

BY-LAWS

OF

OLDE HERMITAGE ASSOCIATION, INC.

Article I

Member's Meeting

Section 1. Annual Meeting: The annual meeting of the members of the Association shall be held on the 14th day of January in each year. If that day is a legal holiday, the annual meeting shall be held on the next succeeding day not a legal holiday.

Section 2. Other Meetings: All meetings of the members shall be held at the times and places fixed by the Board of Directors. The time and place shall be stated in the notice or waiver of notice of each meeting. Meetings of the members shall be held whenever called by the President or the Secretary, by a majority of the Directors, or by two-thirds of the vote of members entitled to vote.

Section 3. Quorum and Voting: The presence of members or of proxies entitled to cast sixty percent of all of the votes of each class of membership entitled to vote shall constitute a quorum at any meeting of the members. Less than a quorum may adjourn the meeting to a fixed time and place, no further notice of any adjourned meeting being required. No subsequent meeting shall be held more than sixty days following the preceding meeting. Class A members shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be members. The vote for such Lot

shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Lot. The Class B member shall be entitled to three votes for each Lot owned until such time as the Class B membership shall cease and be converted into Class A membership in accordance with the covenants, conditions and restrictions of the Association ("Declaration of Covenants, Conditions and Restrictions").

Section 4. Conduct of Meetings: The President shall preside over all meetings of the members. If he is not present, any Vice-President shall preside. If none of such officers are present, a Chairman shall be elected by the meeting. The Secretary of the Association shall act as Secretary of all the meetings if he is present. If he is not present, the Chairman shall appoint a Secretary of the meeting. The Chairman of the meeting may appoint one or more inspectors of the election to determine the qualification of voters, the validity of proxies, and the results of ballots.

Section 5. Action without a Meeting: Any action required or permitted by law to be taken at a meeting of the members may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the members entitled to vote with respect to the subject matter thereof.

Article II

Board of Directors

Section 1. Number, Election and Terms: The Board of Directors shall be elected at the annual meeting of the members or at any special meeting held in lieu thereof. The number of Directors shall be no less than one (1) nor more than five (5) in number. This number may be increased or decreased at any time by amendment of these By-Laws. Directors need not be members. Directors shall hold office until removed or until the next annual meeting of the members or until their successors are elected. A majority of the Directors actually elected and serving at the time of a given meeting shall constitute a quorum. Less than a quorum may adjourn the meeting to a fixed time and place, no further notice of any adjourned meeting being required; provided, however, that no subsequent meeting shall be held more than sixty days following the preceding meeting called for such purpose.

Section 2. Removal and Vacancies: The members at any meeting, by two-thirds of the vote of each Class of members entitled to vote, may remove any Director and fill the vacancy. Any vacancy arising among the Directors may be filled by the remaining Directors unless sooner filled by the members in a meeting called for such purposes.

Section 3. Meetings and Notices: Meetings of the Board of Directors shall be held at times fixed by resolution of the Board, or upon the call of the President or the Secretary, or

upon the call of the majority of the members of the Board. Notice of any meeting not held at a time fixed by a resolution of the Board shall be given to each Director at least 24 hours before the meeting at his residence or business address or by delivering such notice to him or by telephoning or telegraphing it to him at least 24 hours before the meeting. Any such notice shall contain the time and place of the meeting, but need not contain the purpose of any meeting. Meetings may be held without notice if all of the Directors are present or those not present waive notice before or after the meeting.

Section 4. Action without a meeting: Any action required by law to be taken at a meeting of the Directors or Executive Committee of the Directors of the Association may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Directors or members of the Executive Committee.

Article III

Committees

Section 1. Executive Committee: The Board of Directors may designate, by resolution adopted by a majority of all the Directors, two or more of the Directors to constitute an Executive Committee. The Executive Committee, when the Board of Directors is not in session, may exercise all of the powers of the Directors except those enumerated in Virginia Code Section 13.1-869. The Executive Committee may make rules for the holding

and conduct of its meetings, the notice thereof required, and the keeping of its records; and the Executive Committee may act without formal meeting as provided in Article II, Section 4.

Article IV

Officers

Section 1. Election, Removal and Duties: The Board of Directors, promptly after its election in each year, shall elect a President, a Secretary, and may elect or appoint a Treasurer and one or more Vice-Presidents or such other officers as it may deem proper. Any officer may hold more than one office. All officers shall serve for a term of one year and until their respective successors are elected, but any officer may be removed summarily with or without cause at any time by the vote of a majority of all of the Directors. Vacancies among the officers shall be filled by the Directors. The officers of the Association shall have such duties as generally pertain to the respective offices as well as such powers and duties as from time to time may be delegated to them by the Board of Directors.

Article V

Seal

Section 1. Seal: The seal of the Association shall be a flat-faced circular die (of which there may be any number of counterparts) with the word "SEAL" and the name of the Association engraved thereon.

Article VI

Voting of Stock Held

Section 1. Voting: Unless otherwise provided by a vote of the Board of Directors, the President may either appoint attorneys to vote any stock of any other corporation owned by this Corporation or may attend any meeting of the holders of stock of such other corporation and vote such shares in person.

