# ARTICLES OF INCORPORATION

# OF

# CORROTOMAN-BY-THE-BAY ASSOCIATION

WE HEREBY associate to form a non-stock non-profit corporation under the provisions of Chapter 2 of Title 13.1 of the Code of Virginia and to that end set forth the following:

## ARTICLE I

The name of the corporation shall be CORROTOMAN-BY-THE-BAY ASSOCIATION.

## ARTICLE II

The purposes for which this corporation is formed are:

(a) To maintain and preserve common properties and recreational facilities owned by the association for the benefit of the lot owner members of the association.

(b) To provide recreational facilities as authorized by the association members.

(c) To generally preserve and conserve the natural aspects of the common properties.

(d) To promote the conservation and purification of public waters in the Corrotoman River.

## ARTICLE III

The corporation shall have all the powers granted unter Title 13.1-205 of the Code of Virginia, as amended.

## ARTICLE IV

Members must be selected by the Board of Directors and purchase a lot in Corrotoman-by-the-Bay, White Chapel District, Lancaster County, Virginia. Each member shall have one vote per lot owned in Corrotoman-by-the-Bay in the management of the affairs of the corporation, including the election of the Board of Directors.

ARTICLE V

The post office address of the initial registered office is P.O. Box 121, Mollusk, Virginia, 22517. The name of the initial registered agent of the corporation shall be George R. Fallmezger, who is a resident of Virginia and a member of the Virginia State Bar and whose business address is P.O. Box 121, Mollusk, Lancaster County, Virginia, 22517.

ARTICLE VI

Five Directors shall constitute the original Board of Directors of the corporation, these Directors being as follows:

| | |
|---|---|
| Gregory T. Haugan | 8604 Grimsby Court<br>Rockville, Maryland, 20854 |
| Perry S. Finney, Jr. | 8509 Crown Place<br>Alexandria, Virginia, 22308 |
| James A. Downs | P. O. Box 216<br>Mollusk, Virginia, 22517 |
| Betty Von Blon | 7908 Slidell Lane<br>Springfield, Virginia, 22151 |
| George R. Fallmezger | P.O. Box 121<br>Mollusk, Virginia, 22517 |

ARTICLE VII

The purposes of the corporation are exclusively non-profit and no part of the proceeds or assets shall inure to the benefit of any individual.

IN WITNESS WHEREOF, we have hereunto set our hands and seals:

Gregory T. Haugan (SEAL)

Perry S. Finney, Jr. (SEAL)

James A. Downs (SEAL)

Betty Von Blon (SEAL)

George R. Fallmezger (SEAL)

Signed this 27th day of November 1970.

THIS DECLARATION,

By NORTHERN NECK RECREATIONAL DEVELOPMENT CORPORATION, Hereinafter called Developers.

WITNESSETH:

WHEREAS, Developer is the owner of the real property described in Article II of this declaration and desires to create thereon a residential community with permanent parks, playgrounds, open spaces and other common facilities for the benefit of the said community; and

WHEREAS, Developer desires to provide for the preservation of the values and amenities in said community and for the maintenance of said parks, playgrounds, open spaces and other common facilities; and, to this end, desires to subject the real property described in Article II together with such additions as may hereafter be made thereto (as provided in Article II) to the covenants, restrictions, easements, charges and liens, hereinafter set forth, each and all of which is and are for the benefit of said property and each owner thereof; and

WHEREAS, Developer has deemed it desirable, for the efficient preservation of the values and amenities in said community, to create an agency to which should be delegated and assigned the powers of maintaining and administering the community properties and facilities and adminstering and enforcing the covenants and restrictions and collecting and disbursing the assessments and charges hereinafter created; and

WHEREAS, Developer will incorporate or cause to be incorporated under the laws of the State of Virginia, as a non-profit corporation, The Corrotoman By The Bay Association, for the purpose of exercising the functions aforesaid;

NOW THEREFORE, the Developer declares that the real property described in Article II, and such additions thereto as may hereafter be made pursuant to Article II hereof, shall be transferred, sold, conveyed and occupied subject to the covenants, restrictions, easements, charges, and liens (sometimes referred to as "covenants and restrictions") hereinafter set forth.

## ARTICLE I

## DEFINITIONS

Section 1. The following words when used in this Declaration or any Supplemental Declaration (unless the context shall prohibit) shall have the following meanings:

(a) "Association" shall mean and refer to the Corrotoman By The Bay Association.

(b) "The Properties" shall mean and refer to all such existing properties, and additions thereto, as are subject to this Declaration or any Supplmental Declaration under the provisions of Article II hereof.

(c) "Common Properties" shall mean and refer to those areas of land shown on any recorded subdivision plat of The Properties and intended to be devoted to the common use and enjoyment of the owners of the Properties.

(d) "Original Lot" shall mean and refer to any plot of land shown upon any original recorded subdivison map of The Properties with the exception of Common Properties as heretofore defined.

(e) "Owner" shall mean and refer to the equitable owner whether one or more persons or entities holding any original lot, whether such ownership be in fee simple title or as land contract vendee, notwithstanding any applicable theory of the mortgage, shall not mean or refer to the mortgagee except if the mortgagee has acquired title pursuant to foreclosure or any proceeding in lieu of foreclosure.

