer, or by any two or more members of the Board of Directors, or upon written request of the members who have a right to vote one-fourth (1/4) of all of the votes of the entire membership or who have a right to vote one-fourth (1/4) of the votes of the membership of classes A, B, C, D, and E.

Section 3. Notice of Meetings. Written notice of each meeting of the members shall be given by, or at the direction of, the secretary or person authorized to call the meeting either personally or by mailing a copy of such notice, postage prepaid, at least ten (10) days before such meeting to each member entitled to vote thereat, addressed to the member's address last appearing on the books of the Association, or supplied by such member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting. The business to be transacted at a special meeting shall be confined to the objects stated in said notice. If the business of any meeting shall involve any action governed by the Articles of Incorporation of the Association or by the Declaration, notice of such meeting shall be given as therein provided.

Section 4. Quorum. The presence at the meeting of members entitled to cast, or of proxies entitled to cast, one-tenth (1/10) of the votes of each class of membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these By-Laws. If, however,

such quorum shall not be present or represented at any meeting, such meeting shall be adjourned until a quorum as aforesaid shall be present or be represented.

Section 5. Proxies. At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his Lot. No proxy shall extend beyond a period of eleven months.

Section 6. Any or all of the requirements of this Article of the By-Laws as to time, place, or notice of any meeting of the members may be waived by the members, if every member of record shall agree to such waiver in writing, or by the attendance in person or by proxy of all the members.

ARTICLE VII

BOARD OF DIRECTORS: SELECTION: TERM OF OFFICE

Section 1. Number. The affairs of this Association shall be managed by a Board of nine (9) directors, who need not be members of the Association but must be residents of the State of Virginia.

Section 2. Term of Office. At the first annual meeting the members shall elect three directors for a term of one year, three directors for a term of two years and three directors for a term of three years; and at each annual meeting thereafter the members shall elect three directors for a term of three years.

Section 3. Removal. Any director may be removed from the Board, with or without any cause, by a majority vote of the members of the Association. In the event of death, resignation, removal, or inability to serve of a director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired

term of his predecessor.

Section 4. Compensation. No director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed for his actual expense incurred in the performance of his duties.

Section 5. Action Taken Without a Meeting. Notwithstanding any provisions of these By-Laws or of the Articles of Incorporation, any action which must or may be taken at a meeting of the Board of Directors or any action which may be taken at a meeting of a committee of the Board may be taken without a meeting if a consent in writing, setting forth the action to be taken, is signed before such action by all of the directors or all of the members of the committee, as the case may be. Such consent shall have the same force and effect as a unanimous vote.

ARTICLE VIII

NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting of members. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be

announced at each 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 not less than the number of vacancies that are to be filled. Such nominations may be made from among members or non-members.

Section 2. Election. Election to the Board of Directors shall be by written ballot either in person or by proxy at the annual meeting of members. The casting of ballots at the annual meeting and the conduct of the election in general shall be as follows:

a. An official ballot shall be used by members to cast their votes and shall have an identifying mark which designates it as the official ballot. Only official ballots so identified shall be counted in election of persons to the Board of Directors. The official ballots shall be mailed to each member of the Association thirty (30) days before the annual meeting of members;

b. A ballot box shall be provided for use at the annual meeting. The presiding officer shall call the annual meeting of members to order and shall, as the first item of business designate two (2) inspectors of election who shall not be a director of the Association, officer of the Association, or candidate for election to the Board of Directors;

c. After the inspectors of election are designated they shall take charge of the ballot box and the presiding officer shall call upon all members in attendance who hold ballots they desire to cast to deliver their ballots to the ballot box. The presiding officer shall allow a reasonable time for members to come forward and cast their ballots. Once the time for casting ballots has elapsed, the presiding officer shall declare the polls closed and ballots shall no longer be accepted.

d. Once the polls are closed, the inspectors of election shall take all ballots cast, count them, determine the results of the election in writing, and deliver the results to the presiding officer who shall announce the results of the election to the meeting.

At the first annual election of directors the three (3) persons receiving the highest number of votes cast shall serve for

a term of three (3) years. The next three (3) persons receiving the highest number of votes cast shall serve for a term of two (2) years; and the remaining three (3) persons shall serve for a term of one (1) year.

