

BYLAWS

OF

SPRING HILL HOMEOWNERS ASSOCIATION, INC.

ARTICLE 1

Name and Location

The name of the corporation is SPRING HILL HOMEOWNERS ASSOCIATION INC., hereinafter referred to as the "Association". The initial principal office of the corporation shall be located at c/o Property Management People, Inc., 92 Thomas Johnson Drive, Suite 170, Frederick, Maryland but meetings of Members and Directors may be held at such places within or outside the State of West Virginia as may be designated by the Board of Directors.

ARTICLE 2

Definitions

Section 2.1. "*Administrative Resolutions*" are rules, policies and/or procedures, adopted by the Board of Directors, for implementing provisions of the Declaration, these Bylaws and the Articles of Incorporation of the Association, as more fully described in Article 8 of these Bylaws.

Section 2.2. "*Annual Assessments*" shall mean and refer to the assessments levied against all Lots within the Property to fund the Common Expenses and Road Maintenance Fees, not including Special Assessments.

Section 2.3. "*Assessments*" shall mean and refer collectively to any Annual Assessment, Special Assessment, Road Maintenance Fees and all other fees and charges, including all installments thereof, as may be levied by the Association in accordance with the Declaration.

Section 2.4. "*Association*" shall mean and refer to SPRING HILL HOMEOWNERS ASSOCIATION, INC., a West Virginia non-stock corporation, its successors and assigns.

Section 2.5. "*Common Area*" shall mean and refer to all real property owned, leased or maintained by the Association (including the Community Facilities and all other Common Area improvements) for the common use and enjoyment of the Owners. Notwithstanding the foregoing, in the event the Association maintains all or any portion of any Lot(s), such property shall not be considered Common Area.

Section 2.6. "*Community Facilities*" shall mean and refer to any and all improvements and facilities located upon the Common Area including, without limitation, recreational facilities (if any), which are operated and maintained by the Association for the common use and enjoyment of the Owners.

Section 2.7. "*Common Expenses*" shall mean and refer to the actual and estimated expenses of operating the Association, including, without limitation, a reasonable

reserve and expenses for the maintenance of the Common Area in accordance with Article 10 of the Declaration, all as may be found to be necessary or appropriate by the Board of Directors pursuant to the Declaration, these Bylaws and the Articles of Incorporation of the Association.

Section 2.8. "*Declarant*" shall mean and refer to Spring Hill LLC, and its successors and assigns if such successors or assigns should acquire more than one undeveloped Lot from the Declarant for the purpose of development, but only to the extent that all or any portion of the rights, reservations, easements, interests, exemptions, privileges and/or powers of the Declarant are specifically assigned or transferred to any such successors or assigns by an instrument in writing. Declarant is the Class "B" Member until said expiration of said membership.

Section 2.9. "*Declaration*" shall mean and refer to the Declaration of Protective Covenants, Reservations, Restrictions, Easements and Owners Maintenance Association of Spring Hill Subdivision to the Property recorded among the Land Records for Berkeley County, West Virginia, including any amendments and supplements thereto.

Section 2.10. "*Equity Resolutions*" shall mean and refer to those actions of the Board of Directors which create additional covenants, conditions and/or restrictions with respect to the Lots, the Common Area as more fully described in Article 8 of these Bylaws.

Section 2.11. "*Lot*" shall mean and refer to (i) any plot of land designated as a separate subdivided lot of record upon any recorded subdivision plat of the Property upon which the planned or actual improvements are primarily intended for use and occupancy as a residential dwelling unit, (ii) any condominium unit actually constructed, or, if not constructed, as approved for construction pursuant to the Development Plan or other applicable governmental approval, within a condominium regime established, or to be established, within the Property pursuant to the West Virginia Uniform Common Interest Ownership Act primarily intended for use and occupancy as a residential dwelling unit, and (iii) any residential rental unit actually constructed, or, if not constructed, as approved for construction pursuant to the Development Plan or other applicable governmental approval, within a rental facility constructed, or to be constructed, within the Property primarily intended for use and occupancy as a residential dwelling unit. No Lot shall be counted twice in any situation where it may fall within more than one of the foregoing descriptions. The term Lot shall not include Common Area or out lots of property dedicated for public use.

Section 2.12. "*Member*" shall mean and refer to every person, group of persons, corporation, partnership, trust, or other legal entity, or any combination thereof, which holds any class of membership in the Association other than the Declarant. These owners are also referred to as Class "A" Members.