(f) "Member" shall mean and refer to all those owners who are members of the Association as provided in Article III, Section I hereof.

## ARTICLE II

## PROPERTY SUBJECT TO THIS DECLARATION: ADDITIONS THERETO

Section 1. Existing Property. The real property which is, and shall be held, transferred, sold, conveyed and occupied subject to this Declaration is located in White Chapel Magisterial District, Lancaster County, Virginia, and is more particularly described as follows:

PARCEL ONE: All that certain lot or parcel of land lying on the Western branch of the Corrotoman River, containing three hundred (300) acres, more or less, but conveyed in gross and not by the acre, and being the identical land in which a one-half (1/2) interest in the same was conveyed unto the said Francis W. Jenkins by deed of Ralph C. Talbott and wife, dated May of 1950, and of record in the Clerk's Office of the Circuit Court of said County in Deed Book 89 at Page 199, and also being the identical land in which a one-half (1/2) undivided interest in the same was conveyed unto the said Francis W. Jenkins by deed of the said Ralph C. Talbott and wife, dated July of 1955, and of record as aforesaid in Deed Book 103 at Page 53, as shown on a plat of survey made by Charles E. Tomlin, Jr., Certified Land Surveyor, dated November 29, 1965, attached hereto, made a part hereof and recorded herewith, reference is hereby expressly made to both of the said deeds and to the said plat for a further and more complete description of the herein described property.

PARCEL TWO: All that certain lot or parcel of land containing twelve and eighty-one one-hundredths (12.81) acres, more or less, but conveyed in gross and not by the acre, and situate, lying and being between the afore-described Parcel One and the State Highway and being the identical lot or parcel of land conveyed unto the said Francis W. Jenkins by deed of Josephine T. Chambers and husband and others, dated September 23, 1965, and of record as aforesaid in Deed Book 142 at Page 211, as shown on the aforesaid plat of survey, reference is hereby expressly made to said deed and to said plat for a further and more complete description of the herein described property.

Section 2. Additional Lands may become subject to this Declaration.

(a) The Developer, its successors and assigns, at any time prior to December 31, 1976, shall have the right to bring additional lands into the scheme of this Declaration. Such proposed additions if made shall become subject to assessment for their just share of Association expenses. The Common Properties within all such additions shall be devoted to the common use and enjoyment of all owners of properties which are subject to this Declaration. The Developer's rights to bring additional lands into the Declaration shall not be held to bind the Developer, its successors or assigns, to make the proposed additions or to adhere to the scheme in any subsequent development of the land described herein. The additions authorized under this and the succeeding sub-sections shall be made by filing of record a Supplementary Declaration of Covenants and Restrictions with respect to the additional property which shall extend the scheme of the Covenants and Restrictions of

this Declaration to such property. Such Supplementary Declarations may contain such complementary additions and modifications of the Covenants and Restrictions contained in this Declaration as may be necessary to reflect the different character, if any, of the added properties and as are not inconsistent with the scheme of this Declaration. In no event, however, shall such Supplementary Declaration revoke, modify or add to the covenants established by this Declaration within the existing property.

(b) Other Additions. Upon approval in writing of the Association pursuant to a vote of its members as provided in its Articles of Incorporation, the owner of any property who desires to add it to the scheme of this Declaration and to subject it to the jurisdiction of the Association, may file or record a Supplementary Declaration of Covenants and Restrictions, as described in sub-section (a) hereof.

(c) Mergers. Upon a merger of consolidation of the Association with another association as provided in its Articles of Incorporation, its properties, rights and obligations may, by operation of law, be transferred to another surviving or consolidated association or, alternatively, the properties, rights and obligations of another associaton may, by operation of law, be added to the properties, rights and obligations of the Association as a surviving corporation pursuant to a merger. The surviving or consolidated association may administer the covenants and restrictions established by this Declaration within the Existing Property together with the covenants and restrictions established upon any other properties as one scheme. No such merger or consolidation, however, shall effect any revocation, change or addition to the Covenants established by this Declaration within the Existing Property except as hereinafter provided.

## ARTICLE III

## MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

Section 1. Membership.

(a) Every person or entity who holds an equitable interest or an undivided equitable interest in any original lot whether as land contract vendee or fee holder being subject to these covenants and to assessment by the Association shall be a member of the Association provided that any such person or entity who holds such interest merely as a security for the performance of an obligation shall not be a member.

(b) Persons not holding an interest in any lot may become non-voting members of the Association under terms and conditions prescribed by the Board of Directors.

Section 2. Voting Rights.

The Association shall have one class of voting membership. Voting members shall be all those members who hold the interests required for Membership in Article III in Section 1 (a) above. When more than one person holds such interest or interests in any original lot, all such persons shall be members and the vote for such lot shall be exercised as they among themselves determine. In no event shall more than one vote be cast with respect to any such Original Lot.

