

BY-LAWS OF STAGECOACH EAST PROPERTY OWNER'S ASSOCIATION

Article I

Name, Location, and Purposes

1. Name: The name of the Association is the Stagecoach East Property Owner's Association, hereinafter referred to as "POA."
2. Location: The location of the POA is the Stagecoach East Development in Rockbridge County, Virginia. The office of the POA shall be in the home of the current elected Chairperson.
3. Purposes: The purposes of the POA are:
 - to administer the covenants of the POA, filed as RESTRICTIVE COVENANTS OF THE STAGECOACH EAST SUBDIVISION, and
 - to maintain the private road in the development, East Ridge Drive.

Article II

Membership and Voting

1. Membership: Each lot owner is a member of the POA. Ownership of a lot is the sole qualification for membership. Each lot carries with it one membership, regardless of the number of persons holding an interest or joint ownership in such lot. No person or legal entity holding a lien or security interest against any property shall be granted membership in the POA.
2. Voting Rights: Each member is entitled to cast one vote for each lot he or she owns, for a total of 14 votes.
3. Transfer of Membership: On the date of the final sale or transfer of a property in the development, the new owner becomes a member in full standing. The new property owner becomes responsible for annual dues beginning in the next fiscal year and becomes responsible for any special assessment(s) approved by the membership following the date of the final sale or transfer of the property.
4. Suspension of Voting Rights:
 - a) If a member is more than 60 days in default in the payment of annual dues or any special assessment, his or her voting rights shall be suspended until payment is made,
 - b) When a member ceases to be the home or lot owner in the Stagecoach East Development, his or her membership in the POA automatically terminates.
5. Non-discrimination: The POA shall not discriminate against individuals or groups on the basis of race, religion, color, gender, sexual orientation, age, disability, national origin, income or political affiliation in any of its policies or actions.

Article III

Meetings of Members

1. Annual meeting: A meeting of the members shall be held annually at a time and place designated by the Chairperson of the POA. Notice of the annual meeting shall be provided by email or US mail at least 30 days in advance of the meeting date. The agenda for the meeting shall be provided by email or US mail at least seven days before the date of the meeting.
2. Special meetings: A special meeting may be called at any time by the Chairperson or by written request by at least 3 votes of the membership. An agenda for a special meeting will accompany written notice of the meeting, provided no less than seven days in advance of the meeting date. In an emergency situation, the Chairperson may attempt to convene a special meeting immediately.
3. Quorum: At a meeting of members, the presence of at least 67% of the lots entitled to cast votes (9 votes) shall constitute a quorum for doing business.
4. Participation: Members shall be considered to be present at the meeting either by attending in person or by participating by telephone or electronic means. Members should notify the Chairperson of the intention to participate by telephone or electronic means at least two days in advance of the meeting, and must make all necessary arrangements for such participation. A member who has submitted a proxy shall also be considered to be present.
4. Voting:
 - All members may vote in person or by proxy. All proxy votes shall be received in writing or electronically transmitted to the Chairperson or Secretary/Treasurer at least two days in advance of the meeting.
 - The Chairperson may call for an email or U.S. mail vote of all members when appropriate. The Chairperson will set a reasonable deadline for receiving members' votes. In such a case, the percentage of yes votes required for approval shall be considered to be 67% (9 votes.)
 - The percentage of yes votes required for approval for all matters before the association is specified in the By-Laws below.
 - Percentages required to approve all matters before the POA are calculated by rounding up or down to the nearest whole number. For example 67% of 14 lots = 9.38, therefore is rounded down to 9 votes. 80% of 14 lots = 11.2, therefore is rounded down to 11 votes.

Article IV Officers and Their Duties

1. Officers: The officers of the POA shall be a Chairperson and a Secretary/Treasurer, whom shall be elected by the membership of the POA.
 - Officers must be members of the POA in good standing.
 - Each officer must be resident of the development and be at least 18 years of age.
 - Officers should not be related to each other or co-own a property.
 - Each officer shall serve a two-year term and may be re-elected. The term shall begin at the adjournment of the annual meeting.
 - No officer shall receive compensation for any service he or she may render to the POA. However, an officer may seek reimbursement for any actual expenses incurred in the performance of his or her duties.
2. Nomination and Election:

- Any member in good standing may be nominated for office by any other member.
- Nomination of persons for election may take place before or at the annual meeting.
- Election of officers shall take place at the annual meeting.
- Members or their proxies may cast, in respect to each office, one vote per membership.

The person receiving the largest number of votes shall be elected.

3. Resignation: An officer may resign at any time by giving written notice to the other elected officer. Resignation will take effect on the date of receipt or at any later time specified in the notice.

4. Removal: An officer may be removed from office by a 67% vote of all members (9 votes) at the next official annual or special meeting.