Section 2.13. "*Mortgagee*" shall mean the holder of any recorded mortgage, or the party secured or beneficiary of any recorded deed of trust, encumbering one or more of the Lots. "Mortgage", as used herein, shall include deeds of trust. "First Mortgage", as used herein, shall mean a mortgage with priority over all other mortgages. As used in the Declaration, the term "mortgagee" shall mean any mortgagee and shall not be limited to institutional mortgagees. As used in the Declaration, the term "institutional mortgagee" or "institutional holder" shall include banks, trust companies, insurance companies, mortgage insurance companies, savings and loan associations, trusts, mutual savings banks, credit unions, pension funds, mortgage companies, Federal National Mortgage Association ("FNMA"), Government National Mortgage Association ("GNMA"), Federal Home Loan Mortgage Corporation ("FHLMC"), all corporations and any agency or department of the United States Government or of any state or

municipal government, or any other organization or entity which has a security interest in any Lot. In the event any mortgage is insured by the Federal Housing Administration ("FHA") or guaranteed by the Department of Veterans Affairs ("VA"), then as to such mortgage the expressions "mortgagee" and "institutional mortgagee" include the FHA or the VA as the circumstances may require, acting, respectively, through the Federal Housing Commission and the Secretary of Veterans Affairs or through other duly authorized agents.

Section 2.16. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of 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 2.17. "Project" as used in these Bylaws shall refer to the Property.

Section 2.18. "Property" shall mean and refer to all real property as may hereafter be brought within the jurisdiction of the Association pursuant to Article 2 of the Declaration.

Section 2.19. "Single-Family Detached Lot" shall mean and refer to any Lot upon which there is construed, or is intended to be constructed, a single-family detached dwelling unit.

Section 2.20. "Special Assessment" shall mean and refer to any assessment levied by the Association in accordance with Section 5.4 of the Declaration.

Any other capitalized terms used herein shall be defined as set forth in the Declaration unless specifically provided otherwise in these Bylaws.

ARTICLE 3 Meeting of Members

Section 3.1. Annual Meetings. The first annual meeting of the Members shall be held within twelve (12) months from the date of ratification of these By-Laws, and each subsequent regular annual meeting of the Members shall be held in the same month of each year thereafter or such other reasonably similar date as may be selected by the Board of Directors.

Section 3.2. Special 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 not less than ten percent (10%) of the votes of each class of Members.

Section 3.3. Notice of Meetings. Written notice of each meeting of the Members shall be given by, or at the direction of, the Secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, or hand delivering a copy of such notice, at least ten (10) days (but not more than ninety (90) days) before such meeting to each Member entitled to vote thereat, 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. Such notice may be waived upon the declaration of an emergency by the person calling the meeting. 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. All meetings of the Members shall be held at places and times convenient to the greatest number of Members.

Section 3.4. Quorum. The presence at the meeting of Members entitled to cast, or of proxies entitled to cast, five percent (5%) of the votes of each class of Members 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 either by attendance or by proxy, the Members entitled to vote thereat shall constitute such Quorum whether or not 5% of the votes of each class of Members is present or represented either by attendance or by proxy.

Section 3.5. Voting. At every meeting of the Members, each Member, or such Member's proxy, shall have the right to cast the number of votes specified in the Declaration. The vote of the Members representing fifty-one percent (51%) of the total of the votes of all Members present, in person or by proxy, and voting at the meeting, calculated as aforesaid, shall be necessary to decide any question brought before such meeting, unless the question is one upon which, by the express provision of law or of the Articles of Incorporation, or of the Declaration or of these Bylaws, a different vote is required, in which case such express provision shall govern and control. The vote for any membership which is owned by more than one person may be exercised by any of the co-owners present at any meeting unless any objection or protest by any other owner of such membership is noted at such meeting. In the event all of the co-owners of any membership who are present at any meeting of the Members are unable to agree on the manner in which the votes for such membership shall be cast on any particular question, then such vote shall not be counted for purposes of deciding that question. In the event any membership is owned by a corporation, then the vote for any such membership shall be cast by a person designated in a certificate signed by the President or any Vice President of such corporation and attested by the Secretary or an Assistant Secretary of such corporation and filed with the Secretary of the Association, prior to or during the meeting. The vote for any membership which is owned by a trust or partnership may be exercised by any trustee or partner thereof, as the case may be, and, unless any objection or protest by any other such trustee or partner is noted at such meeting, the Chairperson of such meeting shall have no duty to inquire as to the authority of the person casting such vote or votes. No Class A Member shall be eligible to vote, either in person or by proxy, or to be elected to the Board of Directors, who is shown on the books or management accounts of the Association to be more than sixty (60) days delinquent in any payment due the Association. All election materials prepared with Association funds must list candidates in alphabetical order and must not suggest a preference among candidates.

Section 3.6. Absentee Ballots. Any unsigned absentee ballot, to be valid, shall be received in a signed, sealed envelope bearing the identification of the dwelling unit on the outside, and shall be opened only at a meeting at which all candidates or their delegates have a reasonable opportunity to be present.

Section 3.7. Proxies. At all meetings of Members, each voting Member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his or her Lot. No proxy shall be valid after one (1) month from its date, unless otherwise provided in the proxy. Any proxy must be in writing and must be filed with the Secretary in a form approved by the Board of Directors, which approval may not be unreasonably withheld, before the appointed time of each meeting. Any written proxy which conforms to the applicable laws of West Virginia shall be satisfactory and approved as to form by the Board of Directors. Notwithstanding anything herein to the contrary only a directed proxy may be utilized to vote for a member of the Board of Directors. A non-directed proxy may be counted toward a quorum and may vote on any matters of business other than the election of Directors.