## ARTICLE IV

## PROPERTY RIGHTS IN THE COMMON PROPERTIES

Section 1. Members' Easements of Enjoyment. Subject to the provisions of Article IV in Section 3, every member shall have a right and easement of enjoyment in and to the Common Properties and such easement shall be appurtenant to and shall pass with the title to every Original Lot.

Section 2. Title to Common Properties. The Developer may retain the legal title to the Common Properties until such time as, in the opinion of the Developer, the Association is able to maintain the same and to meet any existing obligations which may be a lien thereon, notwithstanding any provision herein, the Developer hereby covenants, for itself, its successors and assigns, that it shall convey the Common Properties to the Association not later than January 1, 1973.

Section 3. Extent of Members' Easements. The rights and easements of enjoyment created hereby shall be subject to the following:

(a) The right of the Developer and of the Association, in accordance with its Articles and By-Laws, to borrow money for the purpose of improving the Common Properties and in aid thereof to mortgage said properties. The members' rights and easements in the Common Properties shall be subordinate to any mortgage given by the Developer or Association as security for funds borrowed for the said improvements. Any indebtedness which shall be created for the purpose of making improvements to the Common Properties shall be an obligation of the Association. In the event of a default upon any such mortgage, the lender or mortgagee shall have all the rights afforded under the mortgage or security agreement and under the laws of the State of Virginia, including the right after taking possession of The Properties, to charge admission and other fees as a condition to continued enjoyment by the members, and if necessary to open the enjoyment of such properties to a wider public. If the mortgage indebtedness is satisfied and possession of the Properties returned to the Association, all rights of the members hereunder shall be restored; and

(b) The right of the Association to take such steps as are reasonable and necessary to protect the above described properties against foreclosure; and

(c) The right of the Association, as provided in its Articles and By-Laws, to suspend the enjoyment rights of any member for any period not to exceed thirty (30) days for any infraction of its published rules and regulations; and

(d) The right of the Association to charge reasonable admission and other fees for use of the Common Properties.

## ARTICLE V

## COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments.

The Developer being the owner of all The Properties hereby covenants and each subsequent owner by acceptance of a conveyance therefor, whether or not it shall be expressed in any such deed or conveyance, be deemed to covenant and agree to pay to the Association: (1) annual assessments or charges; (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 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 such assessment, together with such interest thereon and cost 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 such assessment is made. Each such assessment, together with such interest thereon and cost of collection thereof as hereinafter provided, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively for the purpose of promoting the recreation, health, safety and welfare of the residents in The Properties and in particular for the improvement and maintenance of properties, services and facilities devoted to this purpose and related to the use and enjoyment of the Common Properties and of the homes situated upon. The Properties, including but not limited to, the payment of taxes and insurance thereon and repair, replacement and addition thereto, and for the cost of labor, equipment, materials, management and supervision thereof.

Section 3. Basis and Amount of Annual Assessments. The annual assessment shall be $28.50 per original lot. The Board of Directors of the Association may, after consideration of current maintenance costs and future needs of the Association, fix the actual assessment for any year at a lesser amount.

Section 4. Special Assessment for Capital Improvements. In addition to the annual assessments authorized by Section 3 hereof, 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 or reconstruction, unexpected repair or replacement of a described capital improvement upon the Common Properties, including the necessary fixture and personal property related thereto, provided any such assessment shall have the affirmative of two-thirds (2/3) of the votes of all voting 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 at least thirty (30) days in advance and shall set forth the purpose of the meeting.

Section 5. Change in Basis and Maximum of Annual Assessments. Subject to the limitations of Section 3 hereof, and for the periods therein specified, the Association may change the maximum and basis of the assessments fixed by Section 3 hereof prospectively for any such period provided that any such change shall have the assent of two-thirds (2/3) of the voting 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 at least thirty (30) days in advance and shall set forth the purpose of the meeting, provided further than the limitations of Section 3 hereof shall not apply to any change in the maximum and basis of the assessments undertaken as an incident to a merger or consolidation in which the Association is authorized to participate under its Articles of Incorporation and under Article II, Section 2, hereof.

Section 6. Quorum for Any Action Authorized Under Sections 4 and 5. The quorum required for any action authorized by Sections 4 and 5 hereof shall be as follows:

At the first meeting called, as provided in Sections 4 and 5 hereof, the presence at the meeting of Members or of proxies, entitled to cast sixty (60) per cent of all the votes of the 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 4 and 5, and the required quorum at any such subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting, provided that no such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 7. Date of Commencement of Annual Assessments: Due Dates. The annual assessment provided for herein shall commence on the first day of March, 1967. The assessment for each succeeding year shall become due and payable on the first day of March of each year. No adjustments or prorations of assessments shall be made by the Association. For purposes of levying the assessment, assessments shall be considered as paid in advance and shall be levied against any property which is subject to this Declaration or Supplemenary Declarations. The due dates of any special assessment under Section 4 hereof shall be fixed in the Resolution authorizing such assessment.

Section 8. Duties of the Board of Directors. The Board of Directors of the Association shall prepare a roster of the properties and assessments applicable thereto at least thirty (30) days in advance of such assessment due date. Such assessment roster shall be kept in the office of the Association and shall be open to inspection by any owner.

Written notice of the assessment shall thereupon be sent to every owner subject thereto.

