

BY-LAWS
of
VILLAGE EAST PROPERTY OWNERS ASSOCIATION

ARTICLE I: Name and Location

The name of the corporation is the Village East Property Owners Association (hereinafter called the "Association", or, "VEPOA). The principal office of the corporation is located at Route 1, P.O. Box 452, Moneta, Virginia 24121-0452, but meetings of members and directors may be held at such places within the state of Virginia, County of Bedford, as may be designated by the Board of Directors in a notice of meeting.

ARTICLE II: Definitions

Unless the context denotes otherwise the following terms are defined as follows:

Section 1. The terms "Association" and "VEPOA" shall mean and refer to the Village East Property Owners Association, its successors and assigns.

Section 2. The term "properties" shall mean and refer to that certain real property described in the Declarations of Protective Covenants and Restrictions (attached hereto as Exhibit A), and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 3. The term "common properties" shall mean all real property owned by the Association for the common use and enjoyment of the members of the Association.

Section 4. The term "lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the property with the exception of the common areas.

Section 5. The term "member" shall mean and refer to every person or entity who holds a membership in the Association.

Section 6. The term "owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any lot which is part of the properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 7. The term "Protective Covenants" shall mean and refer to the Declaration of Protective Covenants applicable to the properties, recorded in the Office of the Clerk of the Circuit Court, Bedford County, State of Virginia.

ARTICLE III: Members

Section 1. Membership Every person or entity who is a record owner of a free and undivided fee interest in a lot, which is subject to assessment by the Association, including contract sellers, shall be a member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. No lot shall have more than one membership. Membership shall be appurtenant to and may not be separated from ownership of any lot which is subject to assessment by the Association.

Section 2. Suspension of Membership During any period in which a member shall be in default in the payment of any annual or special assessment levied by the Association, the voting rights and rights to enjoy usage of the common properties by said member may be suspended by the Board of Directors until the assessment has been paid. Such rights of a member may also be suspended, after notice and a hearing, for a period not to exceed 30 days, for violation of any rules and regulations established by the Board of Directors governing the use of the common properties and facilities.

Section 3. Rights of Enjoyment Each member shall be entitled to the use and enjoyment of the common properties and facilities as provided for in the Declaration of Protective Covenants. A member may delegate his rights of enjoyment of the common properties and facilities to the members of his family, and his tenants or contract purchasers, who reside on the property. The member shall notify the secretary in writing of the name of such delegates. The rights of a delegate are subject to suspension to the same extent as those of the member.

Section 4. Annual meetings Annual meetings of the members shall be held on the first Saturday in May each year, or at such other date as shall be designated from time to time by the Board of Directors and stated in the notice of the meeting.

Section 5. Special Meetings Special meetings of the members, for any purpose, unless otherwise prescribed by statute, may be called at any time by the VEPOA President or by the Board of Directors, and shall be called by the president or secretary at the request in writing by members having one tenth (1/10) of the votes entitled to be cast at such meeting. Such request shall include a statement of purpose or purposes of the proposed meeting.

Section 6. Notice of Meeting Written notice stating the place, day and hour of the meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than ten nor more than fifty days before the date of the meeting (except as a different time is specified below), either personally, by internet email, or by mail, by

or at the direction of the president, secretary, or the officers calling the meeting, to each member entitled to vote at such meeting.

If sent by internet email notice, such notice shall be deemed to be delivered when electronically transmitted by the sender. Internet email shall direct the member to the VEPOA website from which notice of meetings and proxy forms can be viewed and printed.

If mailed, such notice shall be deemed to be delivered when deposited in the United States Mail addressed to the member at his address as it appears on the records of the Association, with first class postage thereon prepaid.

Notice of a members' meeting to act on an amendment to the Protective Covenants, the By-laws, or a plan of merger or consolidation shall be delivered in the manner provided above, not less than twenty-five nor more than fifty days before the date of the meeting. Any such notice that is mailed shall be accompanied by a copy of the proposed amendment or a summary thereof and shall include a statement that copies of the proposed articles of amendment or plan of merger or consolidation will be supplied to members on request.

Section 6a. Internet Email Notice of Meeting. Association members shall provide the president, or president's designee with a current email address or a letter which states that all association business should be delivered to them through the United States Postal Service. Postal address and email address information shall be kept by the association president or designee.

Section 7. Waiver of Notice Whenever any notice is required to be given to any member of the Association for any purpose under the provisions of any statute or the By-laws of the Association, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be equivalent to the giving of such notice. A member who attends a meeting shall be deemed to have had timely and proper notice of the meeting, unless he attends for the express purpose of objecting because the meeting is not lawfully called or convened.

