

*This Document was drafted by and return to:
Shuttleworth, Ruloff, Giordano & Swain, P.C.*

BYLAWS OF
THE QUARTERS OF YORK COUNTY COMMUNITY ASSOCIATION, INC.

ARTICLE I

NAME AND LOCATION

The name of the corporation is THE QUARTERS OF YORK COUNTY COMMUNITY ASSOCIATION, INC., hereinafter referred to as the "Association". The principal office of the corporation shall be located at 4640 Shore Drive, Suite 111, Virginia Beach, Virginia 23455-2859, but meetings of members and directors may be held at such places within the State of Virginia as may be designated by the Board of Directors.

ARTICLE II

DEFINITIONS

Section 1. "Association shall mean and refer to THE QUARTERS OF YORK COUNTY COMMUNITY ASSOCIATION, INC., its successors and assigns.

Section 2. "Common Area" shall mean all real property owned by the Association for the common use and enjoyment of the owners.

Section 3. "Declarant" shall mean and refer to Terry/Peterson Residential Eleven, L.L.C., a Virginia Limited Liability Company, its successors and assigns, if such successors or assigns should acquire more than one undeveloped Lot from Declarant for the purposes of development.

Section 4. "Declaration" shall mean the Declaration of Covenants, Conditions and Restrictions to be executed and recorded by Declarant, designed to regulate the development and operation of the community known or to be known as "The Quarters of York County" in the County of York, Virginia, as same may from time to time be amended and supplemented.

Section 5. "The Quarters of York County" shall mean all real property located in the County of York, State of Virginia, which becomes subject to the Declaration hereinabove mentioned, together with such other real property as may from time to time be annexed thereto.

Section 6. "Lot" shall mean any parcel of real property designated as a Lot on any recorded Subdivision Plat within THE QUARTERS OF YORK COUNTY, with the exception of the Common Area.

Section 7. "Owner(s)" shall mean and refer to the record owner, whether one or more persons or entities, of equitable or beneficial title (or legal title if same has merged) of any Lot. The foregoing does not include persons or entities who hold an interest in any Lot merely as security for the performance of an obligation. Except as stated otherwise herein, "Owner" shall not include one who has merely contracted to purchase any property, or a lessee or tenant, of a Single Family Residence. The term "Owner" shall not include a Developer, who for this Declaration shall be defined as a builder, contractor, investor or other person or entity who purchases a Lot in THE QUARTERS OF YORK COUNTY for the purpose of resale thereof to a Public Purchaser, or for the purpose of constructing improvements thereon for resale to a Public Purchaser. For the purposes of Article IV of the Declaration only, unless the context otherwise requires, "Owner" shall also include the family, invitees, licensees and lessees of any Owner, together with any other person or parties holding any possessory interest granted by such Owner in any Lot.

Section 8. "Properties" shall mean and refer to that certain real property described in the Declaration, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 9. "FHA" and "VA" shall mean the Federal Housing Administration and the Veterans Administration, respectively.

Section 10. All other definitions shall be as set forth in the Declaration and if there are any inconsistencies between the provisions of these Bylaws and the provisions of the Declaration, those of the Declaration shall prevail.

ARTICLE III

MEETING OF MEMBERS

Section 1. Annual Meetings. A meeting of the members shall be held annually, and regular annual meetings of the members shall be held thereafter in the month that is the anniversary of the first annual meeting.

Section 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 non-Declarant members who are entitled to vote one-fourth (1/4) of all the votes outstanding in non-Declarant memberships.

Section 3. Notice of Meetings. Written notice of each meeting of the members shall be given by, or at the direction of, the person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least fifteen (15) 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 shall specify the place, the day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

Section 4. Quorum. The presence at the meeting of members entitled to cast, or of proxies entitled to cast, one-twentieth (1/20) of the votes of the membership 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, the members entitled to vote thereat shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

Section 5. Proxies. At all meetings of members, each 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 Lot.

ARTICLE IV

BOARD OF DIRECTORS: SELECTION, TERM OF OFFICE

Section 1. Number. The affairs of this Association shall be managed by a board of five (5) directors except that the initial Board of Directors shall be comprised of one (1) member. That member has been named in the Articles of Incorporation as John H. Peterson, Jr. Except as stated in Article V, Section 1 hereof, the Directors need not be members of the Association and need not be residents of Virginia. The number of Directors may be changed by amendment of these Bylaws.

When there is no longer a Class D membership, as defined in the Declaration, the members shall elect three directors for a term of one year and two directors for a term of two years; and at each annual meeting thereafter the members shall elect, or re-elect, directors for a term of two years to fill the positions the terms of which are expiring. By unanimous approval of the Directors, the election of five directors may take place at the earlier annual meeting.

Section 2. Removal. Any director may be removed from the Board, with or without cause, by a majority vote of the members of the Association. In the event of death, resignation or removal of a director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

Section 3. Compensation. No director shall receive 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 4. 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.

ARTICLE V

NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting subject to procedural rules adopted by the Board. Such rules shall not be established so as to exclude any member desiring to be a candidate or desiring to submit the name of a candidate from so doing. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting and shall serve from the close of such annual meeting until the appointment of a new committee prior to the next annual meeting. The Nominating Committee shall 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 from among members or non-members until the expiration of Declarant control, after which all Directors shall be elected from among the members of the Association.

