

RAG MOUNTAIN ESTATES OWNERS ASSOCIATION, INC.

BY-LAWS

JULY, 1969

(AS AMENDED MAY 1990, 1992, 1993, 1994, AND 2010)

- I. The name of this Association shall be Rag Mountain Estates Owners Association, Inc. (RMEOA). The Association is a private, non-profit organization composed of property owners of Rag Mountain Estates, Syria, VA, County of Madison. RMEOA is a tax-exempt organization, according to the IRS Letter L-179 dated June 4, 1975.
- II. The objective of this Association is to further the development of Rag Mountain Estates (RME) to the mutual benefit of all its owners-members, for the purpose of enjoying country living in a natural habitat. To this end, the Association maintains all the roads, rights-of-way, recreation areas and facilities and common areas in RME.
- III. Each owner of property in RME becomes a member of RMEOA.
 - A. Members in good standing are members whose assessments are paid in full for the last completed fiscal year, as defined in IX.
 - B. Institutional members are defined as institutions or corporations to which property in RME has been willed or otherwise conveyed. The executive committee may waive an institutional member's assessment, on condition that it shall not use the property or RME facilities, or vote. If assessments are paid, this member may designate one individual to represent it at meetings and through mail ballots. Only this individual and his or her family may make use of the property or RME facilities without the permission of the RME executive committee. Institutional members shall receive all mailings.
- IV. The Association is governed by the members in good standing, voting as prescribed in these By-Laws, and by the elected officers using the powers set forth below.
 - A. Members in good standing shall vote either at a regular or special meeting or by mail ballot sent out by the secretary at the direction of the executive committee.
 - B. A quorum for doing business at an RMEOA meeting shall consist of one-third of the members in good standing, present in person or represented by proxy.
 - C. At an RMEOA meeting, a majority vote of members present and represented by proxy is required for:
 1. Election of officers;
 2. Adoption of annual budget;

3. Adoption of the annual assessment;
 4. Approval of any change proposed by the officers in the Association property, real or personal; and of any encumbrances of any nature, monetary or otherwise, against Association property; and
 5. Amendment of these By-Laws.
- D. A proxy form is to be mailed to each member in good standing at least 3 weeks in advance of every meeting of RMEOA.
- E. The executive committee is authorized to conduct a mail vote on matters not listed in C, and requiring a decision between meetings. Each qualified member is to be sent a statement of the question to be voted on, the ballot form, and notification of the deadline for ballot return. A majority of votes cast in such a mail ballot decides the question.
- V. All meetings of the membership shall take place at RME. Notice shall be mailed to all members at least three weeks before the meeting.
- A. The regular membership meeting shall take place between May 15 and June 20, at a date determined by the officers.
 - B. Special membership meetings shall be on the call of the president or executive committee.
- VI. The elected officers of RMEOA shall consist of a president, vice president, secretary, treasurer, and three trustees.
- A. The president, vice president, secretary, and treasurer shall constitute the RMEOA executive committee.
 - B. Officers serve for a two-year term, running from July 1 to June 30. They are elected at the regular meeting in even-numbered years.
 - C. The nominating committee (described in VIII) shall present a slate, and it shall be included in the mailing announcing the meeting. Additional nominations may be received from the members. All members in good standing are eligible to be nominated and to serve.
 - D. If an officer resigns, or must be replaced between elections, the executive committee shall select the replacement. Failure to carry out the duties of the office shall be cause for removal from office. An officer may be removed from office by a vote of two-thirds of the officers.
 - E. Trustees, at least two of whom shall be former officers of RMEOA, shall have the duty of ensuring that important and recurring administrative functions of the

Association are carried out promptly and correctly. The trustees shall review the treasurer's records at the end of each fiscal year, and at other times when requested to do so by the executive committee.