Section 3.8. Rights of Mortgagees. Any institutional mortgagee of any Lot who desires notice of the annual and special meetings of the Members shall notify the Secretary to that effect by Registered Mail - Return Receipt Requested. Any such notice shall contain the name and post office address of such institutional mortgagee and the name of the person to whom notice of the annual and special meetings of the Members should be addressed. The Secretary of the Association shall maintain a roster of all institutional mortgagees from whom such notices are received and it shall be the duty of the Secretary to mail or otherwise cause the delivery of a notice of each annual or special meeting of the Members to each such institutional mortgagee in the same manner, and subject to the same requirements and limitations as are otherwise provided in this Article for notice to the Members. Any such institutional mortgagee shall be entitled to designate a representative to attend any annual or special meeting of the Members and such representative may participate in the discussion at any such meeting and may, upon his or her request made to the Chairperson in advance of the meeting, address the Members present at any such meeting. Such representative shall have no voting rights at any such meeting. Such representative shall be entitled to copies of the minutes of all meetings of the Members upon request made in writing to the Secretary.

Section 3.9. Open Meetings.

(a) All meetings of the Association shall be open to all Members of the Association or their agents, except that such meetings may be held in closed session for the following purposes:

- (i) Discussion of matters pertaining to employees and personnel;
- (ii) Protection of the privacy or reputation of individuals in matters not related to Association business;
- (iii) Consultation with legal counsel;
- (iv) Consultation with staff personnel, consultants, attorneys or other persons in connection with pending or potential litigation;
- (v) Investigative proceedings concerning possible or actual criminal misconduct;
- (vi) Consideration of the terms or conditions of a business transaction in the negotiation stage if the disclosure could adversely affect the economic interests of the Association;
- (vii) Complying with a specific constitutional, statutory or judicially imposed requirement protecting particular proceedings or matters from public disclosure; or
- (viii) On an individually recorded affirmative vote of two-thirds (2/3) of the members of the Board of Directors (or committee, if applicable) present, for some other exceptional reason so compelling as to override the general public policy in favor of open meetings.

(b) If a meeting is held in closed session pursuant to the procedures established above:

- (i) No action may be taken and no matter may be discussed other than those permitted above; and

(ii) A statement of the time, place and purpose of any closed meeting, the record of the vote of each member of the Board of Directors (or committee, if applicable) by which any meeting was closed, and the authority under this Section for closing the meeting shall be included in the minutes of the next meeting of the Board of Directors (or committee, if applicable).

ARTICLE 4

Executive Board of Directors; Selection; Term of Office

Section 4.1. Number; Classes; Qualifications. The affairs of the Association shall be managed by an Executive Board of Directors (hereinafter referred to as the Board of Directors) initially consisting of three (3) natural persons who shall be designated by the Declarant and who shall hold office until the election of their successors at the first annual meeting of the Members of the Association. The names of the initial Directors are set forth in the Articles of Incorporation.

Commencing with the first annual meeting of the Association (at time of transition to Property Owner control) the Board of Directors shall consist of five (5) Executive Board Directors who shall be elected by the Members of the Association. The Board of Directors shall consist of the following two (2) classes: (i) one class elected by the Class A Members ("Class A Directors"); (ii) one class elected by the Class B Members ("Class B Directors"). Notwithstanding the foregoing, the Declarant shall be entitled to vote for all Class A and Class B Directors. To qualify for election, Directors must either be Lot Owners or designees of the Declarant (for so long as the Declarant shall be a Lot Owner). Thereafter, the number of Directors shall be determined by a vote of the Members at any annual or special meeting of the Members and the number of Directors may be changed by a vote of the Members at any subsequent annual or special meeting of the Members; provided, however, that (a) the limitations of this Section shall continue to apply; and (b) no such change shall operate to curtail or extend the term of any incumbent Director. Once transition from Declarant Control to Homeowner Control is complete, the Board of Directors shall be elected by all eligible members without specific regard to Classes.

Section 4.2. Term of Office. The Directors of the Association designated by the Declarant in accordance with Article 4, Section 4.1, above, shall hold office at the pleasure of the Declarant until the first annual meeting of the Association as provided for in Article 3, Section 3.1, of these Bylaws. At the first annual meeting the individual receiving the highest number of votes shall be elected for a three (3) term. The individuals receiving the second and third highest number of votes shall be elected to two (2) year terms. The individuals receiving the fourth and fifth highest number of votes shall be elected to one (1) term's. Thereafter all individuals elected shall be elected for a term of three (3) years. Any change in the number of Directors or term of office of Directors shall not act to extend or curtail the term of office of any incumbent. Directors remain in office until their successors have been elected and hold their first regular meeting.

