

BYLAWS
OF
MULBERRY TERRACE HOMEOWNERS ASSOCIATION, INC.

ARTICLE I

Definitions

The words used herein which begin with capital letters (other than words that would be normally capitalized) shall have the meanings assigned to them in Article I of the Deed of Dedication of Mulberry Terrace recorded among the records of Frederick County, Virginia.

ARTICLE II

Incorporation of Subdivision and Restrictive Covenants and Act

Section 1. The Deed of Dedication of Mulberry Terrace of Mulberry Terrace dated August 31, 2005, of record in the Clerk's Office of the Circuit Court of Frederick County, Virginia, as Instrument No. 050020453, together with any amendments thereof which are duly recorded in said Clerk's Office are herein referred to and by this reference incorporated herein.

Section 2. The provisions of the Property Owner's Association Act of the Code of Virginia (1950), as amended, Section 55-508, et seq., and all amendments thereto, are herein referenced to and by this reference incorporated herein.

ARTICLE III

Location

Section 1. The principal office of the Association shall be located at the residence of the President of the Association, or at such other office as is agreed upon by the Directors.

ARTICLE IV

Membership

Section 1. The Deed of Dedication of Mulberry Terrace of Mulberry Terrace dated August 31, 2005, of record in the Clerk's Office of the Circuit Court of Frederick

County, Virginia, as Instrument No. 050020453, together with any amendments thereof which are duly recorded in said Clerk's Office are herein referred to and by this reference incorporated herein.

Section 2. The rights of membership are subject to the payment of annual and special assessments levied by the Association, the obligation of which assessments is imposed against each owner of and becomes a lien upon the property against which such assessments are made a part hereof as stated above and as set forth in the Property Owner's Association Act of the Code of Virginia (1950) as amended, Section 55-508, et seq.

Section 3. The membership rights of any person whose interest in any of the Lots is subject to the assessment under the aforesaid Deed of Subdivision and Restrictive Covenants and Act are personally obligated to pay such assessment, whether or not he be personally obligated to pay such assessments, may be suspended by action of the Directors during the period when the assessments remain unpaid; but upon payment of such assessments, his rights and privileges shall be automatically restored.

Section 4. Membership is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to any may not be separated from ownership of any Lot which is subject to assessments by the Association. Ownership of such a Lot shall be the sole qualification for membership.

ARTICLE V

Voting Rights

Section 1. The Deed of Dedication and the Property Owner's Association Act herein referred to are by this reference incorporated herein.

Section 2. The rights of membership are subject to the payment of annual and special assessments levied by the Association, the obligation of which assessments is imposed against each owner of and becomes a lien upon the property against which assessments are made as provided in the aforesaid Deed of Subdivision and Restrictive Covenants and Act, and by this reference set out in haec verba.

Section 3. The membership rights of any person whose interest in any of the Lots is subject to assessments under the aforesaid Deed of Dedication, whether or not he be personally obligated to pay such assessments, may be suspended by action of the Directors during the period when the assessments remain unpaid; but, upon payment of such assessments, his rights and privileges shall be automatically restored. The Association shall have one (1) class of voting membership. Each Member shall be entitled to one (1) vote for each Lot owned. When more than one (1) 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 (1) vote be cast with respect to any Lot.

ARTICLE VI

Board or Directors

Section 1. Directors shall be elected at the annual meeting of Members or at a special meeting called for that purpose as provided by law, by a plurality of votes cast at such election. Directors shall serve until the date herein fixed for the next annual meeting of Members and until the election of their respective successors. Directors must be members. There shall be a minimum of three (3) Directors and a maximum of five (5) Directors. The Directors shall not be paid a Director's fee, but shall be reimbursed their reasonable expenses.

Section 2. At the first organization (special) meeting of Members, the initial Board of Directors shall be elected, which Directors shall be in number as set forth in Section 1, supra. Such Directors shall serve until the first annual meeting of Members, as set forth in ARTICLE XI, SECTION 1, infra.

Section 3. At the first annual meeting, the Members shall elect not less than three (3) nor more than five (5) Directors. Directors shall serve the following terms, President three (3) years, Vice-President, two (2) years, Treasurer three (3) years, Secretary two (2) years, all other directors shall service a one (1) year term.

ARTICLE VII

Nomination and Election Committee

Section 1. Election to the Board of Directors shall be by vote taken at the annual meeting or such other meeting called for such purpose. At such meeting, the Members or their proxies may cast, in respect of each vacancy, as many votes as they are entitled to exercise under the provisions of the recorded covenants applicable to the Properties. The names receiving the largest number of votes shall be elected..

