

# IPSWICH VILLAGE HOMES ASSOCIATION, INC.

## BYLAWS OF IPSWICH VILLAGE HOMES ASSOCIATION

### ARTICLE I

#### NAME AND LOCATION

The name of the corporation is IPSWICH VILLAGE HOMES ASSOCIATION, hereinafter referred to as the "Association." The principal office of the corporation shall be located at 12 Executive Park, Norfolk, Virginia, but meetings of members and directors may be held at such places within the State of Virginia as may be designated by the Board of Directors.

### ARTICLE II

#### DEFINITIONS

Section 1. "Association" shall mean and refer to IPSWICH VILLAGE HOMES ASSOCIATION, a non stock Virginia corporation, its successors and assigns.

Section 2. "Common Area" shall mean all real property owned by the Association for the common use and enjoyment of the members of the Association and so designated in the Declaration (hereinafter defined).

Section 3. "Declarant" shall mean and refer to Coleman Farms, Inc., its successors and assigns, if such successors or assigns should acquire an undeveloped Lot (s) from Coleman Farms, Inc. for the purpose of development. The development of a Lot shall mean and refer to the construction of a residence thereon for the purpose of selling same in the ordinary course of business to an owner or owners for occupancy.

Section 4. "Declaration" shall mean and refer to that certain DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS, of Coleman Farms, Inc., dated 1976, applicable to the Property, to be recorded in the Clerk's Office of the Circuit Court of the City of Chesapeake, Virginia.

Section 5. "Lot" shall mean and refer to any numbered lot of land on the recorded subdivision plats of the Property and does not include any plot otherwise designated or any of the Common Area.

Section 6. "Member" shall mean and refer to those described in the first sentence of Article III hereof.

Section 7. "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 a part of the Property, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 8. "Property" shall mean and refer to that certain real property described in the "Declaration of Covenants, Conditions and Restrictions."

### ARTICLE III

#### MEMBERSHIP

Section 1. Membership. Every person or entity who is a record Owner of a fee or undivided fee interest in any Lot which is subject by the Declaration 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 Owner shall have more than one membership. Membership shall be appurtenant to any may not be separated from ownership of any Lot which is subject to assessment by the Association. Ownership of a Lot shall be the sole qualification for membership.

Section 2. Suspension of Membership Rights. During any period in which a Member shall be in default in the payment of any annual or special assessment levied by the Association for a period of thirty (30) days, the voting rights of such Member and his right to use the Common Area and facilities thereon shall be suspended by the Board of Directors until such assessment has been paid. Such rights of a Member may also be suspended, after notice and hearing, for a period not to exceed sixty (60) days, for violation of any rules and regulations established by the Board of Directors governing the use of the Common Areas and facilities.

### ARTICLE IV

#### PROPERTY RIGHTS. RIGHTS OF ENJOYMENT

Section 1. Each member shall be entitled to the use and enjoyment of the Common Area and facilities as provided in the Declaration. Any Member may delegate his rights of his family, his tenants or contract purchasers, who reside on the Property. Such Member shall notify the secretary of the Association in writing of the name or names of any such delegate(s). The rights and privileges of such delegate (s) are subject to the suspension to the same extent as those of the Member.

## ARTICLE V

### BOARD OF DIRECTORS. SELECTION. TERM OF OFFICE

Section 1. Number. The affairs of the Association shall be managed by a board of five (5) directors, who need not be Members.

Section 2. Election. At the first annual meeting, and at each annual meeting thereafter, the Members shall elect one or two directors, as the case may be, to serve for a term of three years. Any vacancy occurring in the initial term or any subsequent term of 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, and any vacancy not so filled shall be filled at the next succeeding meeting of the members of the Association. Any director elected to fill a vacancy shall serve as such until the expiration of the term of the director whose position he was elected to fill.

Section 3. Removal. Any director may be removed from the Board, with or without cause, by a majority vote of the Members. In the event of death, resignation or removal of a director, his successor shall be selected as set forth in Section 2 of this Article V.

Section 4. Compensation. No director shall receive compensation for any service, other than any service rendered in professional capacity such as attorney, certified public accountant, architect and the like, that he may render to the Association. Any director may be reimbursed for his actual out-of-pocket expenses incurred in the performance of his duties.