Section 4.3. Removal of Members of the Board of Directors. Except with respect to Directors elected or appointed by the Declarant, any Director may be removed from the Board, with or without cause, by the vote of Members entitled to cast not less than fifty-one percent (51%) of votes of the class of Members entitled to elect that Director, and in the event of the death, resignation or removal of a Director, a successor shall be selected by the remaining members of the Board of that Director's same class (or, in the event that there are no such Directors, by the Members entitled to elect that class) who shall serve for the unexpired term of such Director's predecessor. The term of office of any Director who becomes more than sixty

(60) days delinquent in payment of Assessments against the Lot of which he or she is the Owner shall automatically terminate on the sixty-first (61st) day, and such Director's successor shall thereupon be appointed by the remaining Directors of the same class (or, in the event that there are no such Directors, by the Lot Owners of that class) from among the Lot Owners to fill out the unexpired portion of such Director's term; provided, however, that the successor to any Director elected or appointed by the Declarant shall be appointed by the Declarant. Any provision of these Bylaws to the contrary notwithstanding, members of the Board of Directors elected or appointed by the Declarant shall serve at the pleasure of and may be removed and/or replaced, solely by the Declarant.

Section 4.4. Compensation. No Director shall receive compensation for any service he or she may render to the Association. However, any Director may be reimbursed for his or her actual expenses incurred in the performance of his or her duties.

Section 4.5. Action Taken Without a Meeting. The Directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the Directors and filing such approval with the minutes of the proceedings of the Board of Directors. Any action so approved must be ratified in an open meeting and shall have the same effect as though taken at a meeting of the Directors.

ARTICLE 5

Nomination and Election of Directors

Section 5.1. Nomination. Nomination for election to the Board of Directors, commencing with the first annual meeting of Members, may be made by a Nominating Committee should the Board of Directors choose to form said committee. Nominations may also be made from the floor at the annual meeting and by a prior self-nomination process. The Nominating Committee shall consist of a Chairperson, who shall be a member of the Board of Directors, and two or more Members of the Association. The Nominating Committee, if any, may be appointed by the Board of Directors prior to each annual meeting of the Members and such appointment may be announced at each annual meeting. The Nominating Committee may 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.

Section 5.2. Election. Election to the Board of Directors shall be by secret written ballot. At such election the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. Only directed proxies shall be valid for the purpose of casting of votes for election of members to the Board of Directors. All election materials prepared with funds of the Association shall list candidates in alphabetical order and shall not suggest a preference among candidates. The persons receiving the largest number of votes shall be elected. Votes shall not be counted until after the time allotted by the Association for voting has ended. Cumulative voting is not permitted.

ARTICLE 6

Meetings of Directors

Section 6.1. Regular and Special Meetings. All meetings of the Board of Directors or any committee created by the Board of Directors shall be held only upon regularly scheduled and established dates or periods, at such time and place as shall have been made known to all Members in writing or upon written notice provided by mail or hand delivery not less than two (2) weeks nor more than ninety (90) days prior to the date of the meeting. All such meetings shall be open to all Members of the Association or their agents, and shall be held at places and times convenient to the Members. Meetings of the Board of Directors may be held in closed session only in accordance with Section 3.9 of these Bylaws.

Section 6.2. Quorum. A majority of the number of Directors shall constitute a quorum for the transaction of business. Every act or decision done or made by 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.

Section 6.3. Rights of Mortgagees. Any institutional mortgagee of any Lot who desires notice of the regular and special meetings of the Board of Directors shall notify the Secretary to that effect by Registered Mail - Return Receipt Requested. Any such notice shall contain the name and post office address of such institutional mortgagee and the name of the person to whom notice of the regular and special meetings of the Board of Directors should be addressed. The Secretary of the Association shall maintain a roster of all institutional mortgagees from whom such notices are received and it shall be the duty of the Secretary to mail or otherwise cause the delivery of a notice of each regular or special meeting of the Board of Directors to each such institutional mortgagee, in the same manner, and subject to the same requirements and limitations, as are otherwise provided in this Article for notice to the members of the Board of Directors. Any such institutional mortgagee shall be entitled to designate a representative to attend any regular or special meeting of the Board of Directors and such representatives may participate in the discussion at any such meeting and may, upon his or her request made to the Chairperson in advance of the meeting, address the members of the Board of Directors present at any such meeting. Such representative shall have no voting rights at any such meeting. Such representative shall be entitled to copies of the minutes of all meetings of the Board of Directors upon request made in writing to the Secretary.

Section 6.4. Fidelity Insurance. The Board of Directors may require that all officers, Directors and employees of the Association regularly handling or otherwise responsible for the funds of the Association furnish adequate fidelity insurance against acts of dishonesty. The premiums on such insurance shall be paid by the Association.