Section 2. It shall be the responsibility of the Secretary to oversee the tabulation of the votes and to report the results of the voting for election of Directors at the annual or other special meeting at which such elections are held. The Secretary shall ascertain that any member casting a vote by proxy is acting pursuant to a valid proxy. The Board of Directors shall not be required to disclose to anyone the vote of any member or his proxy.

ARTICLE VIII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. The Board of Directors shall have the power:

(a) to call special meetings of the Members whenever it deems necessary and it shall call a meeting at any time upon written request of one-fourth (1/4) of the voting Membership as provide in Article XI, Section 2, of these By-Laws.

(b) to appoint and remove at pleasure all officers, agents and employees of the Association, prescribe their duties, fix their compensation, and require of them such security or fidelity bond as it may deem expedient. Nothing contained in these By-Laws shall be construed to prohibit the employment of any Member, Officer or Director of the Association in any capacity whatsoever.

(c) to establish, levy and assess, and collect the assessments of charges referred to in Article IV, Section 2, of these By-laws. Further, for good cause shown, the Directors shall have the express authority to exempt and/or defer any lots in said subdivision from liability for any assessments or portion thereof.

(d) to adopt and publish rules and regulations governing the use of the common properties and facilities and the personal conduct of the Members and their guests thereon.

(e) to exercise for the Association all powers, duties and authority vested in or delegated to this Association, except those reserved to the meeting or to members in the covenants.

(f) in the event that any member of the Board of Directors of this Association shall be absent three (3) consecutive regular meetings of the Board of Directors, the Board may by action taken at the meeting during which said third absence occurs, declare the office of said absent Director to be vacant.

Section 2. It shall be the duty of the Board of Directors:

(a) to 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 is requested in writing by one-fourth (1/4) of the voting Membership, as provided in Article XI, Section 2 of these By-Laws.

(b) to 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 Deed of Dedication applicable to the property, to:

(1) to fix the amount of the assessments against each Lot for each assessment period not less than thirty (30) days nor more than sixty (60) days in advance of such date or period and, at the same time:

(2) to prepare a roster of the Properties and assessment applicable thereto which shall be kept in the Office of the Association and shall be open to inspection by any Member, and at the same time;

(3) to send written notice of each assessment to every Owner subject thereto. To Cause delinquency notices to be send at thirty (30), sixty (60), ninety (90), one-hundred and twenty (120) days delinquent. Such notices shall bear the following collection fees, in addition to all applicable postage fees:

30 Days - \$0.00 60 Days - \$5.00 90 Days - \$10.00 120 Days - \$15.00

Said fees may be increased by a majority vote of the Board of Directors, but in no event shall they be set higher than \$50.00 for any one letter. Following any 120 Day notice, any delinquent account shall be forwarded to the Association's attorney of record for additional collection action as deemed appropriate by the Board of Directors.

(d) to issue, or to cause an appropriate officer to issue, upon demand by any person a certificate setting forth whether any assessment has been paid. Such certificate shall be conclusive evidence of any assessment therein stated to have been paid.

(e) to comply with the provisions of the Property Owner's Associate Act and in conjunction therewith, to prepare and make available to any Lot owner upon request an Association Disclosure Packet, with the fee therefore to be determined by the Board of Directors.

ARTICLE IX

Director's Meetings

Section 1. A regular meeting of the Board of Directors shall be held quarterly, beginning June, 2008.

Section 2. Notice of such regular meeting is hereby dispensed with.

Section 3. Special meetings of the Board of Directors shall be held when called by any office of the Association or by two Directors after not less than three (3) days notice. Emergency meetings may be called as necessary, with twenty-four (24) hours notice to each Director. Such notice need not be in writing.

Section 4. The transaction of any business at any meeting of the Board of Directors, however called and noticed, or wherever held, shall be as valid as though made at a meeting duly-held after regular call and notice of a quorum is present, and if either before or after the meeting, each of the Directors not present signs a written waiver of notice, or a consent to the holding of such meeting, or an approval of the minutes thereof. All such waivers, consents or approvals shall be filed with the corporate records and made a part of the minutes of the meeting.

Section 5. The majority of the Board of Directors shall constitute a quorum thereof.

ARTICLE X

Officers

Section 1. The officers shall be President, Vice President, Secretary, and Treasurer. All such officers shall be Members of the Board of Directors, or an agent appointed by the Board of Directors.