VII. The Officers' individual duties and responsibilities are as follows:

- A. **President** -- Shall conduct all membership and executive committee meetings, and act for RMEOA in all matters not otherwise delegated to others in these By-Laws, or requiring a vote of the membership. The president shall be co-signer of authorized checks, jointly with the treasurer or other authorized officer. The president may call meetings of the executive committee, and of the membership. The president shall appoint standing committees authorized in VIII.
- B. **Vice President** -- Shall act in place of the president in the president's absence with the same duties and rights as granted to the president. The vice president shall be chairman of all standing and special committees, and perform such other duties as the president shall assign.
- C. **Secretary** -- Shall record minutes of all meetings of the Association and executive committee, notify members of each meeting and provide a proxy form, read minutes of previous meeting as appropriate, and be official custodian of all records, except those maintained by the treasurer. The secretary shall send members summaries of meeting actions and other important information as directed by the executive committee. The secretary shall complete and mail the annual report form from the State Corporation Commission, and enclose the incorporation fee provided by the treasurer. Annually the secretary shall mail an updated member address list to each of the following: all RMEOA members, the State Corporation Commission, the Madison County Treasurer, the RMEOA lawyer, and the Syria Post Office.
- D. **Treasurer** -- Shall receive and pay out all monies due to, or owed by the Association and keep a true and correct account of these transactions. The treasurer shall maintain bank account(s) in banks(s) of his or her choice, subject to the approval of the executive committee. Written reports shall be prepared and distributed as described in IX-E. The treasurer shall maintain a current list of members and their addresses for the secretary. The treasurer shall consult annually with the IRS regarding RMEOA filing Form 990 or any other required forms, whether due to an increase in income or changes in the tax laws, and recommend action to be taken by the appropriate officers.
- E. **Trustees** -- At least two trustees shall be former officers. The duties of the trustees are to ensure that important and recurring administrative funds of the Association are carried out promptly and correctly. The trustees shall review the treasurer's records at the end of each fiscal year, and at other times when requested to do so by the executive committee.

- VIII. Regular and special committees shall be appointed by the president. Special committees shall have a specific task and serve for a specified period of time. There shall be three regular committees:
- A. **Building and Grounds** -- is to supervise maintenance and upkeep of such areas.
 - B. **Roads and Rights-of-Way** -- to supervise maintenance and repairs as needed.
 - C. **Nominating** -- to recruit and propose, at least four weeks in advance of the annual meeting in even-numbered years, a slate of officers; and to advise the executive committee on request when a replacement officer is needed.
- IX. The fiscal year shall be from July 1 to June 30. A budget for the coming fiscal year shall be submitted by the treasurer to the regular meeting, where members shall adopt the budget after making any desired amendments. Members at this regular meeting also shall discuss and adopt an annual assessment to cover the budgeted expenditures. Emergency assessments may be authorized by the members in good standing as provided in IV.
- A. Assessments are due and payable on or before 60 days of receipt of the bill. Members whose payments are received after that time will be billed a \$10 late fee for a period of up to one year.
 - B. Members whose assessments are not paid in full within the fiscal year are not in good standing. After the end of the fiscal year, a lien will be placed on the property of the delinquent member, and the treasurer is authorized to file a notice of such lien with the Clerk of the Court of Madison County, Virginia, and take such other steps as may be necessary for the collection of any delinquent assessments. The liens will be undated or released at regular intervals, and will include reasonable attorney's fees, court costs, release costs, all other incidental fees associated with collection, back assessments due, and annual interest of 20%. Upon payment or collection of any such delinquent assessments, the treasurer is further authorized to make releases and issue discharges as necessary.
 - C. The officers are authorized to expend up to the sums authorized in the proposed budget for the purposes shown. In cases where the taxes, insurance, or other essential expenses are raised beyond the proposed amount, the executive committee will authorize payment. Sums paid cannot exceed funds in the treasury.
 - D. No officer or other person may incur any debt in the name of the Association except as described in IV-C-4.
 - E. Written reports to the members shall be prepared by the treasurer on or before the 15th of each January, April and October, and an annual report as of July 1. The annual and October reports shall be sent to every member; April and January reports shall be posted at the Lodge.

