

BYLAWS

Milestone Owners Association, Inc.

BYLAWS OF
MILESTONE OWNERS ASSOCIATION, INC.

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BYLAWS OF
MILESTONE OWNERS ASSOCIATION, INC.

ARTICLE I
NAME AND LOCATION

The name of the Corporation is Milestone Owners Association, Inc. The principal office shall be in Hanover County, Virginia but meetings of Members and the Board of Directors may be held at such other places within the Commonwealth of Virginia as shall be determined by the Board of Directors.

ARTICLE II
DEFINITIONS

All Capitalized words used in these Bylaws shall be defined as stated in the Protective Covenants of Milestone Owners Association.

ARTICLE III
MEETING OF MEMBERS

3.1 Annual Meetings.

The annual meeting of the Members shall take place on a day in the month of November of each year. The Board of Directors shall identify the date, time, and place of the meeting.

3.2 Special Meetings.

Special meetings of the Members shall be called by the Board of Directors upon the occurrence of one of the following:

- (a) Resolution of the Board of Directors.
- (b) Presentation to the Board of Directors of a petition signed by owners of twenty-five percent (25%) of all the votes of the Membership.
- (c) Written request of the Declarant.

3.3 Notice of Annual or Special Meetings.

Written notice of meetings of the Members shall be given at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of the notice, postage prepaid, at least fifteen (15) days and no more than thirty (30) days, prior to the meeting, to each Member, addressed to the Member's last address appearing on the books of the Association. Such notice shall specify the place, day and hour of the meeting, in the case of a special meeting, the purpose of the meeting along with a statement or certain motions to be introduced for a vote of the Members at the special meeting and a ballot on which each Member may vote for or against the motion shall be included with the mailing.

3.4 Order of Business.

The order of business at all meetings of the Association shall be substantially as follows:

- (a) Roll call and establishment of quorum;
- (b) Proof of notice of meeting;
- (c) Presentation of minutes of preceding meeting;
- (d) Reports
- (e) Discussion of budget or other matters, when appropriate;
- (f) Election of members of the Board of Directors when required;
- (g) Specific Items of Unfinished business; and
- (h) Specific Items of New business.

3.5 Quorum.

The presence at the meeting of Members or proxies of Members entitled to cast, one tenth (1/10) of the votes of the Membership shall constitute a quorum for any action except as may be otherwise provided in the Articles of Incorporation, Protective Covenants, or these Bylaws. If, however, a quorum shall not be present or represented at any meeting, the Members entitled to vote thereat shall have power to recess the meeting without notice other than announcement at the meeting, until a quorum shall be present or represented. If, however, a quorum shall not be present or represented at a reconvening of such meeting, such meeting shall be adjourned and the notice requirements as stated in this article shall be followed for calling a subsequent meeting.

3.6 Proxies.

At all meetings of Members, each Member whose right to vote has not been suspended may vote in person or by proxy. All proxies shall be in writing in accordance with the form of proxy approved the Board of Directors. Each Proxy shall be revocable

3.7 Conduct of Meetings.

The President shall preside over all meetings of the Association. The Secretary shall cause minutes to be kept of such meetings. The President may appoint a person to serve as parliamentarian at any meeting of the Association. Robert's Rules of Order shall govern conduct of all meetings of the Association when not in conflict with the Protective Covenants, the Articles of Incorporation, or these Bylaws.

ARTICLE IV BOARD OF DIRECTORS

4.1 Number.

The business and affairs of the corporation shall be managed and controlled by a Board of Directors. The composition of the board of Directors shall be of not less than three (3) nor more than five (5) Directors, none of whom need be Members of the Association until the year 2015, and one of whom need not be a Member of the Association after the year 2015. The number of directors on the Board of Directors shall be as determined by the Board of Directors.

4.2 Term of Office.

At the first annual meeting the Members shall elect directors as follows:

- (a) One (1) director for a term of one (1) year;
- (b) One (1) director for a term of two (2) years; and
- (c) One (1) director for a term of three (3) years.

If the Board of Directors is comprised of more than three (3) directors, the Board of Directors shall determine the length of additional terms. At each annual meeting thereafter the Members shall elect a director, or directors, as the case may be, for terms of 3 years each.