The Association shall upon demand at any time furnish to any owner liable for said assessment a certificate in writing signed by an officer of the Association, setting forth whether said assessment has been paid. Such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid.

Section 9. Effect of Non-Payment of Assessment: The Personal Obligation of the Owner; The Lien; Remedies of Association. If the assessments are not paid on the date when due (being the dates specified in Section 7 hereof), then such assessment shall become delinquent and shall, together with such interest thereon and cost of collection thereof as hereinafter provided, thereupon becoming a continuing lien on the property which shall bind such property in the hands of the then owner, his heirs, devisees, personal representatives and assigns. The personal obligation of the then owner to pay such assessment, however, shall remain his personal obligation for the statutory period and shall not pass to his successors in title unless expressly assumed by them.

If the assessment is not paid within thirty (30) days after the due date, a penalty fee not to exceed $2.00 shall be addded thereto and from that date interest at the rate of six (6) per cent per annum may be added to the delinquent balance and penalty and the Association may bring an action at law against the owner personally obligated to pay the same or to foreclose the lien against the property. There shall be added to such assessment, delinquent fee and interest, the cost of preparing and filing Complaint in such action and in the event that

Judgment is obtained, such Judgment shall include interest on the total amount as above provided, and reasonable attorney's fee to be fixed by the court together with the costs of the action.

Section 10. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any mortgage or mortgages now or hereafter placed upon the properties subject to assessment; provided, however, that such subordination shall apply only to the assessments which have become due and payable prior to a sale or transfer of such property pursuant to a decree of foreclosure, or any other proceeding in lieu of foreclosure. Such sale of transfer shall not relieve such property from liability for assessments thereafter becoming due, nor from the lien of any such subsequent assessment.

Section 11. Exempt Property. The following property subject to this Declaration shall be exempted from the assessments, charge and lien created herein; (a) all properties to the extent of any easement or other interest therein dedicated and accepted by the local public authority and devoted to public use; (b) all Common Properties as defined in Article I, Section 1 hereof; (c) all properties exempted from taxation by the laws of the State of Virginia, upon the terms and to the extent of such legal exemption.

Notwithstanding any provision herein, no land or improvements devoted to dwelling use shall be exempt from said assessments, charges or liens.

## ARTICLE VI

## ARCHITECTURAL CONTROL COMMITTEE

Section 1. Review by Committee. No building, fence, wall or other structure shall be commenced, erected or maintained upon the Properties, nor shall any exterior addition to or change or alteration therein be made until the plans and specifications showing the nature, kind, shape, height, materials and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Board of Directors of the Association, or by an architectural committee composed of three (3) or more representatives appointed by the Board. In the event said board or its designated committee fail to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it, or in any event, if no suit to enjoin the addition, alteration or change has been commenced prior to the completion thereof, approval will not be required and this Article will be deemed to have been fully complied with.

## ARTICLE VII

## BUILDING AND USE LIMITATIONS

Section 1. All lots of Corrotoman By the Bay Subdivision shall be limited to residential use, with the exception of well lots, recreational areas and reserved areas.

No building shall be erected, altered, placed or permitted to remain on any residential lot other than one or two family dwelling and private garages or out-buildings incidental thereto. All dwellings on water front lots must have a minimum enclosed living area of 820 square feet exclusive of open porches or attached garages. All dwellings on all back lots must have a minimum enclosed living area of 650 square feet exclusive of open porches or attached garages. All sructures shall be completed on the exterior within six (6) months from start of construction. No dwelling of a temporary nature, trailer, basement, tent, shack, garage, barn or other out-building shall be occupied or stored on any residential lot either temporarily or permanently, except upon approval of the Architectural Committee. No dwelling shall be located nearer than 25 feet to the front property line, except upon approval of the Architectural Committee which shall be only in unusual circumstances where the contour of the particular lot or lots will not allow building in areas beyond 25 feet. No structure shall be located nearer than 10 feet from any side lot line. No sign or any kind of advertising device shall be displayed to the public view on any residential lot except one professional sign of not more than one (1) foot square, other than signs used by a builder to advertise a new home previously unoccupied.

Section 2. No animals, livestock or poultry of any kind shall be raised or kept on any lot except dogs, cats or other household pets provided that they shall not be so maintained for any commercial purpose.

Trash, garbage or any other waste material shall be kept in sanitary containers or incinerators. Equipment for the storage or disposal of such materials shall be kept in a clean and sanitary condition.

All dwellings must be equipped with inside plumbing facilities. All sanitary plumbing shall conform with the minimum requirements and be approved by the Health Department of Lancaster County, Virginia.

Section 3. No well shall be placed on any residential lot in Corrotoman by the Bay Subdivision.

Section 4. Easements. Easements are reserved along and within 10 feet of the rear line and sidelines of all original

lots in the subdivision for the construction and perpetual maintenance of conduits, poles, wires and fixtures for electric lights, telephones and other public and quasipublic utilities and drainage and to trim any trees which at any time may interefere or threaten to interfere with the maintenance of such lines with right of ingress and egress from and across said premises to employees of said utilities. Said easement to also extend along any owner's side and rear property lines in cases of fractional lots. The person owning more than one lot may build on such lot line and the easement shall be inoperative as to said line provided that such building shall be placed thereon prior to the instigation of use of this easement for one of the foregoing purposes.