ARTICLE 7

Powers and Duties of the Board of Directors

Section 7.1. Powers. The Board of Directors shall have power to:

(a) adopt and publish rules governing the use of the Common Area, and Community Facilities, and the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction thereof;

(b) suspend the voting rights and right to use of the Common Area and Community Facilities of a Member during any period in which such Member shall be in default in the payment of any Assessment levied by the Association. Such rights may also be suspended after notice and an opportunity for a hearing for a period not to exceed ninety (90) days for infraction of published rules;

(c) exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these Bylaws, the Articles of Incorporation, or the Declaration; and

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

Section 7.2. 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 to the Members at the annual meeting of the Members, or at any special meeting when such statement is requested in writing by Members who are entitled to cast not less than five percent (5%) of the votes of each class of Members;

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

(c) as more fully provided in the Declaration, to:

(i) fix the amount of the Annual Assessments and Neighborhood Assessments against each Lot at least thirty (30) days in advance of each assessment period (the Board may determine, at its discretion, to round the Assessments applicable to each Lot to the nearest half dollar or whole dollar amount);

(ii) send written notice of each Assessment to every Owner subject thereto at least thirty (30) days in advance of the commencement date of the new Assessments; and

(iii) foreclose the lien against any property for which Assessments are not paid within sixty (60) days after due date or to bring an action at law against the Owner personally obligated to pay the same;

(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 adequate liability and hazard insurance on property owned by the Association;

(e) cause all officers or employees having fiscal responsibilities to be insured, as it may deem appropriate;

(f) cause the Common Area and Community Facilities to be maintained and maintain any other property which is the responsibility of the Association pursuant to the Declaration or the direction of any governmental agency or agreement or which is appurtenant to or serves and benefits any portion of the Property; and

(g) otherwise perform or cause to be performed the functions and obligations of the Board of Directors and the Association as provided for in the Declaration and Articles of Incorporation and these Bylaws, including collection of Assessments payable pursuant to any cross easement or other similar agreement. The Association may periodically employ an

insurance consultant if the Board of Directors deems it necessary to do so in order to analyze the insurance requirements of the Association.

Section 7.3. Management Agent. The Board of Directors may employ for the Association a management agent or manager (the "Management Agent") at a rate of compensation established by the Board of Directors to perform such duties and services as the Board of Directors shall from time to time authorize in writing. Any management agreement entered into by the Association shall provide, inter alia, that such agreement may be terminated for cause by either party upon sixty (60) days written notice thereof to the other party. The term of any such management agreement shall not exceed one year; provided, however, that the term of any such management agreement may be renewable by mutual agreement of the parties for successive one (1) year periods.

ARTICLE 8

Equity and Administrative Resolutions

Section 8.1. Equity Resolutions. The Board of Directors is authorized to adopt Equity Resolutions in accordance with the Declaration of the Association. Equity Resolutions are those actions of the Board of Directors which create additional covenants, conditions and/or restrictions with respect to the Lots, the Common Area including, without limitation, the following:

- (a) additional covenants, conditions and/or restrictions regarding prohibited uses and nuisances within the Lots, Common Area, and/or Community Facilities;
- (b) additional covenants, conditions and/or restrictions regarding signage;
- (c) non-disturbance, conservation and similar easements over all or any portion of the Common Area for the maintenance and protection of scenic views, natural conditions and open spaces within the Common Area; and
- (d) adoption of Design Guidelines applicable within the Association;
- (e) additional covenants, conditions and/or restrictions regarding parking on any portion of the Common Area, Community Facilities and Lots; and
- (f) the repeal and/or modification of previously adopted Equity Resolutions.

Section 8.2. Adoption of Equity Resolutions. All Equity Resolutions proposed for adoption by the Board of Directors shall be published in the Association's principle medium for informing Owners of the Associations' affairs, or in a notice sent by mail to all Owners, no later than two (2) weeks prior to the meeting at which the Board shall consider enactment. Equity Resolutions shall become effective if adopted by a majority of a quorum of the Board of Directors at a meeting of the Board at which all interested Owners shall be provided with a reasonable opportunity for comment and discussion. If duly adopted by the Board of Directors, Equity Resolutions shall become effective unless a special meeting of the Members of the Association is called and duly held within ninety (90) days of the adoption of any such Equity Resolution by the Board, and at such special meeting the Equity Resolution is disapproved by a vote of Members entitled to cast not less than sixty-seven percent (67%) of the votes of all Members present, in person or by proxy, and voting at such meeting.

Section 8.3. Administrative Resolutions. Administrative Resolutions are actions taken by the Board of Directors that prescribe rules, policies and/or procedures for

implementing provisions of the Declaration, these Bylaws or the Articles of Incorporation of the Association including, but not limited to:

- (a) establishment of specific requirements for insurance coverage obtained and maintained by the Association;
- (b) policies regarding the duration of management agreements;
- (c) procedures for collection of Assessments;
- (d) adoption of Application Procedures associated with applications for Improvements submitted to the Architectural Review Entity for review in accordance with the Declaration;
- (e) Further establishing the specific powers and responsibilities of the Architectural Review Committee (if established) in accordance with Article 7 of the Declaration;
- (f) Further establishing the specific powers and responsibilities of the Covenant Committee in accordance with Article 8 of the Declaration;
- (g) policies related to use and control of the Common Area and Community Facilities;
- (h) rules and procedures regarding the involuntary removal of improperly parked vehicles;
- (i) procedures for processing alleged violations of the Governing Documents, and the establishment of fines for violations of any provision of the Governing Documents regarding the use of the Lots, Common Area, and/or Community Facilities; and
- (j) the repeal and/or modification of previously adopted Administrative Resolutions.