ARTICLE IX

MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held monthly without notice, at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the president, or, in his absence, by the vice-president, or by any two directors, after not less than three (3) days notice to each director.

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

ARTICLE X

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall

have the power to:

(a) adopt and publish rules and regulations, or approve such rules and regulations when adopted by a licensee, governing the use of the Common Area and facilities, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof;

(b) impose a reasonable fee or admission charge, or approve any such fee or charge imposed by a licensee, for the use of any recreational facility situated upon the common properties;

(c) suspend the voting rights and/or the right to use of the recreational facilities of a member or his assignee during any period in which such member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) days, for infraction of published rules and regulations;

(d) suspend or approve the suspension by a licensee of membership rights in any facility with respect to which a fee or admission charge has been imposed; provided however, that no such suspension has been approved by the Board of Directors.

(e) exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these By-Laws,

the Articles of Incorporation, or the Declaration;

(f) declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors:

(g) employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties;

(h) enter into contracts for the operation of recreational facilities of the Common Properties, such as swimming pools and tennis courts for the benefit of Association members;

(i) admit non-residents of Hollymead to membership in certain recreational facilities which may be constructed upon the Common Properties, such as swimming pools, tennis courts, or golf courses; and

(j) call special meetings of the members whenever it deems necessary and it shall call a meeting at any time upon written request of one-fourth (1/4) of the voting membership, as provided in Article VI, Section 2.

Section 2. Duties. It shall be the duty of the Board of Directors to:

(a) cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members or at any

special meeting when such statement is requested in writing by the members who have a right to vote one-fourth (1/4) of the votes of the entire membership or who have a right to vote one-fourth (1/4) of the votes of the members of Classes A, B, C, D, and E.

(b) appoint and supervise all officers, agents and employees of the Association, and to see that their duties are properly performed;

(c) as more fully provided in Article VI of the Declaration to:

(1) fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period;

(2) send written notice of each assessment to every owner subject thereto at least thirty (30) days in advance of each annual assessment period; and

(3) foreclose the lien against any property for which assessments are not paid within thirty (30) days after due date or to bring an action at law against the owner personally obligated to pay the same.

(d) issue, or cause an appropriate office to issue, upon demand by any person, a certificate 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;

(e) procure and maintain adequate liability and hazard insurance on property owned by the Association;

(f) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate; and

(g) cause the Common Properties to be maintained.

ARTICLE XI

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of offices. The officers of this Association shall be a president and vice-president, who shall at all times be members of the Board of Directors, a secretary, and a treasurer, and such other officers as the Board may from time to time by resolution create.

Section 2. Election of Officers. The initial officers of the Association shall be elected at the organizational meeting of the Board of Directors, and thereafter the election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the members.

Term. Subsequent to the first annual meeting of the members the officers of this Association shall be elected annually by a majority vote of the Board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 3. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 4. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time giving written notice to the Board, the president or the secretary. Such resignation shall take effect on the date of 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 5. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 6. Multiple Offices. The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

Section 7. Duties. The duties of the officers are as follows:

President

(a) The president 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 leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes.

Vice-President

(b) The vice-president shall act in the place and stead of the president in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

Secretary

(c) The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the members; keep appropriate current records showing the members of the Association together with their addresses, and shall perform all other duties as required by the Board.

Treasurer

(d) The treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors for disbursements made in the ordinary course of business conducted within the limits of a budget adopted by the Board; the treasurer shall co-sign all checks and promissory notes of the Association; and keep proper books of account.

ARTICLE XII

COMMITTEES

The Association shall appoint a Design Review Committee, as provided in the Declaration, and a Nominating Committee, as provided in these By-Laws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose.

ARTICLE XIII

BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any member. Provided, however, that any member desiring to so inspect shall give the Association written notice of the date and time of inspection at least forty-eight (48) hours prior to inspection. The Declaration, the Articles of Incorporation and the By-Laws of the Association shall be available for inspection by any member at the principal office of the Association, where copies may be purchased at a reasonable cost.

ARTICLE XIV

ASSESSMENTS

As more fully provided in Article VI in the Declaration, each member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of eight (8) per cent per annum, and the Association may bring an

action at law against the Owner personally obligated to pay the same or foreclose the lien against the property, and interest, costs and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of the Common Area or abandonment of his Lot.