Section 5. Action Taken Without a Meeting. The Directors shall have the right to take any action in the absence of a meeting that they could take at a meeting by obtaining the written approval of all the Directors. Any Action so approved shall have the same effect as though taken at a meeting of the directors.

## ARTICLE VI

### MEETING OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held at least quarter-annually 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 meeting of the Board of Directors shall be

held when called by the President of the Association, or by any director, after not less than three (3) days' notice in writing to each director.

Section 3. Quorum. A majority 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 VII

### NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination for election to the Board of Directors shall be made by a nomination committee. Nominations may also be made from the floor at the annual meeting of the Members. The nominating committee shall consist of a chairman, who shall be a member of the Board of Directors, and two or more other persons who are Members of the Association or members of the Board of Directors. The nominating committee shall be selected by the President and approved by the Board of Directors prior to each annual meeting of the Board, 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 secret written ballot. At such election the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Articles of Incorporation. The persons receiving the largest number of votes shall be deemed elected. Cumulative voting shall not be permitted.

## ARTICLE VIII

### POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall have the power to:

- (a) appoint and remove officers of the Association and establish their compensation if any;
- (b) adopt and publish rules and regulations governing the use of the Common Area and facilities, and the personal conduct of the Members and their guests thereon, and to establish penalties, within the limits set out in the Declaration and Articles of Incorporation for the infraction thereof;

(c) 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 Declaration;

(d) declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from two (2) regular meetings of the Board of Directors;

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

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 at the regular annual meeting of said members or at any special meeting, when such statement is requested in writing by one-fourth (¼) of the Class A Members (as defined in the Declaration and Articles of Incorporation) who are entitled to vote;

(b) supervise all officers of the Association and see that their duties are properly performed;

(c) as more fully provided herein and in the Declaration,

1. Fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period, as herein after provided in Article XII, and

2. Send written notice of any increase in such assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period;

(d) issue, or cause an appropriate officer 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 liability, hazard or other insurance for the protection of the Association and its property;

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

(g) cause the Common Areas to be maintained **(deleted on Special Meeting**

**11/5/08, members will maintain Common Areas adjacent to homes).**

## ARTICLE IX

### COMMITTEES

Section 1. The President, with the approval of the Board of Directors, shall select a Nominating Committee, may appoint other committees as deemed appropriate in carrying out its purposes, such as (but not limited to):

(a) A Recreation Committee which shall advise the Board of Directors on all matters pertaining to the recreation program and activities of the Association and shall perform such other functions as the Board, in its discretion, determines;

(b) A Maintenance Committee which shall advise the Board of Directors on all matters pertaining to the maintenance, repair or improvement of the Common Area and shall perform such other functions as the Board, in its discretion, determines;

(c) A Publicity Committee which shall inform the Members of all activities and functions of the Association, and shall, after consulting with the Board of Directors, make such public releases and announcements as are in the best interest of the Association; and

(d) An Audit Committee which shall supervise the annual audit of the Association's books and approve the annual budget and statement of income and expenditures to be presented to the membership at its regular annual meeting, as provided in Article XI, Section 8 (d). The Treasurer shall be an ex officio member of the Committee.

Section 2. It shall be the duty of each committee to receive complaints from Members on any matter involving Association functions, duties and activities within its field of responsibility. It shall dispose of such complaints as it deems appropriate or refer them to such other committee, director or officer of the Association as may be concerned with the matter presented.

## ARTICLE X

### MEETINGS OF MEMBERS

Section 1. Annual Meetings. Special meetings of the Members may be called at any time by the president or by the Board of Directors, or upon written request of the Members who are entitled to vote one-fourth ( $\frac{1}{4}$ ) of all of the votes of the entire membership or who are entitled to vote one-fourth ( $\frac{1}{4}$ ) of the votes of the Class A

membership.

Section 2. Notice of Meetings. Written notice of each meeting of the Members shall be given by, or at the direction of, the President, the Secretary, other officer or person authorized to call the meeting, either personally or by mailing a copy of such notice, postage prepaid, **not less than ten or more than fifty days before the date of such meeting**, to each Member entitled to vote thereat, addressed to the Member at his address last appearing on the books of the Association or at such other address as shall be 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. If the applicable statutes of the State of Virginia require a longer period of notice, such statutory requirements shall apply.