Section 8.4. Adoption of Administrative Resolutions. Except in the event of an emergency, as determined by the Board in its sole discretion, proposed Administrative Resolutions shall be published in the Association's principle medium for informing Owners of the Associations' affairs, posted at conspicuous points within the Property or otherwise distributed to Owners in a reasonable manner at least two (2) weeks prior to the meeting at which the Board of Directors shall consider enactment. Administrative Resolutions shall become effective if adopted by a majority of a quorum of the Board of Directors at a meeting of the Board at which all interested Owners shall be provided with a reasonable opportunity for comment and discussion.

Section 8.5. Other Board Action; Action by Committees. This Article shall not be construed to limit the powers of the Board of Directors, and the Board shall have full power and authority to take any action as may be authorized under the Declaration, these Bylaws or applicable law, regardless of whether such action may otherwise constitute an Equity Resolution or Administrative Resolution. In the event that the Architectural Review Entity, Covenant Committee, or other Association committee shall have the authority to take any action which constitutes an Equity Resolution or Administrative Resolution, whether pursuant to the Declaration or an express delegation of authority by the Board of Directors, such Architectural Review Entity, Covenant Committee, or other Association committee, as applicable, shall first adopt such Equity Resolution or Administrative Resolution, by majority vote of a quorum of its

members (unless a different vote is required by an express provision of the Governing Documents), and shall submit such Equity Resolution or Administrative Resolution to the Board of Directors for adoption in accordance with the provisions of this Article.

Section 8.6. Adoption by Declarant. Any provision of the Governing Documents to the contrary notwithstanding, for the duration of the Declarant's Rights and Obligations Period, the Declarant shall have full power and authority to adopt and amend all such Equity Resolutions and Administrative Resolutions as the Declarant may deem necessary or appropriate, in its sole discretion, without the consent or approval of any other individual or entity, including, without limitation, the Association and its Members. Equity Resolutions and Administrative Resolutions adopted and/or amended by the Declarant in accordance with this Section shall be published in the Association's principle medium for informing Owners of the Associations' affairs, posted at conspicuous points within the Property or otherwise distributed to Owners in a reasonable manner following adoption by the Declarant.

ARTICLE 9 Officers and Their Duties

Section 9.1. Enumeration of Officers. The officers of this Association shall be a President and Vice President, who shall at all times be members of the Board of Directors, a Secretary, and a Treasurer, and such other officers as the Board may from time to time by resolution create, all of which officers are to be elected by the Board of Directors.

Section 9.2. 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; provided that the initial Board of Directors shall elect the first group of officers at its first organizational meeting.

Section 9.3. Term. The officers of this Association shall be elected annually by the Board and each shall hold office until his or her successor is duly elected and qualified, unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 9.4. Special Appointments. The Board 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 may, from time to time, determine.

Section 9.5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on 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 9.6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he or she replaces.

Section 9.7. Multiple Offices. The offices of Secretary, Treasurer and Vice President may not be held by the same person. No person shall simultaneously hold more than one (1) of any of the other offices except in the case of special offices created pursuant to Section 9.4 of this Article and except as otherwise provided in this Section.

Section 9.8. Duties. The duties of the officers are as follows (any of which may be assigned, in whole or in part, by the Board of Directors to the Management Agent in accordance with Section 7.3 hereof):

President

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

Vice President

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

Secretary

(c) The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board 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 Association; and shall perform such other duties as required by the Board, said duties may be delegated to the Managing Agent.

Treasurer

(d) The Treasurer shall receive and deposit in appropriate bank accounts all moneys of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all promissory notes of the Association; keep proper books of account, cause an annual audit of the Association 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 represented to the membership at its regular annual meeting, and deliver a copy of each to the Members, said duties may be delegated to the Managing Agent.

Section 9.9. Compensation. No officer shall receive compensation for any service he or she may render to the Association. However, any officer may be reimbursed for his or her actual expenses incurred in the performance of his or her duties.

ARTICLE 10

Liability and Indemnification of Officers and Directors

The Association shall indemnify every officer and Director of the Association against any and all expenses, including counsel fees, reasonably incurred by or imposed upon an officer or Director in connection with any action, suit or other proceeding (including the settlement of any such suit or proceeding if approved by the then Board of Directors of the Association) to which he or she may be made a party by reason of being or having been an officer or Director of the Association, whether or not such person is an officer or Director at the time such expenses are incurred. The officers and Directors of the Association shall not be liable to the Members of the Association for any mistake of judgment, negligence, or otherwise, except for their own individual willful misconduct or bad faith. The officers and Directors of the Association shall have no personal liability with respect to any contract or other commitment made by them, in

good faith, on behalf of the Association and the Association shall indemnify and forever hold each such officer and Director free and harmless against any and all liability to others on account of any such contract or commitment. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any officer or Director of the Association or former officer or Director of the Association may be entitled.