Section 8. Quorum Except as otherwise provided by statute, the Declaration of Protective Covenants, or these By-laws, the presence at the meeting of members or proxies entitled to cast, one tenth (1/10) of the votes of the Association membership shall constitute a quorum. If, however, a quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have power to adjourn the meeting to another time and place, without notice other than announcement at the meeting of such other time and place. At the adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the original' meeting. If the adjournment is for more than thirty days a notice of the adjourned meeting shall be given to each member entitled to vote at the meeting.

Section 9. Voting and Proxies Only members in good standing; i.e., those whose voting rights have not been suspended by the VEPOA Board, and whose dues, fees, and special assessments have been paid, shall be entitled to vote. A member in good standing may vote in person or may vote by proxy executed in writing by the member or by his duly authorized attorney-in-fact. No proxy shall be valid after eleven months from its date. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his lot. To be included in vote tallies, proxy votes must be received by the VEPOA Secretary forty eight (48) hours, or as otherwise specified in the meeting notice, prior to any regular or special meeting of the members. Proxy votes will be included in vote tallies only for items upon which the entire VEPOA membership has received previous notice with an explanation of each item to be voted upon.

Section 10. Required Vote When a quorum is present at any meeting of the members, the vote (which need not be by ballot) of members holding a majority of the votes entitled to be cast, present in person or represented by proxy, shall be necessary for the transaction of any business properly brought before such a meeting, unless the proposed action is one upon which, by express provision of statute or of the VEPOA Protective Covenants or By-laws, a different vote is required or specified, in which case such express provision shall govern and control the decision of such question. Notwithstanding the foregoing, candidates for election as directors who receive the highest numbers of votes, up to the number of directors to be chosen, shall stand elected and an absolute majority of the votes cast shall not be a prerequisite to the election of any candidate to the Board of Directors.

ARTICLE IV: Directors

Section I. Powers The property business and affairs of the Association shall be managed by or under the direction of the Board of Directors, which may exercise all such powers of the Association and do all such lawful acts and things as are not by statute, the Protective Covenants, or by these Bylaws directed or required to be exercised or done by the members.

Section 2. Number The affairs of this Association shall be managed by a board of nine (9) directors. Directors are elected for three year terms. Each director elected shall hold office until his successor is elected and qualified or until his earlier resignation or removal.

Section 3. Election The directors shall be elected for three year terms. Each director elected shall hold office until his successor is elected and qualified or until his earlier resignation or removal.

Section 4. Removal Any director may be removed from office at a meeting called expressly for that purpose, with or without cause, by such vote as would suffice for his election.

Section 5. Vacancies Any vacancy occurring in the Board of Directors may be filled by the affirmative vote of a majority of the remaining directors, though less than a quorum of the

Board of Directors, or by a sole remaining director, and each director so chosen shall hold office until the next annual election and until his successor is elected and qualified, or until his earlier resignation or removal. If there are no directors in office, than an election of directors shall be held in a special meeting of the members called for that purpose.

Section 6. Compensation No director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 7. Place of Meeting The Board of Directors of the Association may hold meetings, both regular and special, in Moneta, Virginia, or at such other place as they may from time to time specify by resolution. Any and all meetings of the directors, whether regular or special, shall be open meetings and may be attended by the members of the Association.

Section 8. Regular Meetings Regular meetings of the Board of Directors may be held on three (3) days notice at such time and such place as may, from time to time, be determined by the Board of Directors.

Section 9. Special Meetings Special meetings of the Board of Directors shall be held when called by the president of the Association, or by one-third (1/3) of the members of the Board of Directors, after not less than three (3) day's notice to each director.

Section 10. Quorum A majority of the number of directors fixed by these By-laws shall constitute a quorum for the transaction of business. The act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

Section 11. Telephone Meetings Members of the Board of Directors or of any committee designated thereby, may participate in a meeting of such Board or committee by means of which all persons participating in the meeting can hear each other, and participating by such means shall constitute presence in person at such meeting.

Section 12. Action Without a Meeting Any action required to be taken at a meeting of the Board of Directors, or any action which 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 entitled to vote with respect to the subject matter thereof.

ARTICLE V: Committees

The Board of Directors, by resolution adopted by a majority of the directors in office, may designate one or more committees, each of which (except the Teller Committee) shall consist of one or more directors, which committees, to the extent provided in such resolution, shall have and exercise the authority of the Board of Directors, except to approve a sale, lease, exchange, mortgage, pledge or other disposition of any, or substantially all, of the property and assets of the

Association, the voluntary dissolution of the Association or revocation of the voluntary dissolution proceedings.