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.

ARTICLE VI

MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held quarterly with notice, at such place and hour as may be fixed from time to time by resolution of the Board.

Section 2. Special Meeting. 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 twenty-four (24) hours notice to each director.

Section 3. 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, except where the Declaration or these Bylaws provide differently.

ARTICLE VII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall have power to:

(a) 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;

(b) suspend the voting rights 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 hearing, for a period not to exceed sixty (60) days, for infraction of published rules and regulations;

(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;

(d) declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors; and

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

Section 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 one-fourth (1/4) of all the votes outstanding in non-Declarant memberships;

(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:

- (1) fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period;
- (2) send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period; and
- (3) foreclose the lien against any property for which assessments are not paid or to bring an action at law against the owner personally obligated to pay the same.

(d) issue, or to cause an appropriate officer to issue, upon demand by any person, and in the form required by Virginia law, a certificate setting forth whether or not any assessment has been paid and such other information as is required by law as the same is then in effect. A reasonable charge may be made by the Board of Directors 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;

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

(g) procure and maintain Directors and Officers liability insurance when there are Directors from the membership other than the named initial Director, if such coverage is reasonably available.

(h) cause the Common Areas to be maintained;

(i) approve an annual budget;

(j) fund adequate reserves; and

ARTICLE VIII

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices. The Officers of this Association shall be a president, vice-president, secretary and treasurer, who shall at all times be members of the Board of Directors.

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. The officers of this Association shall be elected annually by the Board of Directors and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve. All officers shall be eligible for re-election.

Section 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 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 given written notice to the Board. 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 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 replaces.

Section 7. Multiple Offices. The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

Section 8. Duties. The duties of the Officers are as follows:

President

(a) the President shall preside at meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign leases, mortgages, deeds and other written instruments and shall co-sign promissory notes and checks from such accounts as the Board may from time to time determine. He shall make appointments of members of all Standing Committees, except the Architectural Control Committee, which shall be elected by the Board of Directors.

Vice-President

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

Secretary

(c) the secretary shall record the votes and keep the minutes of 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 Board and of the members; keep all records of the Association, including appropriate current records showing the members of the Association together with their addresses, and shall perform such other duties as required by the Board.

Treasurer

(d) the treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall cause the disbursement of such funds as directed by resolution of the Board of Directors; shall co-sign all promissory notes and checks from such accounts as the Board may from time to time determine; keep proper books of account; if requested by the Board or by ten percent (10%) of the members, cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year; and shall be the chief officer responsible for the preparation of an annual budget and delivery of a copy to members; and shall present a statement of income and expenditures to the membership at its regular annual meeting.

(e) The Board of Directors may at any time authorize the signing of checks by the management company then serving the Association, and may delegate to the management company such other duties of the Treasurer and/or other officers as the Board may determine.

ARTICLE IX

COMMITTEES

The Association shall appoint an Architectural Control Committee, as provided in the Declaration, and a Nominating Committee, as provided in these Bylaws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose.

ARTICLE X

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. The Declaration, the Articles of Incorporation and the

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 XI ASSESSMENTS

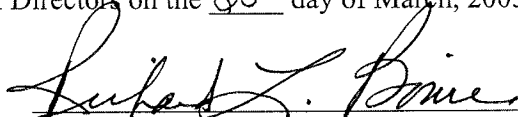
As more fully provided in the Declaration, each member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent and subject to late charges. 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 late charges, costs and reasonable attorney's fees of any such action shall be added to the amount of such assessment. If the Association, through its officers or its management company, determines that it is necessary to use the services of an attorney to collect an assessment, the Owner shall be responsible for costs and reasonable attorney's fees incurred, even though a court action is not instituted. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Areas or abandonment of his Lot.

ARTICLE XII AMENDMENTS

Section 1. These Bylaws may be amended, at a regular or special meeting of the members, by a vote of a majority of a quorum of members present in person or by proxy, except that the Federal Housing Administration or the Veterans Administration shall have the right to veto amendments while the Declarant is a member.

Section 2. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

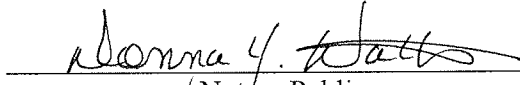
The foregoing was adopted as the Bylaws of The Quarters of York County Community Association, Inc., a non-stock, non-profit corporation established under the Laws of the Commonwealth of Virginia at the first meeting of the Board of Directors on the 23rd day of March, 2005.


Secretary, The Quarters of York County Community Association, Inc.

STATE OF VIRGINIA
CITY OF VIRGINIA BEACH, to-wit:

I, Donna Y. Watts, a Notary Public in and for the City and State aforesaid, do certify that Richard L. Bowie, Secretary of The Quarters of York County Community Association, Inc., whose name is signed to the foregoing Bylaws bearing date on the 23rd day of March, 2005, has acknowledged the same before me in my City and State aforesaid.

Given under my hand this 23rd day of March, 2005.


(Notary Public)

My term of office expires: 4/30/05

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