4.3 **Removal or Resignation.**

Any director may be removed from the Board for cause by a majority of the votes entitled to be cast at any meeting of the Members of the Association at which a quorum is present. Upon the death, resignation, or removal of a director, a successor shall be elected by the remaining members of the Board, and he or she shall serve for the unexpired term of the appointed director's predecessor.

4.4 **Compensation.**

No director shall receive compensation for any service the director may render to the Association. However, a director may be reimbursed for reasonable actual expenses in the performance of the director's duties.

4.5 **Action Taken Without a Meeting.**

The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all directors. Any action so approved shall have the same effect as though taken at a meeting of the directors or pursuant to a telephonic meeting.

ARTICLE V
NOMINATION AND ELECTION OF DIRECTORS

5.1 **Nomination.**

Nomination for election to the Board of Directors shall be made by a Nominating Committee except that no nomination shall be required where members of the Board of Directors appoint a successor. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairperson and two Members of the Association. The Nominating Committee shall be appointed by the Board of Directors. The Nominating Committee shall make as many nominations for election to the Board of Directors as there are vacancies that remain to be filled.

5.2 **Election.**

Election to the Board of Directors shall be by secret written ballot. At such election the Members or their proxies may cast, with respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Protective Covenants. The persons receiving the largest number of votes shall be elected. In the case where more than one director is elected, the person receiving the largest number of votes is elected to the longest term and the person receiving the next largest number of votes is elected to the next longest term. Cumulative voting is not permitted.

ARTICLE VI
MEETINGS OF THE BOARD OF DIRECTORS

6.1 Regular Meetings.

Regular meetings of the Board of Directors shall be held not less than quarterly. All meetings of the Board of Directors shall be at a place, date, and hour as may be fixed by the Board of Directors. Written notice of not less than three (3) days must be given to each director.

6.2 Special Meetings.

Special meetings shall be held when called as follows:

- (a) When called by the President of the Association; or
- (b) When called by any two (2) Directors.

Written notice of not less than three (3) days must be given to each director unless waived in writing.

6.3 Organizational Meeting.

Within thirty (30) days following the annual meeting of the Members, the newly elected directors of the Board shall meet for the purpose of organizing, electing officers, appointing the Nominating Committee and to conduct such other business as determined by the Board of Directors. Written notice of not less than three (3) days must be given to each director unless waived in writing.

6.4 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 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 of Directors.

ARTICLE VII
POWERS AND DUTIES OF THE BOARD OF DIRECTORS

7.1 Powers.

The Board of Directors shall have power to:

- (a) **Adopt and Publish Rules and Regulations.** Adopt and publish rules and regulations to further expand and define the provisions of the Articles of incorporation, the Protective Covenants, and these Bylaws all as applies to the use of the Common Area, Lots, and the personal conduct of Members, their guests and other invitees thereon, and to establish penalties and violation charges for any infraction thereof.
- (b) **Suspend the Voting Rights.** Suspend the voting rights and right to use of the Common Areas of a Member during any period in which the Member shall be in default in the payment of any assessment levied by the Association or in violation of the Protective Covenants or Rules and Regulations. Such rights may also be suspended after notice and hearing, for a period not to exceed

sixty (60) days for infraction of published rules, the Bylaws, the Articles of incorporation or the Protective Covenants;

- (c) Exercise Powers. Exercise for the Association all powers, duties and authority vested in or delegated to the Association and not reserved to the Members by other provisions of these Bylaws, the Articles of Incorporation, or the Protective Covenants, by the Non-Stock Corporation Act, the Virginia Property Owners' Association Act and as otherwise provided by law;
- (d) Declare a Director's Position Open for Absences. Declare the position of a member of the Board of Directors to be vacant if such director shall be absent from three (3) consecutive regular meetings of the Board of Directors; and
- (e) Employ a Manager. Employ a manager, independent contractor, and other employees as they deem necessary, and to prescribe their duties.
- (f) Further Powers Exercise such further powers as may be granted or reserved by the Protective Covenants.