5. Replacement of officers: Pursuant to the resignation or removal of an officer, a replacement will be elected at a special meeting called by the remaining elected officer.

6. Chairperson: The Chairperson of the POA shall:

- designate the time and place of the annual meeting and any special meetings.
- preside at meetings of the POA
- provide general supervision over the activities of the POA
- see that all resolutions of the full membership are implemented
- execute and sign all agreements, documents, contracts, and initiate any necessary legal actions recommended by the ACC or the Road Committee in the name of the POA
- approve invoices for payment
- provide an annual report concerning the POA's activities to the membership at the annual meeting
- designate a member to serve as Secretary in the event the elected Secretary is absent at a meeting.
- serve on standing committees as specified below.

7. Secretary/Treasurer: The Secretary/Treasurer of the POA shall:

- provide notice of all meetings and of any dues or assessments to the membership
- record the votes and actions of the full membership
- maintain a record of all proceedings at meetings and distribute draft minutes for comment and correction to all members within 30 days of meetings. Final minutes shall be distributed no later than 60 days after the meetings.
- maintain the official files and records of the POA
- handle any correspondence on behalf of the POA that does not require the Chairperson's signature
- serve as presiding officer in meetings at which the Chairperson is absent
- maintain the financial records and the bank account of the POA
- receive fees, assessments, and any other funds
- disburse funds as approved by the membership
- pay the annual premium on all policies carried by the POA.
- provide status of payments (dues and special assessments) to the Settlement Agent for any properties for sale
- reimburse officers or other members for expenses incurred

- provide an annual report of the finances of the POA at the annual meeting
- serve on standing committees as specified below.

Article V Standing Committees

1. Architectural Control Committee: The Architectural Control Committee (ACC) shall consist of three members: the two officers and a third elected member, who shall serve as chair of the ACC. Members shall serve two-year terms and may be re-elected. The procedures for nominations and election for the third member of the ACC shall be the same as that for officers (see IV.2). If a vacancy occurs, a replacement will be elected at a special meeting called by the Chairperson.

- Purpose: The ACC shall:
 - approve (or deny) plans for all new construction or external improvements to buildings and other structures on lots in the development to conform to the POA covenants;
 - communicate to members and new owners the process for requesting approval for construction or remodeling activities;
 - monitor compliance with all approved covenants;
 - make recommendations to the full membership, when necessary, to seek damages, bring a legal action, or file a lien against any member in non-compliance with a covenant.

□ Procedures:

- The votes of two of the members of the ACC are required to approve plans.
- Approval, or a request for revision of plans, must be sent in writing to the applicant within 30 days of receipt of such plans. Clear explanations of any unacceptable items or issues in the event of denial must be provided in writing. If the ACC does not approve or disapprove within 30 days after plans and specifications have been submitted, the plans will be considered approved.
- The ACC may request the applicant to submit any of the following for their review: blueprints detailing square footage of each floor; elevations of the exterior; a site plan showing placement of the structure and other improvements, including driveways and parking areas, the name of the principal contractor, a proposed schedule for construction, and other information deemed relevant and necessary.
- An applicant may appeal the decision of the ACC to the full membership of the POA by sending written notice of the appeal to the Chairperson within ten days of receipt of the ACC's decision. An appeal will be considered by the full membership; the Chairperson will call a special meeting. An appeal will require a vote of 67% of members (9 votes) to be approved. The Chairperson shall notify the applicant of the decision within 30 days of receipt of the appeal.

- During construction, members of the ACC may visit the site and will inform the owner immediately in writing of any problem. The ACC shall be notified of any changes to the construction plans and shall be given a copy of the Certificate of Occupancy when it has been issued to the owner.
 - If the ACC reasonably determines that a member has failed to comply with a Covenant, the Chairperson will first attempt to resolve the matter amicably. If the issue is not resolved to the satisfaction of the ACC, or if the member has not initiated the work necessary to resolve the issue, the ACC may recommend a course of action to the full membership. Such actions may include legal actions such as placing a lien against the property; the POA may also seek to collect any related costs, including attorneys' fees. To approve the proposed action, 67% of all members (9 votes) must vote "yes."
2. Road Committee: The Road Committee (RC) shall consist of three members: the two officers and a third elected member, who shall serve as chair of the RC. Members shall serve two-year terms and may be re-elected. The procedures for nominations and election for the third member of the RC shall be the same as that for officers (see IV.2). If a vacancy occurs, a replacement will be elected at a special meeting called by the Chairperson.
- Purpose: The RC shall:
- be responsible for supervising the maintenance of East Ridge Drive. Such maintenance may include: repair of the road such as grading, graveling, monitoring drainage structures, as well as all-weather access such as snow removal;
 - make recommendations to the full membership for any expenditures for items included in the Committee's responsibility;
 - present a budget for the coming fiscal year at the annual meeting and recommend the annual fee or any special assessments;
 - negotiate the price and scope of work with contractors;
 - work with individual lot owners to encourage maintenance and clearing of the drainage ditches and to propose repairs of any problems on their property that may be adversely affecting the road.

