

FERNDALE LAKE LAND OWNERS ASSOCIATION, INC.

P.O. Box 42
Springfield, WV 26763

BY-LAWS

ARTICLE I

Name of Corporation

The name of the corporation is Ferndale Lake Land Owners Association, Inc., hereinafter referred to as the "Corporation".

ARTICLE II

Offices

The principal office of the Corporation in West Virginia shall be located in Hampshire County or within 50 miles of Hampshire County. The Corporation may have such other offices, either within or without West Virginia, as the Directors may from time to time determine.

ARTICLE III

Members

Section 1. Membership in the Corporation

The members of the Corporation shall be every owner of a lot of the property (hereinafter referred to as the "Property") subject to the provisions of a Declaration of Protective Covenants made by Tuscorora Land Corporation (hereinafter referred to as the "Developer") and recorded among the Land Records of Hampshire County, West Virginia, in Deed Book 216 at page 65, (hereinafter referred to as the "Declaration") provided however, that any person or entity who holds title merely as security for the performance of an obligation shall not be a member of the Corporation.

The Board of Directors of the Corporation may suspend any person from membership in the Corporation during any period of time when such person is in default of any of his obligations under the Declaration, including, without limitation, the failure to pay any assessment, provided that such default has continued uncured for a period of thirty (30) days after written notice thereof to such member.

Section 2. Voting Rights in the Corporation

The members of the Corporation shall have the right to vote for the election and removal of Directors and upon such other matters with respect to which a vote of members is required under the Declaration or under the provisions of West Virginia statutes or these By-Laws.

ARTICLE IV

Meeting of Members

Section 1. Annual meeting.

The annual meeting of the members shall be held between April 1 and June 30 of each year, on a date fixed by the Board of Directors. Said date shall be established no later than sixty (60) days prior to the annual meeting. Such annual meeting shall be held for the purpose of electing Directors and for the transaction of such other business as may come before the meeting.

Section 2. Special Meeting.

Special meetings of the members may be called by the President, at least three members of the Board of Directors, or upon demand of six (6) or more members of the Corporation.

Section 3. Place of Meeting.

The Board of Directors may designate any location within Hampshire County, West Virginia as the place for any annual meeting or special meeting called by the Board of Directors and the President may designate any location in Hampshire County as the place for any special meeting called by him. If no designation is made, or if a special meeting is called by members of the Corporation, the place of the meeting shall be in Hampshire County, West Virginia or within 50 miles of the County Seat, Romney, West Virginia.

Section 4. Notice of Meetings.

Written notice stating the place, day and hour of the meeting, and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be mailed or delivered not less than twenty (20) nor more than ninety (90) days before the date of the meeting, either personally or by

mail, by or at the direction of the President or the Secretary or the person calling the meeting, to each member of the Corporation at his address as shown on the records of the Corporation. In lieu of delivering notice as above, the Corporation may publish notice of any annual meeting or special meeting in the Ferndale Lake Land Owners Association's Newsletter, said Newsletter to be mailed to each member so that a minimum of twenty (20) days notice is provided. A member may, in a writing signed by him, waive notice of any meeting before or after the date of the meeting stated therein.

Section 5. Quorum and Manner of Acting.

Members and/or ballots constituting one-quarter (1/4) of the total votes shall constitute a quorum at any meeting. The act of a majority of the membership present at the meeting shall be the act of the members, unless the act of a greater number is required by law, the Articles of Incorporation, these By-Laws or the Declaration.

Section 6. Conduct of Meetings.

The Directors may make such regulations as they deem advisable for any meeting of the members, including proof of membership in the Corporation, evidence of the right to vote and the appointment and duties of inspectors of votes. Such regulations shall be binding upon the Corporation and its members.

ARTICLE V

Directors

Section 1. General Powers.

The affairs of the Corporation shall be managed by its Directors. The officers and Directors comprising the Board of Directors shall seek the guidance and direction of the membership and shall communicate, both in writing through the newsletters and other written communications and verbally to all members, regarding activities of the Board. The Board of Directors shall have final approval in all matters of business except as provided in these By-Laws.

Section 2. Number and Tenure.

The number of Directors shall be not less than five (5) and not more than nine (9). At the annual meeting in 2007, subsequent to the approval of this Section, the members shall elect at least three Directors for a term of two years. All persons appointed or elected to the Board of Directors shall be members in good standing of the Association.