ARTICLE 11 **Committees**

The Board of Directors may appoint an Architectural Review Committee and a Covenant Committee as provided in the Declaration, and a Nominating Committee, as provided in these Bylaws. In addition, the Board of Directors may appoint other committees as deemed appropriate in carrying out its purposes. All committees appointed by the Board of Directors shall hold meetings in accordance with Section 3.9 and Section 6.1 of these Bylaws.

ARTICLE 12 **INSURANCE**

Section 12.1. Insurance. In addition to the insurance coverage required to be maintained by the Declaration, the Board of Directors of the Association may obtain and maintain, to the extent reasonably available, the following:

(a) workmen's compensation insurance for employees of the Association to the extent necessary to comply with any applicable law; and

(b) a "Legal Expense Indemnity Endorsement", or its equivalent, affording protection for the officers and Directors of the Association for expenses and fees incurred by any of them in defending any suit or settling any claim, judgment or cause of action to which any such officer or Director shall have been made a party by reason of his or her services as such; and

(c) such other policies of insurance, including director and officer liability insurance and insurance for other risks of a similar or dissimilar nature and fidelity insurance as required by these Bylaws, as are or shall hereafter be considered appropriate by the Board of Directors.

Section 12.2. Limitations. Any insurance obtained pursuant to the requirements of this Article shall be subject to the following provisions:

(a) All policies shall be written or reinsured with a company or companies licensed to do business in the State of West Virginia and holding a rating of "B/III" or better (or its equivalent) in the current edition of Best's Insurance Guide.

(b) Exclusive authority to negotiate losses under said policies shall be vested in the Board of Directors of the Association, or its authorized representative.

(c) In no event shall the insurance coverage obtained and maintained pursuant to the requirements of this Article be brought into contribution with insurance purchased by the owners of the Lots or their mortgagees, as herein permitted, and any "no other insurance" or similar clause in any policy obtained by the Association pursuant to the requirements of this Article shall exclude such policies from consideration.

(d) All policies shall provide that such policies may not be canceled or substantially modified (including cancellation for non-payment of premium) without at least

thirty (30) days prior written notice to any and all insured's named thereon, including any mortgagee of any Lot who requests such notice in writing.

(e) All policies shall contain a waiver of subrogation by the insurer as to any and all claims against the Association, the Board of Directors, the Members of the Association and their respective agents, employees or tenants, and of any defenses based upon co-insurance or invalidity arising from the acts of the insured.

ARTICLE 13

BOOKS AND RECORDS/FISCAL MANAGEMENT

Section 13.1. Fiscal Year. The fiscal year of the Association shall begin on the first day of January every year, except for the first fiscal year of the Association which shall begin on the date of recordation of the Declaration. The commencement date of the fiscal year herein established shall be subject to change by the Board of Directors should the practice of the Association subsequently dictate.

Section 13.2. Principal Office - Change of Same. The principal office of the Association shall be established by the Board of Directors in accordance with the laws governing the State of West Virginia. The Board of Directors, by appropriate resolution, shall have the authority to change the location of the principal office of the Association from time to time.

Section 13.3. Books and Accounts. Books and accounts of the Association shall be kept under the direction of the Treasurer in accordance with generally accepted accounting practices, consistently applied. The same shall include books with detailed accounts, in chronological order, of receipts and of the expenditures and other transactions of the Association and its administration and shall specify the maintenance and repair expenses of the Common Area and Community Facilities, services required or provided with respect to the same and any other expenses incurred by the Association.

Section 13.4. Auditing. At the close of each fiscal year and at the election of the Board of Directors, the books and records of the Association may be audited by an independent Public Accountant whose report shall be prepared in accordance with generally accepted auditing standards, consistently applied. Based upon such report, if prepared, the Association shall furnish the Members and any mortgagee requesting the same with an annual financial statement, including the income and disbursements of the Association, within one hundred twenty (120) days following the end of each fiscal year.

Section 13.5. Inspection of Books. The books and accounts of the Association, vouchers accrediting the entries made thereupon and all other records maintained by the Association shall be available for examination by the Members and their duly authorized agents or attorneys, and to the institutional holder of any first mortgage on any Lot and its duly authorized agents or attorneys, during normal business hours and for purposes reasonably related to their respective interests and after reasonable notice. The Declaration, the Articles of Incorporation and these 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 14 Assessments

As more fully provided in the Declaration, each Member is obligated to pay Assessments, which are secured by a continuing lien upon the property against which the Assessment is made. Any Assessments not paid when due shall be delinquent. If the Assessment is not paid within ten (10) days after the due date, the Assessment may bear interest from the date of delinquency at the rate established by the Board of Directors, up to the maximum rate permitted by law, and the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property, and interest, late charges, costs, and reasonable attorneys' fees of any such action 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 or her Lot.