Article VI Special Committees

1. Any member may recommend the formation of a special or ad-hoc committee. The charge, membership, and duration of such a committee should be made clear in the recommendation. A simple majority of members present at the meeting will approve the formation of such a committee.

Article VII Fees and Assessments

1. Annual Fee: The Annual Fee, equal for each lot, to be used primarily for road maintenance, will be determined at the first Annual Meeting, not to exceed \$250.00. The amount of the annual

fee shall pass if 67% of all members (9 votes) approve. The annual fee is due within 30 days after it is approved at the annual meeting.

2. Special Assessment: The Road Committee may recommend a special assessment, equal for each lot, for any extraordinary maintenance or repair work that is deemed necessary. Thorough documentation and any estimates of the work shall be provided. The vote on a special assessment may take place at the annual meeting or a special meeting. Notice of the proposed special assessment must be sent to the membership at least 20 days prior to the date of the meeting. (Advanced notice may be suspended in an emergency situation.) Any vote on the setting of any special assessment shall pass if 67% of all members approve (9 votes).

3. Compliance: All members are obligated to pay the approved POA annual fee and special assessments. Payment is due within 30 days after it is approved at the annual meeting; if the assessment is large, the membership may establish a payment plan over time (with or without modest interest). Payments more than 30 days overdue will incur a \$25 late fee per month. The POA may bring a legal action or lien against any member who does not pay the fee or assessment. In such a case, late fees, court costs, attorney fees, and other reasonable costs may be added to the original amount of the annual fee or assessment. No owner may waive or otherwise escape liability for a fee or assessment by abandoning the lot.

Article VIII Covenants

1. Existing Covenants: Upon formal creation of the POA, the existing Covenants for the Stagecoach East Development shall remain in force.

2. Modifications, Additions or Deletions: Any modification, addition, or deletion may be proposed by any member, and should be sent to the Chairperson, with proposed wording and rationale, sufficiently in advance to be added to the agenda to be distributed prior to the annual or special meeting. The vote will take place at the next official meeting. Changes to any of the Covenants can be made by a vote of 80% of the members (11 votes), with each lot receiving one vote.

3. No retroactivity: In no case will amendments or changes to Covenants be retroactive, and therefore such amendments will not require modifications to existing structures or improvements, nor the termination of any activities that were not in violation of prior Covenants, restrictions, or conditions.

Article IX Grievances

1. Grievance: Any member or members may submit a grievance in writing to the Chairperson of the POA.

2. Review and Resolution: Within 30 days of receipt of the complaint, the Chairperson shall call a special meeting of all members for the petitioner to make his or her case. A resolution of the grievance shall require a vote of 67% of all members (9 votes).

Article X
Conflict of Interest

1. Conflict of Interest: No member of the POA may vote on any matter that may represent an actual or potential conflict of interest, and the member must disclose that a conflict exists. Conflicts of interest may include, for example, entering contracts with family members or with entities in which the member himself or herself has an interest.

Article XI
Liability and Indemnification

1. Liability of Officers: The officers of the POA shall not be liable to the members of the POA for any mistake of judgment or otherwise, except in the case of individual willful misconduct or bad faith. The members shall indemnify and hold harmless each of the officers against all contractual liability to others made on behalf of the POA unless any such contract shall have been made in bad faith or contrary to provisions in these By-Laws or the approved Covenants of the POA. It is intended that the officers shall have no personal liability beyond their potential liability as members of the POA and lot owners in the Stagecoach East Development.
2. Indemnification: The POA shall indemnify any officer against judgments and expenses (including attorneys' fees) that may be reasonably incurred by him or her in connection with the defense or as a consequence of any pending or completed action or lawsuit in which he or she is a party by reason of being or having been an officer, except in matters where he or she shall be adjudged to be liable for gross negligence, willful misconduct, or an action contrary to local, state or federal law in the performance of a duty.
3. Insurance: The POA may purchase and maintain liability insurance on behalf of any person who is or was an officer, and on behalf of the POA as a whole.

Article XII
Adoption and Amendments

1. Adoption: These By-Laws shall be considered officially adopted, and the Stagecoach East Property Owners Association officially created, by a vote of 67% of the lot owners (9 votes) in the Stagecoach East Subdivision, with each lot casting one vote.
2. Amendments: After adoption, these By-Laws may be amended at the annual or special meeting by 67% of all members (9 votes), with each lot casting one vote. Proposed language and rationale for any amendment to the By-Laws should be sent to the Chairperson sufficiently in advance to be added to the agenda to be distributed prior to the annual or special meeting.

Approved September 17, 2015