The Board of Directors may, at any time, by majority vote of the Board of Directors, increase or decrease the total number of members of the Board of Directors to no less than five (5) but not more than nine (9) Directors. The Board may reduce the number of Directors to not less than five (5) provided that the reduced Director positions are vacant. No Director shall be removed from office by reduction of the size of the Board of Directors.

At the Annual Meeting, the members shall also elect additional Directors as requested by the Board of Directors, such that the total membership of the Board shall not exceed nine (9) members.

Up to five (5) Directors shall be elected in odd numbered years for two year terms, and up to four (4) Directors shall be elected in even numbered years for two year terms.

Vacancies occurring on the Board of Directors shall be filled by appointment by the Board of Directors until the next annual meeting. Such appointment authority shall also apply to new positions on the Board of Directors that are created between the Annual Meetings.

Section 3. Regular Meetings.

Regular meetings of the Board of Directors shall be held at such time and place as may be fixed from time to time by resolution of the Board of Directors. The Board of Directors shall meet at least three (3) times per year in addition to a meeting immediately after the annual meeting. The regular meeting after the annual meeting shall be for the purpose of election of officers and any other business that shall come before the Board of Directors.

Section 4. Special meetings.

Special meetings of the Board of Directors may be called by or at the request of the President or any three Directors by giving notice as provided in Section 6 of this Article V. Such person calling a special meeting of the Board of Directors may fix any location as the place for holding such special meeting.

Section 5. Telephone meetings.

Regular or special meetings of the Board of Directors may be conducted by conference telephone call under the provisions of Section 4 of this Article V. Such meetings shall be valid and actions taken at these telephone special meetings shall be valid. A quorum shall be as provided in Section 7 of this Article V. Minutes of telephone meetings shall be kept in accordance with Article VI, Section 2 (a).

Section 6. Notice.

When notice of any meeting of the Board of Directors is required, such notice shall be given at least seven (7) days previous to such meeting by written notice delivered personally or sent by mail, express mail or private overnight delivery service to each Director at his address as shown on the records of the Corporation. Any Director may waive notice of any meeting before or after the time of the meeting stated therein. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board need be specified in the notice or waiver of notice of such meeting, unless specifically required by law, the Articles of Incorporation, these By-Laws or the Declaration.

Section 7. Quorum.

At meetings of the Board of Directors, a quorum shall consist of a majority of the total members of the Board; but if less than a majority of the Directors are present at said meeting, a majority of the Directors present may adjourn the meeting without further notice.

Section 8. Manner of Acting.

The act of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

Section 9. Compensation.

Directors as such shall not receive salaries for their services as Directors, but by resolution of the Board of Directors, any Director may be reimbursed for his actual expenses incurred in the performance of his duties as a Director.

A Director may provide contractual services to the Corporation and be compensated for them in the same manner as non-Directors, members or non-members. A member of the Board of

Directors shall abstain from voting on any contractual relationship between the Corporation and himself.

Section 10. Removal of Directors.

Elected officers and Directors may be removed from office before expiration of their term of office at a special meeting of the membership called for that purpose. A majority vote of the entire voting membership shall be required to remove any officer or Director.

ARTICLE VI

Powers and Duties of the Board of Directors

Section 1. Powers.

The Board of Directors shall have the 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 when upon the Common Areas, and to establish penalties for the infraction thereof;
- b. suspend the voting rights and right to use the recreational facilities of a member during any period in which the member shall be in default in the payment of any assessment levied by the Corporation. 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 Corporation all powers, duties and authority vested in or delegated to the Corporation and not reserved to the membership by other provisions of these By-Laws, 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 two (2) consecutive regular meetings of the Board of Directors;
- e. declare the office of a member of the Board of Directors to be vacant in the event such member shall be suspended in accordance with Section 1.(b) of this Article VI;
- f. employ a manager, independent contractors, or other such employees as they deem necessary, and to prescribe their duties,
- g. contract and pay for such services as desired by the membership, for the maintenance and improvement of the Common Areas owned by the Corporation and

h. make such decisions by majority vote of the Board of Directors that benefit the Corporation and its members and obligate funds for the implementation of the decisions.

Section 2. Duties.