- X. Deed covenants are recorded in the Clerk's Office of Madison County, Virginia, and all deeds recorded for RME property refer to these stated restrictions. Power to change, add, or delete deed restrictions and to act to enforce these restrictions are set forth in paragraph 7 of the restrictions as filed. In addition, the following restrictions are in effect:
- A. All open air fires shall comply with applicable federal, state and local ordinances and regulations. Prior to burning, sufficient extinguishing material shall be present at the site to completely extinguish the fire. Organic leaf mulch is not an acceptable extinguishing material. A responsible person or persons shall remain with the fire until it is completely extinguished and the ground is cool. The president or representatives of the president shall have the right to enter a property whenever burning takes place and, if in their opinion a hazard exists, shall have the right to demand that the fire be extinguished or to extinguish the fire themselves. The owner shall be responsible for any damage or injury resulting from a fire, including the cost of extinguishing it.
 - B. Owners shall notify the president of RMEOA (or one of the other officers if the president cannot be reached) whenever they expect deliveries of materials or supplies by large or heavily-loaded trucks, or other heavy vehicles. RMEOA reserves the right to require the owner to reschedule such deliveries whenever weather or road conditions are deemed to be unsuitable. Owners shall be responsible for repair of damage caused to the roads if they fail to conform with the above.
- XI. A. In accordance with Section 55-509.4 of the Code of Virginia, the secretary shall develop a "disclosure packet" consisting of up-to-date information as required by law, including but not limited to the following:
- 1. Certificate of Incorporation, covenants, and By-Laws;
 - 2. Current year budget;
 - 3. Financial Report for previous fiscal year;
 - 4. Statement of current rate of dues and assessments;
 - 5. Statement of capital expenditures expected, if any, for the current and next two fiscal years;
 - 6. Statement as to any reserve account in the Association treasury;
 - 7. Statement as to any pending suit or unpaid judgment to which the Association is party; and
 - 8. Statement as to all Association insurance coverage, and any other information required by law.

The secretary shall keep an adequate supply of these packets on hand at all times to enable furnishing of a packet within fourteen days of any financed request from an owner who proposes to sell property in Rag Mountain Estates. The executive committee shall fix annual the fee for furnishing the "disclosure packet" at no less than \$10 nor more than \$100 and the secretary shall not deliver

the packet in response any request until and unless the fee fixed by the executive committee has been paid. All such fees collected shall be placed in the RMEOA treasury and may be used for any purpose authorized in the RMEOA budget.

- B. In accordance with Section 55-513 of the Code of Virginia, the executive committee shall be empowered to enforce all items in the Covenants and By-Laws relating to the Association. Any member in violation shall be notified of the violation by certified mail. A member alleged to be in violation shall have the right, on request, to be heard by the executive committee and shall be entitled to bring counsel to any such hearing. After such hearing, the executive committee may levy fines against members who remain in violation of Covenants and By-Laws in amounts not to exceed \$50 for a single offense and not to exceed \$10 per day for a continuing violation. Such fines may be collected, if necessary, by the placing of liens against the property of the owners found in violation.

These By-Laws may be amended as prescribed in IV-C-5.

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RAG MOUNTAIN ESTATES OWNERS ASSOCIATION, INC.
GENERAL DELIVERY, SYRIA, VIRGINIA 22743