The Association shall elect an Architectural Review Committee, as provided in the Protective Covenants, to approve or disapprove any plan to erect, place or alter any structure on any lot. Each property owner at the time of submittal of building plans to the Architectural Committee will be required to pay a "road impact fee", as specified by the Board of Directors, to cover road damage during the building phase. The fee will be refundable only if building plans are rejected or withdrawn. Building plans will not be approved until the fee has been paid in full. Other committees with limited authority may be designated by a majority of the directors present at a meeting at which a quorum is present.

ARTICLE VI: Officers

Section 1. Position The officers of the Association shall be a president, a secretary and a treasurer, and such other officers and assistant officers as the Board of Directors may appoint, including one or more vice-presidents, assistant secretaries and assistant treasurers, who shall exercise such powers and perform such duties as shall be determined from time to time, by the Board. Any two or more offices may be held by the same person, provided, however, that in no event shall the president and the secretary be the same person.

Section 2. Election The officers of the Association shall be elected by the Board of Directors at its first meeting following each annual meeting of the members.

Section 3. Term of Office The officers of the Association shall be elected for a term of one (1) year and shall hold office until their successors are chosen and qualify or until their earlier resignation or removal. Any officer elected by the Board of Directors may be removed by the affirmative vote of a majority of the Board of Directors whenever, in their judgment, the best interests of the Association will be served thereby, Any vacancy occurring, in any office, may be filled in the manner prescribed for regular election. The officer elected to the vacancy shall serve for the remainder of the term of the officer replaced.

Section 4. President The president shall at all times be a member of the Board of Directors, shall insure that all orders and resolutions of the Board of Directors are carried in to effect and unless otherwise provided by the Board of Directors, shall preside at all meetings of the members and of the Board of Directors. The president shall execute leases, mortgages, deeds and other written instruments requiring a seal, under the seal of the Association, except where required by or permitted by law to be otherwise signed and executed, and except where the signing and executing thereof shall be expressly delegated by the Board of Directors to some other officer or agent of the Association.

Section 5. Vice-President In the absence of the president, or in the event of his inability or refusal to act, the vice-president (or in the event there be more than one vice-

president, the vice-presidents in the order designated, or in the absence of any designation, then in the order of election) shall perform the duties of the president, and when so acting shall have all the powers of, and be subject to all the restrictions upon, the president. The vice-president shall perform such other powers as the Board of Directors may from time to time prescribe.

Section 6. Secretary The secretary shall attend all meetings of the Board of Directors and all meetings of the members, and shall record all the proceedings of the meetings of the Board of Directors and of the members in a book to be kept for that purpose, and shall perform like duties for the standing" committees, when required. He/she shall give, or cause to be given, notice of all meetings of the members and of the Board of Directors, shall keep appropriate current records showing the members of the Association together with their addresses and shall perform such other duties as may be prescribed by the Board of Directors or by the president, under whose supervision he/she shall be. He/she shall have custody of the corporate seal of the Association, and he/she, or an assistant secretary, shall have authority to affix the same to any instrument requiring it, and when so affixed it may be attested to by his/her signature or by the signature of such assistant secretary, The Board of Directors may give general authority to any other officer to affix the seal of the Association and to attest the affixing by his/her signature. The secretary may also attest all instruments signed by the president or any vice-president.

Section 7. Assistant Secretary The assistant secretary, or if there be more than one, the assistant secretaries in the order determined by the Board of Directors (or if there shall have been no such determination, then in the order of their election), shall, in the absence of the secretary or in the event of his/her inability or refusal to act, perform the duties and exercise the powers of the secretary,' and shall perform such other duties and have such other powers as the Board of Directors may from time to time prescribe.

Section 8. Treasurer The treasurer shall have the custody of the Association's funds and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Association, and shall deposit all moneys and other valuable effects in the name and to the credit of the Association in such depositories as may be designated by the Board of Directors. The treasurer shall disburse the funds of the Association as ordered by the Board of Directors, taking proper vouchers for such disbursements, and shall render to the president, and to the Board of Directors, at its regular meetings or when the Board of Directors so requires, an account of all the treasurer's transactions and of the financial condition of the Association.

Section 9. Assistant Treasurer The assistant treasurer, or if there be more than one, the assistant treasurers in the order determined by the Board of Directors (or if there shall have been no such determination, then in the order of their election) shall, in the absence of the treasurer or in the event of the treasurer's inability or refusal to act, perform the duties and exercise the powers of the treasurer, and shall perform such other duties and have such other powers as the Board of Directors may from time to time prescribe.