Section 3. Quorum. The presence at the meeting, in person or by proxy, of Members entitled to cast twenty-five (25%) 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 Bylaws. If, however, such quorum shall not be present or represented at any meeting, the Members present, in person or by proxy and entitled to vote thereat, shall have power to adjourn the meeting, from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or represented by proxy.

Section 4. 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. Each proxy shall be revocable and shall automatically cease upon conveyance by the Member of his Lot.

## ARTICLE XI

### OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Officers. The officers of the Association shall be a President who shall at all times be a member of the Board of Directors, a Vice-President, 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 election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Members.

Section 3. Term. The officers of this Association shall be elected annually by the Board of Directors and each shall hold office for a term of one year or until their successors are elected and take office, unless he shall sooner resign or shall be removed or otherwise disqualified to serve.

Section 4. Special Appointments. The Board of Directors 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 of Directors may, from time to time, determine.

Section 5. Resignation and Removal. Any officer may be removed from office, with or without cause, by the Board of Directors. Any officer may resign at any time by giving written notice to the Board of Directors, the President or the secretary. Such resignation shall take effect of 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 6. Vacancies. A vacancy in any office may be filled in the manner prescribed for regular election. The officer elected to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7. 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 XI.

Section 8. Duties. The duties of the officers are as follows:

(a) President - The president shall preside at all meetings of the Board of Directors and of the Members; shall see that orders and resolutions of the Board of Directors are carried out; shall sign all leases, mortgages, deeds and other written instruments in the name and behalf of the Association and shall cosign all checks and promissory notes.

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

(c) Secretary - The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board of Directors 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 of Directors and of the Members; keep appropriate current records showing the Members of the Association, together with their addresses, and shall perform such other duties as are required by the Board of Directors.

(d) Treasurer - 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, shall sign all checks of the Association; keep proper books of account; cause an annual audit of the Association's books to be made by a public accountant at the completion of each fiscal year; and



shall prepare an annual budget and a statement of income and expenditures to be presented at the regular annual meeting of the Members, and deliver a copy of each to the Members.

## ARTICLE XII

### ASSESSMENTS

#### **Dues suspended by vote at Special Meeting (11/5/08).**

Section 1. Creation of the Lien and Personal Obligation of Assessments. By the Declaration, each Member is deemed to covenant and agree to pay to the Association: (1) annual assessments or charges, and (2) special assessments for capital improvements, such assessments to be fixed, established and collected from time to time as hereinafter provided. The annual and special assessments, together with such interest thereon and cost of collection thereof, as hereinafter provide, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Sale or transfer of any Lot shall not affect the assessment lien. Each such assessment, together with such interest, costs and reasonable attorney's fees, shall be the personal obligation of the person who was the Owner of the Lot 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 levied by the Association shall be used exclusively for promoting the recreation, health, safety and welfare of the residents in the Property through the ownership, improvement, operation and maintenance of the Common Area and the facilities thereon.

Section 3. Basis and Maximum of Annual Assessments. Until January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment shall be One Hundred Forty-Four Dollars (\$144.00) per Lot, except, however, that the maximum annual assessment imposed upon Declarant for each Lot not containing an occupied dwelling shall be Thirty-six Dollars (\$36.00). Thereafter, the maximum annual assessment paid by Declarant for each Lot not containing an occupied dwelling shall be twenty-five percent (25%) of the maximum annual assessment paid by an Owner other than Declarant.

(a) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased, effective January 1 of each year, without a vote of the membership in conformance with the rise, if any, of the Consumer Price Index (published by the Department of Labor, Washington, D.C.) for the preceding month of July.

(b) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased

above that established by the Consumer Price Index formula by a vote of the Members for the next succeeding three years and at the end of each such period of three years, for each succeeding period of three years, provided that any such change shall have the assent of two-third (2/3) of the votes of each class of Members who are voting in person or by proxy, at a meeting duly called for this purpose, written notice of which shall be sent to all Members, not less than thirty (30) days nor more than sixty (60) days in advance of the meeting, setting forth the purpose of the meeting.

(c) After consideration of current operating and maintenance costs and future needs of the Association, the Board of Directors may fix the annual assessment at an amount not in excess of the maximum.