ARTICLE XV

CORPORATE SEAL

The corporate seal of this corporation shall be as follows: two concentric circles in between which shall be written Hollymead Citizens Association, Inc. and the words "Corporate SEAL" inscribed in the central portion thereof.

ARTICLE XVI

AMENDMENTS

Section 1. These By-Laws may be amended, at a regular or special meeting of the members, by a vote of a majority of a quorum of each class of members present or by proxy, provided that those provisions of these By-Laws which are governed by the Articles of Incorporation of this Association may not be amended except as provided in the Articles of Incorporation or applicable law; and provided further that any matter stated herein to be or which is in fact governed by the Declaration not be amended except as provided in such Declaration.

Section 2. In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles of Incorporation shall control; and in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

ARTICLE XVII

MISCELLANEOUS

The fiscal year of the Association shall begin on the first of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

ARTICLE XVIII

INDEMNITY

(a) The corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action, suit or proceeding, whether civil, or criminal, administrative or investigative (including an action or suit by or in the right of the corporation to procure judgment in its favor) by reason of the fact that he is or was a director or officer of the corporation, or is or was serving at the request of the corporation as a director or officer of another corporation, partnership, joint venture, trust or other enterprise, against judgments, fines, amounts paid in settlement, and expenses (including attorneys' fees) actually and reasonably incurred by him in connection with such action, suit or proceeding except only in relation to any claim, issue or matter as to which such person shall have been finally adjudged to be liable for his gross negligence or willful misconduct. Each such indemnity shall inure to the benefit of the heirs, executors and administrators or such person.

(b) Any indemnity under subsection (a) above shall (unless authorized by a court) be made by the corporation only as authorized in the specific case upon a determination that the director or officer was not guilty of gross negligence or willful misconduct in the performance of his duty and, in the case of a settlement, that such settlement was, or if still to be made is, consistent with such indemnity and the best interests of the corporation. Such determination shall

be made (i) by the Board of Directors by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceeding, or (ii) if such a quorum is not obtainable, or, even if obtainable, a quorum of disinterested directors so directs on advice by independent legal counsel in a written opinion, or (iii) by the shareholders. If the determination is to be made by the Board of Directors, it may rely, as to all questions of law, on the advice of independent counsel.


(c) Expenses incurred in defending an action, suit or proceeding, whether civil, administrative or investigative, may be paid by the corporation in advance of the final disposition of such action, suit or proceeding as authorized by vote of the persons provided in subsection (b) of this section, upon receipt of an undertaking by or on behalf of the director or officer to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the corporation as authorized in this section.

(d) The right of indemnification provided by this section shall not be exclusive of any other rights to which any director or officer may be entitled, including any right under policies of insurance that may be purchased and maintained by the corporation or others, even as to claims, issues or matters in relation to which the corporation would not have the power to indemnify such director or officer under the provisions of this section.

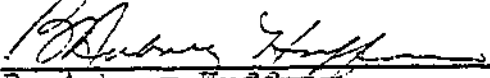
(e) The corporation may purchase and maintain at its

sole expense insurance against all liabilities or losses it may sustain in consequence of the idemnification provided for in this section, in such amounts and on such terms and conditions as the Board of Directors may deem reasonable.

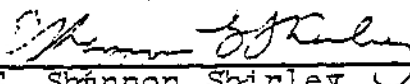
IN WITNESS WHEREOF, we, being all of the directors of the Hollymead Citizens Association, Inc., have hereunto set our hands this 8th day of August , 1978.



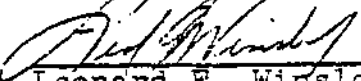
Charles Wm. Hurt



B. Aubrey Huffman



E. Shannon Shirley



Leonard F. Winslow



Woods P. Stringfellow

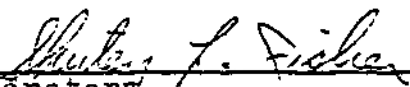
CERTIFICATION

I, the undersigned, do hereby certify:

THAT, I am the duly elected and acting secretary of the Hollymead Citizens Association, Inc., a Virginia corporation, and,

THAT, the foregoing By-Laws constitute the original By-Laws of said Association, as duly adopted at a meeting of the Board of Directors held on July 28, 1978.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 8th day of August , 1978.



Secretary