It shall not be considered a violation of the provison of easement if wires or cables carried by such pole lines pass over some portion of said properties not within the ten foot wide easement as long as such lines do not hinder the construction of buildings on the property.

Section 5. Variance. The purpose of the foregong Building and Use Limitations being to insure the use of the properties for attractive residential uses, to prevent nuisances, to prevent impairment of the attractiveness of the property, to maintain the desirability of the Community and thereby secure to each owner the full benefits and enjoyment to his home with no great restriction upon the free and undisturbed use of his property than are necessary to insure the same advantages to other owners. Any reasonable change, modification or addition to the foregoing shall be considered by the Developer and the Association and if so approved will then be submitted in writing to the abutting property owners and if so consented to in writing shall be recorded and when recorded shall be binding as the original Covenants.

The foregoing Building and Use Limitations shall not apply to the Common Properties.

## ARTICLE VIII

## GENERAL PROVISIONS

Section 1. Duration. The covenants and restrictions of this Declaration shall run with and bind the land and shall inure to the benefit of and be enforceable by The Association, or the owner of any land subject to this Declaration, their respective legal representatives, heirs, successors, and assigns for a term of twenty years from the date this Declaration is recorded, after which time said convenants shall be automatically extended for successive periods of ten (10) years unless an instrument signed by the then owners of two-thirds of the original lots has been recorded, agreeing to

change said convenants and restrictions in whole or in part. Provided, however, that no such agreement to change shall be effective unless made and recorded three (3) years in advance of the effective date of such change, and unless written notice of the proposed agreement is sent to every owner at least ninety (90) days in advance of any action taken.

Section 2. Notices. Any notice required to be sent to any member or owner under the provisions of this Declaration shall be deemed to have been properly sent when mailed, postpaid, to the last known address of the person who appears as a member or owner on the records of the Association at the time of such mailing

Section 3. Enforcement. Enforcement of these covenants and restrictions shall be by any proceeding at law or in equity against any person or persons violating or attempting to violate any covenant or restriction, either to restrain violation or to recover damages, and against the land to enforce any lien created by these covenants; and failure by the Association or any owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 4. Severability. Invalidation of any one of these convenants or restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

IN WITNESS WHEREOF, NORTHERN NECK RECREATIONAL DEVELOPMENT CORPORATION, by resolution of its Board of Directors, has caused these presents to be executed and to be signed by its President and its Corporate seal to be affixed hereto this _____ day of _____, 1967.

NORTHERN NECK RECREATIONAL DEVELOPMENT CORPORATION

BY: _____
Don L. Foote, President

(SEAL)

ATTEST:

_____
R.S. Mickey, Jr., Secretary

Article V

COVENANT FOR MAINTENANCE ASSESMENTS

Section 3 –Revision to conform:

In September 1972, using the guidelines in the Covenants, Article V, the assessment was raised from $28.50 per lot, per year, to $40.00 per lot, per year. This raise went into effect January, 1973.

In June of 1980, using the guidelines in the Covenants, Article V, the assessment was raised from $40.00 per year, per lot, to $50.00 per year, per lot. This raise in assessment went into effect, January 1, 1981.

In December of 1985, using the guidelines in the Covenants, Article V, the assessment was raised from $50.00 per year, per lot, to $60.00 per year, per lot. This assessment went into effect, January 1,1986

In December 1996, using the guide lines set forth in the Covenants, Article V, the assessment was raise from $60.00 per month per lot, to $80.00 per year, per lot. This assessment went into effect, January 1, 1997.

BUILDING AND USE LIMITATIONS

Section 1- Revision to conform:

On July 1, 1975 a new county zoning was enacted in Lancaster County requiring all permanent buildings to be set back twenty five feet (25) from all side property lines. (Covenants Article VII) Structure shall be located 75 feet (75) or more from the centerline of any street or road right of way, but, in no event less than fifty (50) feet from the edge of the right of way. This shall be known as the "setback line".

Accessory buildings are permitted, however, garages or other accessory buildings such as carports, porches, and stoops attached to the main building, shall be considered part of the main building. No accessory building may be closer than five (5) feet to any property line. No accessory building, which is within twenty (20) feet of any property lot line, shall be more than one (1) story high.

The minimum lot width for permitted use shall be one hundred (100) feet at the set back line.

This information was taken from the zoning ordinance, Lancaster Count, VA, effective, June 1, 1979. For further information see, Article 5- Residential- General District R-1, at the County Court House.

# BY-LAWS

of

THE CORROTOMAN BY THE BAY ASSOCIATION, INC.

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## ARTICLE I
## Name and Purpose

Section 1. The name of this Association shall be The Corrotoman By The Bay Association, Inc.