DEED COVENANTS, REVISED JUNE 1, 2003 - *dated*

1. All parked vehicles, including trailers and campers, shall be maintained in complete operating condition, with wheels on, tires duly inflated and, if motorized, with motor in running condition. No vehicles, including trailers and campers, shall be parked in a visually obtrusive or unsafe location. Abandoned or deteriorated vehicles shall be removed by owner at the request of RMEOA.
2. In order to maintain a rustic character, the exterior walls of all buildings above the grade level story shall be constructed of either natural stone or wood. No building shall be painted on the outside with other than natural hues or clear coatings. Exposed portions of concrete, concrete masonry, or parged grade level walls shall be painted on the outside to harmonize with finish on the main portion of buildings. Metal buildings, brick buildings, vinyl or aluminum siding, and single and/or double wide mobile homes are prohibited. Roofs may be any standard roofing material. Abandoned or deteriorated structures shall be removed by owner at the request of RMEOA.
3. No structure smaller than 400 square feet in area shall be used as a residence. No single structure shall exceed 2000 square feet in area of ground covered, exclusive of uncovered decks or overhangs.
4. Property is for private use of property owners, guests of owners, heirs and assigns and is not to be used for any commercial purpose.
5. To preserve woodland and maintain habitat and migration routes for wildlife, property shall be left in its natural state as much as possible. Clearcutting is prohibited except when required for building, utilities (including septic systems), access or safety.
6. Hunting is prohibited. Discharge of firearms is permissible only in life-threatening situations, or for preservation of safe habitat.

7. Each property owner shall become, at the time of purchase, a member of the RAG MOUNTAIN ESTATES OWNERS ASSOCIATION, INC., herein referred to as RMEOA. RMEOA is a non-profit association of owners of said property. Purchasers agree to abide by these restrictions and regulations, including any changes, additions or deletions which are deemed necessary and appropriate by a two-thirds decision of the membership. Said association is hereby granted all power necessary to act under the terms of this paragraph, provided that the decisions thereof are consistent with the effort to enhance and appreciate the value of the property and to provide for the health and safety of the members. Each member/owner will participate equally in all RMEOA decisions at all membership meetings and ample notice will be given of all meetings.

8. RMEOA will hold title to all recreational areas and facilities within the boundaries of Rag Mountain Estates (RME) and all property except such property as is individually owned by member/owners.

9. No lot within RME may be subdivided without consent in writing from RMEOA.

10. No signs, billboards or advertising of any kind shall be erected, placed or maintained on any lots or tracts within RME, nor upon any building erected therein, except directional and information signs of RMEOA, and "name signs" erected by property owners to identify their property.

11. No permanent outside toilets will be permitted on said lots and all drainage fields, septic tanks and cesspools must be approved by the Virginia State Health Department.

12. RMEOA reserves unto itself the right to erect and maintain telephone and electric light poles, conduits and equipment, and utility lines along existing roadways and rights-of-way, or to grant easements or rights-of-way therefore, with the right of ingress and egress for the purpose of maintenance on, over, or under a strip of land 5 feet wide at any point along the side, rear or front lines of any lots within RME.

13. RMEOA shall impose, by a by-law duly adopted or by a majority vote at a regular annual meeting, an annual assessment against each owner of land located in RME, which shall be used for the upkeep and maintenance of the roadways and other common areas lying in RME. Road maintenance and

upkeep shall be supervised by the road committee, and upkeep and maintenance of the recreational areas shall be under the supervision of the building and grounds committee. Such annual assessments are due and payable on or before 60 days after receipt of the bill each year. Any payment not made within the fiscal year shall constitute a lien on said property in accordance with recorded amendment to the deed of dedication recorded in Deed Book 132, Page 510, and the Treasurer is further authorized to make such releases and issue discharges as may be necessary.

14. All vehicles shall be operated in a safe and courteous manner which will not endanger or unnecessarily disturb members, their guests, or the wildlife.

15. Unless a motorcycle, motorbike, snowmobile or other motorized vehicle is used only for transportation to and from a member's property, these vehicles are prohibited from RME. All-terrain vehicles (ATV's) are prohibited at all times.

16. Trespassing on land of individual property owners by member/owners or their guests is forbidden and may be treated as a misdemeanor.

17. Property owners who use their land seasonally for camping, etc. are to maintain their property in a manner that does not detract from the appearance of RME.

18. Speed limit shall not exceed 15 MPH on RME roads.

19. Each member is responsible for the behavior and safety of the owner, family members, guests and/or tenants while on the community property of RMEOA. Each member shall hold harmless all other members, and RMEOA itself, for the injury or death on another member's property, or the community property of RMEOA.