Article 15
Corporate Seal

The Association shall have a seal form having within its circumference the words: SPRING HILL HOMEOWNERS ASSOCIATION, INC., a West Virginia non-stock corporation.

Article 16
Amendments

These Bylaws may be amended by the affirmative vote of Members representing fifty-one percent (51%) of the votes of all Members present, in person or by proxy, and voting at any meeting of the Association, except that if any Lot subject to these Bylaws is then encumbered by a mortgage or deed of trust insured by FHA, then FHA shall have the right to veto amendments.

Article 17
Interpretation/Miscellaneous

Section 17.1. Conflict. These Bylaws are subordinate and subject to all provisions of the Declaration and to the provisions of the Articles of Incorporation of the Association. All of the terms hereof, except where clearly repugnant to the context, shall have the same meaning as they are defined to have in the Declaration. In the event of any conflict between these Bylaws and the Declaration, the provisions of the Declaration shall control, and in the event of any conflict between these Bylaws and the Articles of Incorporation of the Association, the provisions of the Articles of Incorporation shall control.

Section 17.2. Notices. Unless another type of notice is here-in-elsewhere specifically provided for, any and all notices called for in these Bylaws shall be given in writing.

Section 17.3. Severability. In the event any provision or provisions of these Bylaws shall be determined to be invalid, void or unenforceable, such determination shall not render invalid, void or unenforceable any other provisions hereof which can be given effect.

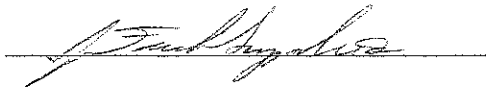
Section 17.4. Waiver. No restriction, condition, obligation or provisions of these Bylaws shall be deemed to have been abrogated or waived by reason of any failure or failures to enforce the same.

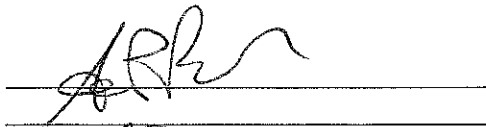
Section 17.5. Captions. The captions contained in these Bylaws are for convenience only and are not a part of these Bylaws and are not intended in any way to limit or enlarge the terms and provisions of these Bylaws or to aid in the construction thereof.

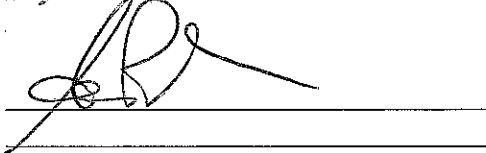
Section 17.6. Gender, etc. Whenever in these Bylaws the context so requires, the singular number shall include the plural and the converse, and the use of any gender shall be deemed to include all genders.

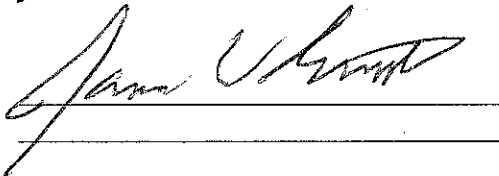
IN WITNESS WHEREOF, we, being all of the Directors of SPRING HILL HOMEOWNERS ASSOCIATION, INC., have hereunto set our hands this 1st day of October, 2011.

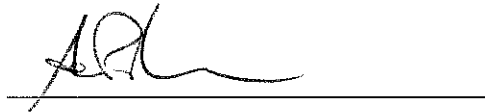
WITNESS:



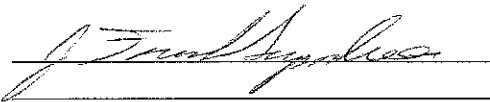




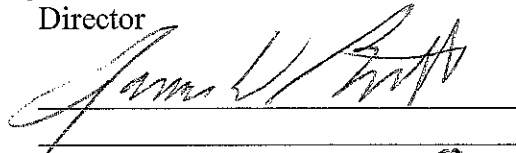




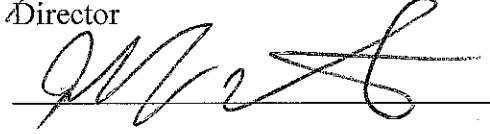
Director



Director



Director



Director

Director

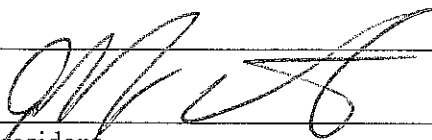
CERTIFICATION

I, the undersigned, do hereby certify:

THAT I am the duly elected and acting President of SPRING HILL HOMEOWNERS ASSOCIATION, INC., a West Virginia non-stock corporation, and,

THAT the foregoing Bylaws constitute the original Bylaws of said Association, as duly adopted at a meeting of the Board of Directors hereof, held on the 1st day of October, 2011.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Association this 1st day of October, 2011.



President

[CORPORATE SEAL]