Section 2. The purpose is to own, acquire, build, administer and maintain community properties and facilities; to administer and enforce the Covenants and restrictions contained in these By Laws and in the Declaration of Restrictions herein incorporated by reference; to collect and disburse assessments and charges as permitted by these By Laws and the Declaration of Restrictions; and to do all things necessary and incidental, as permitted by law, to promote the common benefit and enjoyment of the residents of Corrotoman By The Bay.

To sell, convey and dispose of any ~~such~~ property and to invest and reinvest the principal thereof, and to deal with and expend the income and principal of the Corporation in such manner as in the judgement of the Directors will best promote its objects and purposes.

To receive, take title to, hold and use the proceeds and income of stocks, bonds, obligations or other securities of any Corporation or Corporations, domestic or foreign, but only for the foregoing purposes, or some of them.

In general, to exercise any, all and every power for which a non-profit Corporation organized under the provisions of the Virginia General Corporation Act can be authorized to exercise, but not any other power.

Notwithstanding any other provision of these Articles of Incorporation, this Corporation shall not conduct or carry on any activities not permitted to be conducted or carried on by an organization exempt under Section 501 (c) (7) of the Internal evenue

Code and other applicable legislation and regulations as they now exist or as they may hereafter be amended. No part of the funds of this Corporation shall inure to the benefit of any private member, shareholder or individual.

## ARTICLE II
## Membership

Section 1. Every person or entity who holds an individual equitable interest in any lot whether as Land Contract Vendee or fee holder being subject to these Covenants and to assessment by the Association shall be a member of the Association provided that any person or entity who holds such interest merely as a security for the performance of an obligation shall not be a member.

Section 2. Every individual or entity upon purchase of one or more lots in Corrotoman By The Bay agrees to abide by the Covenants and restrictions set forth in the Declaration filed by American Central Corporation of Virginia and recorded, beginning in Deed Book 149, page 6 in the Circuit Court Clerk's office for Lancaster County, State of Virginia and the By-Laws of this Association. Since membership in the Corrotoman By The Bay Association and payment of annual maintenance assessments thereto are necessary to the existence, use and enjoyment of the community properties and available facilities, each property owner and member covenants to submit an application for a purchaser of his property, for membership to the Board of Directors prior to executing any sales agreement or transfer of title. The Association shall issue, upon request of a purchaser or present lot owner, a certificate showing that all prior assessments have been paid if that is the situation. Such certificate shall be conclusive proof that no past assessments are due and owing relative to the lots identified therein.

Section 3. The rights of membership are subject to the payment of annual maintenance assessments and special assessments properly imposed. These membership rights are suspended during any period when the assessments remain unpaid. Upon payment of said assessments, these rights and privileges of membership, including use of the community properties, shall be automatically restored. Membership rights and privileges are subject to conduct of each member in accord with those reasonable standards determined from time to time by the Board of Directors.

Section 4. Each member in good standing, who has paid all assessments, shall

be entitled to the use and enjoyment of the common properties and facilities unless suspended per cause by action of the Board of Directors.

## ARTICLE III
## Voting Rights

Section 1. The Association shall have one class of voting membership. Voting members shall be all those members who hold the interest required for membership in Section 1 of Article II and who are in good standing. Each lot is entitled to one vote regardless of ownership.

Section 2. Any member may vote by proxy, provided that no proxy shall be effective unless filed with the Secretary prior to the meeting.

Section 3. Voting by members may be by way of vocal response, but any ten members present in person or by proxy may demand a roll call vote.

## ARTICLE IV
## Powers and Duties

The Association shall have the following supervisory powers and duties which shall be exercised for the mutual benefit of all members:

Section 1. To keep and maintain common properties in a clean and orderly condition.

Section 2. To exercise such control and maintenance over the common properties as it may deem necessary or desirable.

Section 3. To do all things necessary or incidental to the protection of plant and wild life in the common properties and in and about the subdivision.

Section 4. To provide for the erection or maintenance of gateways, entrances, or other ornamental features as now existing hereafter to be erected or created.

Section 5. To build and/or maintain recreational facilities.

Section 6. To enforce, either in its own name, or in the name of any real estate owner or owners, as may be necessary, all Covenants and restrictions which have been, are now, or may hereafter be imposed

upon any real estate in said Corrotoman By The Bay, or any additions thereto. The expenses and costs of these proceedings shall be paid out of the general funds of the Association.

Section 7. Whenever a property owner member maintains his property in a manner detrimental to the best interest of the Association and the Community, the Board of Directors shall give such owner formal notification of its awareness of the condition or conditions. If the condition or conditions are not corrected within a time period deemed reasonable by the Board and set forth in the formal notice, the Board of Directors shall correct the conditions and assess the cost thereof as a special assessment against the property or properties involved.

## ARTICLE V
## Length of Existence

The term of the corporate existence is perpetual.

## ARTICLE VI
## Membership Meetings

Section 1. Annual Meetings. The regular annual meeting of the Association shall be held on the first Sunday of May in the State of Virginia at such time and place as the Board of Directors shall determine.