ARTICLE VII: Assessments

Section 1. Creation of the Lien and Personal Obligation of Assessments As specified by the Declaration of Protective Covenants, each member is deemed to covenant and agree to pay the Association an annual assessment (dues) to be determined by the Board of Directors. The Board of Directors may from time to time, as deemed necessary, levy special assessments to accomplish the tasks generally described in paragraph 2. These annual and special assessments, with interest thereon and costs of collection thereof as hereinafter provided; shall be a charge on the land and shall be a continuing lien upon the property against which each assessment is made. Each assessment together with interest, costs and reasonable attorney fees, shall also be the personal obligation of the person who was the owner of such property at the time when the assessment fell due and shall not pass to his successors in title unless expressly assumed by them.

Section 2. Purpose of Assessments The assessments shall be used by the Association to provide such community services as the lot owners may from time to time deem necessary or desirable in connection with their efforts to maintain an attractive community appearance and the privacy and general safety of the lot owners, including such services as garbage pickup, snow removal, and grass cutting. The assessments will also be used to operate and maintain such common areas as the clubhouse, picnic areas, roads, community docks, swimming pool, tennis courts and similar facilities or areas.

Section 3. Amounts of Assessments Each lot shall be subject to an annual assessment as determined by the Board of Directors. The assessment will be increased for any lot which has a completed dwelling constructed thereon as of January 1 of the calendar year.

Section 4. User Fees The Association shall have the right to charge user fees for the boat storage facility and rental fees for the use of the pavilion.

Section 5. Date of Commencement of Annual Assessments and Due Dates The annual assessments provided for above shall commence as to all lots on the first day of the month following conveyance of the property owner. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. Written notice of the annual assessment shall be sent to every owner subject thereto at least thirty (30) days in advance of each annual assessment period. The due dates shall be established by the Board of Directors. The Association shall, upon demand at any time, furnish a certificate in writing signed by an officer of the Association, setting forth whether the assessments on a specific lot have been paid. A reasonable charge may be made by the Board for the issuance of these certificates. Such certificates shall be conclusive evidence of payment of any assessment therein stated to have been paid.

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Section 6. Remedies of the Association of Nonpayment 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 percent (8.0%) 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 the assessment. No owner may waive or otherwise. escape liability for the assessment provided for herein by nonuse of the common areas or abandonment of the lot.

Section 7. Subordination of the Lien to Mortgages The lien of the assessments provided for herein shall be subordinate to the lien of any first deed of trust. Sale or transfer of any lot shall not affect the assessment lien. However, the sale or transfer of any lot which is subject to any mortgage, pursuant to a decree of foreclosure thereof, shall extinguish the lien of such assessments as to payments thereof which became due prior to such sale or transfer. No sale or transfer shall relieve such lot from liability for any assessments thereafter becoming due or from the lien thereof

ARTICLE VIII: Books and Records

The following books and records of the Association shall be kept at the principal office of the Association and shall be available for inspection and copying by the members during normal business hours or by appointment: Articles of Incorporation, Declaration of Protective Covenants, By-laws, Minute Book, Membership List, Accounting Records, Service and Management Contracts, Insurance Policies, and any other business record of the Association. All accounting records shall be kept according to generally accepted principles of accounting, consistently applied. All minutes of meetings of the members and the Board of Directors shall be retained as a permanent record of the Association.

ARTICLE IX: Corporate Seal

The Board of Directors shall provide a corporate seal which shall be in the form of a circle and shall have inscribed thereon the name of the Association.

ARTICLE X: Amendments

Section 1. These By-laws may be amended, at a regular or special meeting of the members, by a two thirds (2/3) vote of eligible voters at such a meeting (including proxies), provided that notice of the proposed amendment was included in the meeting notice.

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

ARTICLE XI: Fiscal Year

The fiscal year of the Association, fixed by resolution of the Board of Directors, is that of the calendar year, January 1 to December 31

(Approved May 15, 1993)

(Amended Article III, Section 6. June 20, 2009)

**APPENDIX A - VEPOA BYLAWS
(ASSESSMENT - ROAD IMPACT FEE)**

EFFECTIVE JUNE 6, 1987 EACH PROPERTY OWNER AT THE TIME OF SUBMITTAL OF BUILDING PLANS TO THE ARCHITECTURAL COMMITTEE WILL BE REQUIRED TO PAY A FEE OF \$1000 TO COVER ROAD DAMAGE DURING THE BUILDING PHASE. THE FEE WILL BE REFUNDABLE ONLY IF BUILDING PLANS ARE REJECTED OR WITHDRAWN. BUILDING PLANS WILL NOT BE APPROVED UNTIL THE FEE HAS BEEN RECEIVED IN FULL.