Section 4. Method of Computation When Using the Consumer Price Index. The Consumer Price Index establishes the United States City Average Numerical Rating for the month of July 1976, as 171.1. This will be the base rating. To determine the percentage to be applied to the maximum annual assessment for each subsequent year, divide this base rating into the numerical rating established by the Consumer price Index for the month of July preceding the proposed assessment year. This adjustment percentage, if in excess of 100 percent, is multiplied by the original maximum annual assessment to obtain the maximum annual assessment for the subsequent year.

Section 5. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair, or replacement of a described capital improvement upon the Common Area, including the necessary fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of each class of Members who are voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be sent to all Members, not less than thirty (30) days not more than sixty (60) days in advance of the meeting, setting forth the purpose of the meeting, provided further that no such special assessment shall not exceed an amount equal to twice the then current maximum annual assessment.

Section 6. Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all Lots except for the variations which may arise by virtue of the operation of Section 3 of this Article XII, any may be collected on a monthly basis.

Section 7. Quorum for Any Action Authorized Under Sections 3 and 5. At the first meeting called, as provided in Sections 3 and 5 of the Article XII, the presence in person or by proxy of Members entitled to cast sixty (60%) percent of all the votes of each class of membership shall constitute a quorum. If the required quorum is not forthcoming at any meeting, another meeting may be called, subject to the notice requirement set forth in Sections 3 and 5 and the required quorum at the preceding

meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 8. Date of Commencement of Annual Assessments: Due Date. The annual assessment provide for herein shall commence as to all Lots on the first day of the month following the conveyance of the Common Area. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period but in the absence of such action by the Board of Directors the annual assessment shall be in the amount last fixed. Written notice of any increase in the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors and shall until otherwise provided the annual assessment shall be payable quarter-annually, in advance on January 1, April 1, July 1 and October 1 of every calendar year. The Association shall, upon demand at any time, furnish a certificate in writing, signed by an officer of the Association, setting for the whether the assessments on a specified Lot have been paid. A reasonable charge may be made by the Board for the issuance of these certificates. Such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid.

Section 9. Effect of Nonpayment of Assessments: Remedies of the Association. Any assessment which is not paid when due shall be deemed delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the due date at the maximum legal rate, and the Association shall, where possible and feasible, bring an action of law against the Owner personally obligated to pay the same or foreclose the lien against the Lot, and in either case interest, costs and reasonable attorney's fees incurred shall be added to the amount of such assessment. No owner may waive or otherwise escape liability for the assessments provided for herein by non use of the Common Area or abandonment of his Lot.

Section 10. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage or first deed of trust on any Lot. Foreclosure of any such first mortgage or first deed of trust shall extinguish such lien for assessments due prior to such foreclosure (and such lien shall attach to any excess proceeds of the foreclosure) but no such foreclosure shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

Section 11. Exempt Property. The following property, subject to the Declaration, shall be exempt from the assessments created therein: (a) all Properties dedicated to and accepted by a local public authority, (b) the Common Area, and (c) all Properties owned by a charitable or nonprofit organization which are exempt from taxation by the laws of the state of Virginia. However, no land or improvements devoted to dwelling use shall be exempt from said assessments.

## ARTICLE XIII

### BOOKS AND RECORDS

The books, record and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any Member. The Declaration, the Articles of Incorporation and the Bylaws of the Association shall be available for inspection by any Member at the principal office of the Association, where copies may be purchased at reasonable cost.

## ARTICLE XIV

### CORPORATE SEAL

The Association shall have a seal, in circular form, having within its circumference the words: IPSWICH VILLAGE HOMES ASSOCIATION.

## ARTICLE XV

### AMENDMENTS

Section 1. These Bylaws may be amended, at a regular or special meeting of the Members, by a vote of a majority of a quorum of Members present in person or by proxy, except that the Federal Housing Administration and/or the Veterans Administration shall have the right to veto amendments while there is Class B membership.

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

## ARTICLE XVI

### MISCELLANEOUS

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

IN WITNESS WHEREOF, we, being all of the original directors of Ipswich Village

Homes Association, have here unto set our hands this 12<sup>th</sup> day of October 1976.

Lawrence J. Goldrich

I. Williams Berger

A. Naim Qazi

Jayr Ellis

Leslie Berger

(Signatures on Original)