It shall be the duty of the Board of Directors to:

a. manage the common grounds, including roads, lake, beach, recreational areas of the Lake Ferndale Subdivision, and to act on behalf of all lot owners in that subdivision in all matters of common concern;

b. 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 of the members when such statement is requested in writing by the person or persons calling the special meeting;

c. supervise all officers, agents, employees and contractors of the Corporation and see that their duties are properly performed;

d. as more fully provided in the Declaration, to:

(1) fix each year the amount of the annual assessment against each lot that is in excess of the minimum amount prescribed in the Declaration and obtain ratification of the total assessment for each year by the members at the annual meeting;

(2) foreclose the lien against any property for which assessments are not paid within one (1) year after the date of the assessment shall have been mailed to the member at the address of record in the Corporation's records.

e. procure and maintain adequate liability and hazard insurance on property owned by the Corporation;

f. cause all officers or employees having fiscal responsibilities to be bonded, as the Board may deem appropriate;

g. cause the Common Area and roads to be built and maintained, including such grading, application of rock, gravel, stones, and crushed rock as may be required, and to plow snow from the roads as may be required;

h. enforce the Declaration as may be required to preserve and protect the community and to enforce all provisions of the protective covenants which run with the land and are incorporated

in the lot owners' deeds; and

j. perform or cause to be performed, supervision and maintenance of the lake and beach area; operation and maintenance of any parks, playgrounds, or common streets in the subdivision, and improve the Common Area and roads as authorized by the membership.

ARTICLE VII

Officers

Section 1. Officers.

The officers of the Corporation shall be a President, a Vice-President, a Secretary and a Treasurer. The Board of Directors may elect such other officers as it shall deem desirable. Officers shall have the authority and shall perform the duties prescribed from time to time by the Board of Directors. No member shall hold more than one office at the same time.

Section 2. Election, Term of Office and Vacancies.

The officers of the Corporation shall be elected annually by the Board of Directors from the members of the Board of Directors, at the first meeting of the Board of Directors following each annual meeting of the members as herein set forth in Article IV. A vacancy in any office of the Board of Directors arising because of death, resignation, removal or otherwise may be filled by the Board of Directors for the unexpired portion of the term.

Section 3. Removal.

Any officer may be removed by a majority vote of the Board of Directors whenever, in its judgment, the best interests of the Corporation will be served thereby. All members of the Board of Directors must vote or abstain from voting when a removal action is presented for their vote. Proxy voting and telephone voting is not permitted on removal actions.

Section 4. Officers Powers and Duties.

A. The President will preside at all meetings of the membership and the Board of Directors and perform such duties as customarily pertain to the office or as assigned by the Board of

Directors, the membership or the By-Laws. The President shall enforce the provisions of all legally adopted By-Laws. The President shall appoint members of all committees, who shall serve at the President's pleasure.

B. The Vice-President shall assume the Chair in the absence of the President. The Vice-President shall assist the President in the execution of his/her duties and shall provide advice and guidance to the President as requested.

C. The Secretary shall be responsible for providing notice of and keeping minutes for all meetings of the Board of Directors and of the membership of the Corporation. The Secretary shall have charge of, maintain, and be the custodian of all books, documents, records and papers as the Board of Directors may determine and shall have custody of the Corporate Seal.

D. The Treasurer shall have custody of all funds and property of the Corporation, subject to such regulations as may be imposed by the Board of Directors. The Treasurer may be bonded for the faithful performance of all duties, with the cost borne by the Corporation, in such sum as the Board of Directors may require.

The Treasurer shall enter regularly on the books of the Corporation full and accurate account for all monies and obligations received and paid or incurred for or on account of the Corporation and exhibit such books at all reasonable times to any Director or member on application, and shall report at each meeting of the Board of Directors and at the annual meeting of the members, all receipts and disbursements since the previous meeting. At the end of each fiscal year, the Treasurer shall submit the books to the Audit Committee for an annual audit of accounts, if so ordered by the Board of Directors.

The Treasurer shall, in general, perform all the duties incident to that office, subject to the control of the Board of Directors.

Upon being succeeded in office, the Treasurer shall promptly turn over all Corporate records, correspondence and funds to the successor.

Section 5. Resignation.

Any officer or member of the Board of Directors may resign at any time by giving written notice to the Board of Directors, the President or Secretary. Such resignation shall take effect on the date of the 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.

ARTICLE VIII

Committees

Section 1. Committees of Directors.

The Board of Directors, by resolution adopted by a majority of the Directors in office, may designate one or more committees, each of which shall consist of two or more Directors, which committees, to the extent provided in the resolution, shall have and exercise the authority of the Board of Directors in the management of the affairs of the Corporation; provided, however, that no such committee shall have the authority of the Board of Directors to approve an amendment to the Articles of Incorporation of the Corporation.