Article VII

Checks, Notes and Drafts

Section 1. Signatures: Checks, notes, drafts and other orders for the payment of money shall be signed by such persons as the Board of Directors from time to time may authorize. The signature of any such person may be a facsimile when authorized by the Board of Directors.

Article VIII

Indemnification of Officers,

Directors, Employees and Agents

Section 1. The Association shall indemnify any and all persons who may serve or who have served at any time as Directors, Officers, employees or agents of the Association, or who at the request of the Board of Directors of the Association may serve or at any time have served as Directors, Officers, employees or agents of another corporation or of a partnership, joint venture, trust or other enterprise, including service with

respect to employee benefit plans, in which the Association at such time owned or may own an interest or of which it was or may be a creditor, and their respective heirs, administrators, successors, and assigns, against any and all expenses, including amounts paid upon judgments, counsel fees, expert witness fees, cost of investigation, litigation and appeal, any excise tax assessed with respect to employee benefit plans and amounts paid in settlement (before or after suit is commenced), actually and necessarily incurred by such persons in connection with the defense or settlement of any civil, criminal, administrative or investigative claim, action, suit, or proceeding, whether formal or informal, threatened or pending, including any claim, action, suit or proceeding brought by a member in the right of the Association or brought by or on behalf of members of the Association, in which they, or any of them, are made parties, or a party, or which may be asserted against them or any of them, by reason of being or having been Directors, Officers, employees or agents of the Association, or of such other corporation, partnership, joint venture, trust or other enterprise, except in relation to matters as to which any such person shall be adjudged in any action, suit, or proceeding to be liable for his own willful misconduct or a knowing violation of criminal law. Such indemnification shall be in addition to any other rights to which those indemnified may be entitled under any law, by-law, agreement, vote of members, or otherwise. Such right shall be a contract right and shall include the right to be paid by the

Association all expenses, including attorneys' fees, incurred in defending such claim, action, suit or proceeding.

Section 2. The Association may, to a lesser extent or to the same extent that it is required to provide indemnification and make advances and reimbursements for expenses to its director and officers pursuant to Section 1, provide indemnification and make advances and reimbursements for expenses to its employees and agents, the directors, officers, employees and agents of its subsidiaries and predecessor entities, and any person serving any other legal entity in any capacity at the request of the Association, and may contract in advance to do so. The determination that indemnification under this Section 2 is permissible, the authorization of such indemnification and the evaluation as to the reasonableness of expenses in a specific case shall be made as authorized from time to time by general or specific action of the Board of Directors, which action may be taken before or after a claim for indemnification is made, or as otherwise provided by law. If a majority of the directors of the Association has changed after the date of the alleged conduct giving rise to a claim for indemnification, such determination and evaluation shall, at the option of the person claiming indemnification, be made by special legal counsel agreed upon by the Board of Directors and such person. Special legal counsel elected to make determinations may be counsel for the Association. Unless a determination has been made that indemnification is not permissible, the Association shall make

advances and reimbursements for expenses incurred by a director or officer in a proceeding upon receipt of an undertaking from him to repay the same if it is ultimately determined that he is not entitled to indemnification.

Section 3. If a claim under Section 1 or Section 2 of this Article VIII is not paid in full by the Association within ninety days after a written claim has been received by the Association, the claimant may at any time thereafter bring suit against the Association to recover the unpaid amount of the claim and, if successful in whole or in part, the claimant shall be entitled to be paid also the expense, including attorneys' fees, of prosecuting such claim. It shall be a defense to any such action that the claimant has been adjudged liable for his willful misconduct or a knowing violation of criminal law but the burden of proving such defense shall be on the Association.

Section 4. The Association is authorized to purchase and maintain insurance against any liability it may have under this Article VIII or to protect any of the persons named above against any liability arising from their service to the Association or any other legal entity at the request of the Association regardless of the Association's power to indemnify against such liability. However, no person shall be entitled to indemnification by the Association to the extent he is indemnified by an insurer.

Section 5. Subject to the provisions of Section 13.1-870.1 of the Code of Virginia, as amended, in any proceeding

brought by a member in the right of the Association or brought by or on behalf of members of the Association, the damages assessed against an Officer or Director arising out of a single transaction, occurrence or course of conduct shall not exceed \$100.00, unless such Officer or Director has been adjudged to have been engaged in willful misconduct, or a knowing violation of the criminal law or of any federal or state securities law, including, without limitation, any claim of unlawful inside trading or manipulation of the market of any security.

Article IX

Definitions

Section 1. Whenever the words "Directors" or "Members" are used in these By-Laws, such words shall be deemed to include the singular of each word.

ADOPTED: July 22, 1988

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agents of the Association, or of such other corporation, partnership, joint venture, trust or other enterprise, except in relation to matters as to which any such person shall be adjudged in any action, suit, or proceeding to be liable for his own willful misconduct or a knowing violation of criminal law. Such indemnification shall be in addition to any other rights to which those indemnified may be entitled under any law, by-law, agreement, vote of members, or otherwise. Such right shall be a contract right and shall include the right to be paid by the Association all expenses, including attorneys' fees, incurred in defending such claim, action, suit or proceeding.

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