7.2 Duties.

It shall be the duty of the Board of Directors to:

- (a) Availability of Records. Cause to be kept a complete record of all its acts and coordinate affairs and cause the books and records kept by or on behalf of the Association to be available for examination by a Member in good standing during reasonable business hours and upon five (5) days' written notice and as otherwise prescribed pursuant to 55-510 of the Virginia Property Owners' Association Act (the POA Act).
- (b) Supervise Officers. Supervise all officers, agents and employees of the Association;
- (c) Interpretation. Further interpret these Bylaws and govern and construe them in accordance with the laws of the Commonwealth of Virginia.
- (d) As Provided in the Protective Covenants. To provide for the administration of the business of the Association as more fully provided in the Protective Covenants and Articles of Incorporation.

ARTICLE VIII OFFICERS

8.1 Designation of Officers.

The officers of the Association shall be a President, a Secretary, and Treasurer, all of whom shall be elected by the Board of Directors. The Board of Directors may elect a Vice President and such other officers as the affairs of the Association may require.

8.2 Duties.

The duties of the officers are as follows

- (a) President. The President shall be the chief executive of the Association. The President shall preside at all meetings of the Association and the Board of Directors. The person holding this office shall have all of the general powers and duties which are incident to the office of the president of a non-stock corporation organized under the Virginia Nonstock Corporation Act. This officer shall see that directives and resolutions of the Board are carried out.
- (b) Secretary. The Secretary shall cause a record of votes and other proceedings at all meetings of the Association and the Board of Directors to be kept; cause the keeping of the corporate seal of the Association and affix it on all papers requiring a seal; cause notices of meetings of the Board of Directors and of the Members to be made and mailed; cause the keeping of appropriate current records showing the Members of the Association together with their addresses; and cause the performance of such other duties incident to the office of the secretary of a non-stock corporation organized under the Virginia Nonstock Corporation Act.
- (c) Treasurer. The Treasurer shall cause the keeping of full and accurate financial records and books of account showing all receipts, and disbursement of such funds. The Treasurer shall cause the deposit of all monies in the name of the Association, in such depositories as may from time to time be designated by the Board of Directors; cause an annual audit of the Association books to be made at the completion of each fiscal year; cause the preparation of an annual budget and presentation of such budget at the annual Membership meeting; and shall cause a statement of income and expenditures to Members to be made and distributed as requested.
- (d) Signature Authority All agreements, contracts, deeds, leases, checks and other instruments of the Association shall be executed by an officer of the Association or other person as may be designated by the Board of Directors.

ARTICLE IX COMMITTEES

9.1 Appointment.

The Board of Directors shall appoint an Architectural Review Committee, as provided in the Protective Covenants, and a Nominating Committee, as provided in these Bylaws. In addition, the Board of Directors shall appoint other adhoc committees as deemed appropriate in carrying out the purposes of the Association.

ARTICLE X AMENDMENTS

10.1 Amendment by Directors.

The Board of Directors shall have the power to amend the Bylaws by a unanimous vote of the directors at any duly called regular or special meeting of the Board of

Directors. A majority of votes cast, in person or by proxy, at a meeting of the Members convened in accordance with the provisions of the Association's Bylaws, within sixty (60) days of notice of the amendment of the Bylaws, shall rescind the Bylaws amendment.

10.2 Amendment by Members.

The Members may amend the Bylaws at a duly called regular or special meeting of the Members, by a majority of the votes entitled to be cast at such meeting at which a quorum of Members are present in person or by proxy.

10.3 Controlling Instrument.


If there is any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and if there is a conflict between the Protective Covenants and these Bylaws the Protective Covenants shall control.

ARTICLE XI
MISCELLANEOUS

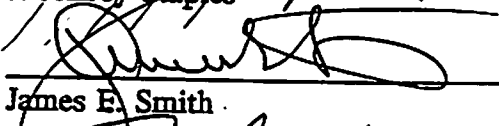
11.1 Paragraph Headings.

The paragraph headings herein are inserted only as a matter of convenience and for reference, and in no way define limit or describe the scope of these Bylaws, or the intent of any provision thereof.

IN WITNESS WHEREOF, we, being all of the directors of the Milestone Owners Association, Inc., have hereunto set our hands this 15th day of February, 1997.



J. Jeffrey Staples



James E. Smith



Peter L. Coughter, Jr.