Section 2. Thirty days notice of the annual meeting shall be given to each member by mail, addressed to his last known address as recorded with the Association. The notice shall set out in reasonable detail the business to be brought before the meeting and each meeting shall be limited to the items set out in the notice in order that those casting absentee ballots may be permitted to express their desires. Members present may make suggestions covering items which they feel should be brought before the membership. If any such suggestions are approved by proper resolution of those members present, it shall be the duty of the Secretary to present such resolution to the members for consideration at the next regular or special membership meeting. It shall further be the duty of the Secretary to include with the notice of any regular or special membership meeting such suggestions or requests as may be properly presented in writing and endorsed by twenty-five or more individual members in good standing, providing such requests are received at least sixty (60) days prior to the meeting date.

*Section 3.* *The order of business at the annual meeting shall be as follows:*

*(a) Roll call*
*(b) Reading of the minutes of the previous meeting*
*(c) Reports of the Officers*
*(d) Reports of the Committees*
*(e) Unfinished business*
*(f) New business*
*(g) Election of Directors*

*Section 4.* *If, for any reason, the annual meeting shall not be held on the day designated for lack of a quorum or otherwise, such meeting may be called and held as a special meeting and proceedings may be had thereat as at an annual meeting, provided, however, that the notice of such meeting shall be the same as required for the annual meeting, not less than thirty days notice.*

*Section 5.* *Special meetings of the Association may be called by the President or the Board of Directors, and shall be called by the President whenever requested in writing by twenty-five or more members who are in good standing. Such request shall clearly state the purpose for which the meeting is to be called. The Board of Directors may authorize a submission of additional matters for the consideration of the members at such meetings provided such additional matters shall be set forth in the notice. Matters discussed at the special meeting will be limited to those set forth in the notice.*

*Section 6.* *At least thirty (30) days notice of any special meeting shall be given to each member by mail at his last known address as recorded with the association.*

*Section 7.* *Members may cast their votes either in person or by proxy when duly filed with the Secretary. The form of the proxy shall be determined by the Board of Directors.*

*Section 8.* *A member must be in good standing. His annual and special assessments must be current in order for him to participate in the annual membership voting.*

*Section 9.* *It shall be the duty of the Secretary to prepare a list of the members entitled to vote at each meeting against which list all members voting, whether by proxy or in person, shall be checked, either by the Secretary, or by some individual designated by the Board of Directors.*

Section 10. The presence of twenty-five votes, either in person or by proxy, shall constitute a quorum for the transaction of business, except when the subjects of special assessments for capital improvements and changes in basis and maximum of annual assessments are considered, wherein the quorum shall be as required in Article V, Section 6 of the Declaration of Restrictions.

Section 11. Voting shall be by majority of the votes present as represented by persons and/or proxies.

Section 12. The President shall preside over annual and special meetings of the membership.

## ARTICLE VII
## Duties of the Board of Directors

Section 1. The management, affairs and policies of the Association shall be vested in the Board of Directors, each of whom must be a member of the Association in good standing. The number of Directors shall be nine. At the annual meeting there shall be three Directors elected for terms of three years.

Section 2. All Directors shall serve until their successors are elected.

Section 3. The Directors shall fill all vacancies created by death or resignation. Directors so chosen shall hold office until the next annual election and until their successors are duly elected and shall qualify.

Amendment: Directors so chosen shall fill the term of office.

Section 4. Directors shall appoint a nominating committee which shall place in nomination for directors at least as many names as there are nominees to be elected at the annual meeting.

Section 5. Members of the Association may nominate other members as candidates for Directors. Such nominations shall be in writing signed by the members making them and shall be placed in the hands of the Secretary on or before sixty (60) days prior to the date of the election.

Section 6. The Board of Directors shall after the annual meeting select a President, one or more Vice Presidents, a Secretary, a Treasurer, and an Assistant Treasurer to serve until the next annual meeting

and until their successors are elected. All officers of the Association shall be elected members of the Board of Directors, except that the Treasurer and the Assistant Treasurer may be appointed as nonvoting members by majority vote of the elected Board.

Section 7. Powers: The business of the corporation shall be managed by its Board of Directors which may exercise all such powers of the corporation and do all such lawful acts and things as are not by law or by the Articles of Incorporation or by these By-Laws directed or required to be exercised or done by the shareholders. The powers of the Board of Directors shall include the power to authorize the making and execution on behalf of the corporation of any lawful contracts, to employed agents and employees, to fix their compensation, to prescribe their duties, to dismiss any agent or employee without previous notice and generally to control all the affairs of the corporation. The Board of Directors shall also have the power to borrow funds, to mortgage, pledge or otherwise encumber the assets of the Association as security, together with the right to assign, as further security, dues and capital assessments due or to become due the Association. The Board of Directors has the power to raise funds to maintain a reserve fund in compliance with State of Virginia requirements.

Section 8. A quorum of five members of the Board of Directors is necessary for the transaction of any business.

Section 9. The Board of Directors may appoint or authorize the President to appoint such committees as the Board deems necessary to carry on the affairs of this Association, and it shall define the powers and duties thereof. The committees so appointed shall hold office during the pleasure of the Board of Directors.

Section 10. At the first annual meeting, three directors shall be elected to terms of three years, three directors shall be elected to terms of two years, and three directors shall be elected to terms of one year. Thereafter, directors shall be elected to terms of three years.

