

**BYLAWS**  
**Of**  
**CHANCELLOR WEST**  
**HOMEOWNERS' ASSOCIATION, INC.**

**ARTICLE I**

Identity

These are the Bylaws of Chancellor West Homeowners' Association, Inc. (the Association). The provisions of these Bylaws are applicable to Chancellor West (Chancellor West), and the terms and provisions hereof are expressly subject to those terms, provisions, and conditions and authorizations contained in the Articles of Incorporation and the Declaration of Covenants, Conditions and Restrictions which has been recorded in the Clerk's office of the Circuit Court of Spotsylvania County, Virginia. Reference is hereby made to Article I of the Declarations for the meaning of certain initially capitalized terms used herein.

**ARTICLE II**

Meetings of Members

Section 1. Annual Meetings. Members shall hold an annual meeting on a date to be determined by the Board of Directors. The first annual meeting shall take place within 18 months following the recordation of the Declarations referred to above. If the day for the annual meeting of the Members is a Sunday or legal holiday, the meeting will be held on the next succeeding business day which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the Members may be called at any time by any member of the Board of Directors, or upon written request of the Members who are entitled to vote having 15 percent of all the votes of the Class A and Class B membership.

Section 3. Notice of Meetings. Written notice of each meeting of the Members shall be given by, or at the direction of, the Chairman of the Board of Directors or such other person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least 10 days but not more than 50 days before such meeting to each Member entitled to vote at such meeting.

Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting the purpose or purposes for which the meeting was called. Such notice shall be addressed to the Member's address last appearing on the books of the Association, or supplied by such Member to the Association for the purpose of notice. Notice to act on an amendment of the Articles of Incorporation or a plan to merger or consolidation shall be delivered or sent in the manner provided above, at least 25 days but not more than 50 days before such meeting, to each Member entitled to vote at such meeting.

Section 4. Quorum. Subject to the provisions of the Declaration, the presence at the meeting of the Members, or proxies, entitled to cast at least 60 percent of all the votes of those Members who are entitled to vote shall constitute a quorum until Declarant is no longer a Member. When Declarant is no longer a Member, the presence at the meeting of Members or of proxies entitled to cast 15 percent of all the votes of those Members who are entitled to vote shall constitute a quorum.

Section 5. Proxies. At all meetings of Members, each Member shall vote in person or by proxy. All proxies shall be revocable and shall automatically cease upon conveyance by the Member of his lot.

### ARTICLE III

#### Board of Directors

Section 1. Number and Qualification. The number of Directors of the Association shall not be less than two. Until the first annual meeting, the affairs of the Association shall be managed by a Board of four Directors, who need not be Members of the Association. At the first annual meeting, the number of Directors shall be increased to five, and one of the five Directors shall be a Member of the Association.

Section 2. Compensation. No Director shall receive any compensation for any service he may render to the Association. However, any Director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 3. Action Taken Without a Meeting. The Directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

Section 4. Meeting by Telephone. The Board of Directors may participate in a meeting by means of a conference telephone or similar communications equipment whereby all persons participating in the meeting can hear each other. A written record shall be made of any action taken at any such meeting.

## ARTICLE IV

### Nomination and Election of Directors

Section 1. Nomination. Nomination for election to the Board of Directors may be made by any member of the Board of Directors or of the Association at the annual meeting. The nominees may be 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 Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

Section 3. Term. Each Director of the Association shall be elected annually by the Members and each shall hold office for one year unless he or she shall sooner resign, or shall be removed, or otherwise be disqualified to serve. The term of the newly elected Directors shall commence three weeks after the date of the annual meeting at which the election was held.

Section 4. Replacement. Should a Director be removed, resign, or otherwise become disqualified to serve, a replacement to complete the remainder of the vacant term may be appointed by majority vote of the remaining Directors.

## ARTICLE V

### Meetings of Directors

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held annually without notice, at such place and hour as may be fixed from time to time by the Board.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any two Directors, after not less than 3 days' notice to each Director.

## ARTICLE VI

### Powers and Duties of the Board of Directors

Section 1. Powers. The Board of Directors shall have all of the powers necessary for the administration of the affairs of the Association, including:

(a) the power to adopt and publish Rules and Regulations governing the use of the Common Areas and facilities, and the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction thereof provided, however, that such Rules and Regulations shall not be in conflict with the Declaration;

(b) the power to suspend the voting rights and, if applicable, the power to suspend a Member's right to use the recreational facilities, if any, during any period in which such Member shall be in default in any payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed ninety days for infraction of published rules and regulations;

(c) the power to employ a manager, maintenance personnel and such other employees as they deem necessary, and to prescribe their duties; and

(d) all other powers necessary to implement and effectuate the objectives set forth in the Declaration and the Rules promulgated thereunder.

### Section 2. Duties.

(a) It shall be the duty of the Board of Directors to:

(i) cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members, or at any special meeting when such statement is requested in writing by one-fourth of the Class A Members who are entitled to vote;

(ii) supervise all officers, agents and employees of the Association, and to see that their duties are properly performed;

(iii) establish the means and methods of collecting assessments from the owners;

(iv) conduct the business of the Association so that it shall qualify for tax exemption under the Internal Revenue Code;

(v) procure and maintain adequate liability and hazard insurance on property owned or leased by the Association;

(vi) implement and effectuate any other objectives set forth in the Declaration or Rules promulgated thereunder;

and

(vii) solicit comments and discussion from Members at an annual or special meeting prior to making expenditures in excess of \$3,000 for capital improvements or equipment except when such expenditures are necessary to safeguard equipment or property from damage due to unforeseen circumstances or to meet health and safety requirements set by the state or other competent authority.

(b) The Board of Directors may assign its duty of collecting assessments to Chancellor West Association, Inc. (the Master Association) provided that the majority of the Directors must approve any legal proceeding commenced in the name of the Association.

## ARTICLE VII

### Officers

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 elect.

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. Each officer of the Association shall be elected annually by the Board and each shall hold office for one year unless he or she shall sooner resign, or shall be removed, or otherwise be disqualified to serve.

## ARTICLE VIII

### Books and Records

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any Member on terms and conditions determined by the Board of Directors. The Articles of Incorporation and the Bylaws of the Association shall be available for inspection by any Member at such place as may be designated by the Board of Directors, and copies shall be available for purchase by the Members at reasonable cost.

## ARTICLE IX

### Assessments

Each owner is obligated to pay to the Association annual and special assessments which, together with interest thereon and costs of collection thereof (including reasonable attorneys' fees), are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within 30 days after the due date, the assessment shall bear interest from the due date at the maximum annual rate permitted by law and the Association may bring an action at law against the Owner personally obligated to pay the same or may foreclose the lien against the property subject

to the assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of the Common Areas or by abandonment of his lot.

#### ARTICLE X

##### Corporate Seal

The seal of the Association shall be a flat-faced circular die (of which there may be a number of counterparts) with the words "CORPORATE SEAL" engraved thereon.

#### ARTICLE XI

##### Fiscal Year

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

#### ARTICLE XII

##### Amendments

These Bylaws may be altered, amended or repealed and new Bylaws may be adopted at an annual or special meeting of the Directors by majority vote.