Section 2. Other Committees.

Other committees not having and exercising the authority of the Board of Directors in the management of the affairs of the Corporation may be designated by a resolution adopted by the Board of Directors. The President shall appoint the Chair of such committees and the committees shall perform such duties and have such powers as may be provided in the resolution and approved by the Board of Directors.

ARTICLE IX

Voting

Section 1. Voting.

Each member of the Corporation in good standing is entitled to one vote either in person or by proxy but no lot may have more than one vote by virtue of joint ownership. Each lot shall have one vote, and lots owned by one or more persons or entities shall have one vote and the owners shall designate who shall cast any ballots. Member owners of more than one lot may have one vote per lot owned.

Section 2. Proxies.

Each person may vote in person or by specific proxy for the election and removal of Directors of the Corporation and upon such other matters with respect to which a vote of the members is required under the Declaration or under applicable provisions of West Virginia Code.

All specific proxies shall be in writing and in an appropriate form approved by the Secretary and must be received by the Secretary of the Corporation, or the Secretary's designated agent, prior to the commencement of the meeting at which the voting shall be held. No person who has voted by specific proxy shall be permitted to vote in person at such meeting, but may vote in person on any other business to come before the meeting.

Section 3. Cumulative voting.

For the purposes of these By-Laws, cumulative voting shall mean the casting, by a voter, of more than one vote for a candidate on any one ballot. Cumulative voting shall not be permitted at any election.

ARTICLE X

Assessments

Section 1. Requirement to Pay Assessments.

As more fully provided in the Declaration, each member is obligated to pay to the Corporation annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made.

Section 2. Delinquent Assessments.

Assessments for the year are billed as of January 31 of each year. Any assessment which is not paid when due shall be delinquent. If the assessment is not paid by March 1 after the billing, a late payment charge of \$25 shall be assessed against the member. If the assessment is not paid by June 1 after the billing, an additional late payment charge of \$25 shall be assessed against the member.

Late charges shall continue to accrue on March 1 and June 1 of each subsequent year until the assessment and late charges are paid in full. Late charges shall constitute an additional assessment against the subject property.

Section 3. Foreclosure of Lien.

The Corporation may foreclose the lien against the member's property. Interest, costs and reasonable attorney's fees incurred by the Corporation in enforcing any action to collect delinquent assessments and late charges shall be added to the amount of such assessment. No owner or member may waive or otherwise escape liability for the assessments provided for herein by nonuse of the Common Area or roads, or abandonment of his lot.

Section 4. Damage to Roads or Other Common Areas.

Any damage to a road or the right-of-way or other Common Area due to water runoff from any lot onto said roadway or common area that was caused by the negligence of the owner of the lot will be the responsibility of the owner of said lot to repair at his own expense. If any owner fails to make any repair required of them, after sixty (60) days written notice from the Corporation, the owner shall be liable for an additional assessment of \$100 per year until corrections are made. This additional assessment shall constitute a road maintenance assessment against the owner's lot.

Section 5. Refusal to Repair Roads Damaged by Water Runoff

If an owner is liable and responsible for road damages, and is unwilling or unable to repair roads damaged due to water runoff from an owner's lot, the Corporation may repair the roads, and the costs of repair plus reasonable attorney's fees and interest at the rate of eight percent (8%) per annum shall be added to the lot owner's assessment. Such repair costs shall constitute a road maintenance assessment against such owner's lot.

ARTICLE XI

Amendments

Section 1. By-Laws

These By-Laws may be altered, amended, or repealed and new By-Laws adopted at a regular or special meeting of the members by a vote of three fourths (3/4) of the votes cast, present or by proxy, at a meeting where a quorum is present.

Section 2. Submission of By-Law Amendments and Member Notification.

All proposed amendments must be submitted in writing to the Secretary no less than thirty (30) days prior to the meeting at which the amendment(s) shall be voted upon. The Secretary shall mail to all members of the Corporation a copy of the proposed amendments to the By-Laws at least fifteen (15) days prior to the meeting at which the amendments shall be voted upon. Said notification may be placed in the Association's Newsletter providing the member shall receive the Newsletter at least fifteen (15) days prior to the meeting.

No amendment(s) to the By-Laws may be introduced from the floor, or considered, unless all members have been mailed a copy of the proposed amendment(s) accordance with Section 2 of this Article XI.

Approved May 29, 1999
Amended May 27, 2007