Section 11. The Board of Directors shall appoint an Architectural Control Committee pursuant to Article VI of the Declaration of Restrictions.

## ARTICLE VIII
## Officers

Section 1. President: He shall have general and active management of the business of the Association and shall see that all orders and

resolutions of the Board are carried into effect. He shall preside over all meetings of the Board of Directors. He shall have authority to sign checks and shall, if requested by the Board, be bonded, the fee for any bond being paid from funds of the Association. He shall sign all legal documents authorized for his signature by the Board of Directors. He shall appoint a chairman for all standing committees. He shall be an ex-officio member of all committees.

Section 2. Vice President: The Vice President shall act in the place of the President in his absence. He shall serve as custodian of the various insurance coverages required by the Association, and shall be responsible for maintaining existing coverage in force, and for making recommendations to the Board for modifications, extensions, or other changes to existing coverage. He shall also perform such other duties as may be delegated by the President.

Section 3. Secretary: The Secretary shall keep the minutes of all meetings of the Association and of the Directors, and shall preserve in the books of the Association true minutes of the proceedings of all such meetings. He shall give all notices required by statute, by-law or resolution. He shall keep a record of the names and addresses of all members of the Association, the property owned by each, and of all transfers of membership.

Section 4: (1) Treasurer: The Treasurer shall have the responsibility for the accounting and related financial records pertaining to the Association, including all money, corporate funds and securities of the Association and shall keep in books belonging to the Association full and accurate accounts of all receipts and disbursements. The Treasurer shall be responsible for the preparation and filing of all necessary State and Federal returns. The Treasurer shall deposit all moneys, securities, and other valuable effects in the name of the Association in such depositories as may be designated for that purpose by the Board of Directors. The Treasurer shall disburse the funds of the Association as may be ordered by the Board, taking proper vouchers for such disbursements, and render to the President and Directors, at regular meetings of the Board, and whenever requested by them, an account of all transactions as Treasurer and of the financial condition of the Association. The Treasurer shall send to the lot owners all notices as to amounts due the Association for dues and assessments. The Treasurer shall advise the Board as to all delinquencies in assessments and shall keep them informed as to expiration dates of insurance policies covering Association

*properties. The Treasurer shall cause an audit function to be performed at the close of each fiscal year and shall perform such other duties as are delegated by the Board of Directors. The Treasurer shall prepare a proposed budget for the forthcoming fiscal year for presentation to the Board of Directors for its approval at its first scheduled meeting subsequent to the fiscal year end. The Treasurer may appoint another board member to serve as an Assistant Treasurer to aid with the above tasks.*

***Section 5 to be deleted.***

***Section 6.*** *Architectural Control. The Architectural Committee will be composed of three (3) or more property owners. The Chairman will be a member of the Board of Directors of the Corrotoman By The Bay Association appointed by the President.*

*All plans for buildings, fences walls, boat houses, exterior changes, additions or alterations prior to commencing construction, shall be submitted to and approved in writing by the Architectural Committee. In the event said Board or Committee fails to approve or disapprove such design and location within thirty (30) days after said plans have been submitted approval will not be required.*

*The Chairman shall have the responsibility for maintaining all architectural records. These records will consist of all plans submitted to the committee and letters of approval or disapproval written by the committee.*

## *ARTICLE IX*
## *Indemnification*

***Section 1.*** *Each person who acts as a Director or Officer of the Corporation shall be indemnified by the Corporation against expenses actually incurred by him in connection with the defense of any action, suit or proceeding in which he is made a party by reason of his being or having been a director or officer of the Corporation, except in relation to matters as to which he shall be adjudged in such action, suit or proceeding to be liable for gross negligence or willful misconduct, and except any sum paid for the Corporation in settlement of an action, suit or proceeding based on gross negligence or willful misconduct in the performance of his duties.*

***Section 2.*** *The right of indemnification provided herein shall insure to each*

director and officer referred to in Section 1 whether or not he is such director or officer at the time such costs or expenses are imposed, and in the event of his death shall extend to his legal representatives.

## ARTICLE X
## Dissolution

The Association may be dissolved only with the assent given in writing by members entitled to cast two-thirds of its membership vote. Written notice of a proposal to dissolve, setting forth the reasons therefore and the disposition to be made of the assets (which shall be consonant with Article XI hereof) shall be mailed to every member at least ninety (90) days in advance of any action taken.

## ARTICLE XI
## Disposition of Assets Upon Dissolution

Upon dissolution of the Association, the assets, both real and personal of the Association, shall be dedicated to an appropriate public agency to be devoted to purposes similar to those to which they were required to be devoted by the Association. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any non-profit corporation, association, trust or other organization to be devoted to purposes similar to those to which they were required to be devoted by the Association.

## ARTICLE XII
## Amendments

These By-Laws may be amended either by the majority vote of the membership at an annual meeting or special meeting called for that purpose, or by the affirmative vote of two-thirds of the Board of Directors.

## AMENDMENT

## ARTICLE VII – SECTION 3

Section 3. Add - Directors so chosen shall complete the term of office.

Revised by the Board of Directors April 14, 1998, April 7, 1984 and May 11, 2002.