Section 2. The officers shall be chosen by a majority vote of the directors.

Section 3. All officers shall hold office at the pleasure of the Board of Directors.

Section 4. The President shall preside at all meetings of the Board of Directors, shall see that orders and resolutions of the Board of Directors are carried out and sign all notes, checks, leases, mortgages, deeds and all other written instruments as necessary.

Section 5. The Secretary of the Board of Directors, or an Agent appointed by the Board of Directors, shall record the votes and keep the minutes of all proceedings in a book to be kept for that purpose. He shall sign all certificates of membership. He shall keep the records of the Association. He shall record in a book kept for that purpose the names of all Members of the Association, together with their addresses as registered by such Members (ARTICLE XI, Section 3 of these by-laws).

Section 6. The Treasurer, or an Agent appointed by the Board of Directors shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by the Board of Directors, provided however, that a resolution of the Board shall not be necessary for disbursements made in the ordinary course of business conducted within the limits of a budget adopted by the Board of Directors.

Section 7. The Treasurer, or Agent appointed by the Board, shall keep proper books of account and present an accounting of the Association books to Membership at the completion of each fiscal year. He shall prepare an annual budget and an annual balance sheet statement and the budget and balance sheet statement shall be presented to the Membership at its regular annual meeting.

ARTICLE XI

Meetings of Members

Section 1. The regular meeting of the Members shall be at such times as may be fixed by the Board of Directors, but in no event shall be later than twelve (12) months after the date of the previous annual meeting. In addition to the election of Directors, Members shall conduct such other business allowed by law.

Section 2. Special meetings of the Members for any purpose may be called at any time by the President, the Secretary, or Treasurer, or by any three (3) or more members of the Board of Directors, or upon written request of the Members who have a right to vote one-fourth (1/4) of all of the votes of the entire membership.

Section 3. Notice of any meeting shall be given to the Members by the Secretary. Notice may be given to the Member either personally or by sending a copy of the notice through the mail, postage thereon fully prepaid to his address of record. Each member shall register his address with the Secretary and notices of meetings shall be mailed to him at such address. Notice of any meetings, regular or special, shall be mailed or delivered at least two (2) weeks in advance of any meeting and shall set forth in general the nature of business to be transacted, provided however, that if the business of any meeting shall involve an election governed by ARTICLE VII of these By-Laws or any action governed by the Articles of Incorporation or the Covenants applicable to the Properties, notice of such meeting shall be given or sent as therein provided. The presence at the meeting of Members or of proxies entitled to cast twenty-five percent (25%) of all votes shall constitute a quorum. If the required quorum is not forthcoming at any meeting, another meeting may be called subject to the applicable notice requirement set forth in these By-Laws and the required quorum at any such subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

ARTICLE XII

Proxies

Section 1. At all corporate meetings of Members, each Member may vote in person or by proxy.

Section 2. All proxies shall be in writing and filed with the Secretary. No proxy shall extend beyond a period of eleven (11) months, and every proxy shall automatically cease upon sale by the Member of his home or other interest in the Properties.

ARTICLE XIII

Books and Papers

Section 1. The books, records and papers of the Association shall at all times during normal business hours or at a mutually convenient time and location, and upon five (5) days' written notice, be subject to the inspection of any Member. In addition, the provisions of the Act pertaining to access to Association records are hereby incorporated by reference as if set out in full.

ARTICLE XIV

Amendments

Section 1. These By-Laws may be amended at a regular or special meeting of the Members by a vote of the majority of a quorum of Members present in person or by proxy provided that those provisions of these By-Laws which are governed by the Articles of Incorporation may not be amended except as provided in the Articles of Incorporation or applicable law; and provided further that any matter stated herein to be or which is, in fact, governed by the Deed of Dedication and applicable law; and provided further that any matter stated herein to be or which is, in fact, governed by the Deed of Dedication and Act applicable to the Properties may not be amended except as provided in such Deed of Dedication and applicable law; and provided further that any matter stated herein to be or which is in fact governed by the Deed of Dedication or Act applicable to the Properties may not be amended, except as provided in such Deed of Dedication and applicable law.

Section 2. In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control; and in the case of any conflict between the Deed of Dedication applicable to the Properties and these By-Laws, the Deed shall control; and in the case of any conflict between the provisions of the Property Owner's Association Act of the code of Virginia (1950), as amended, Section 55-508, et seq., and these By-Laws, the provisions of said Act shall control.

IN WITNESS WHEREOF, we being all of the Directors of Mulberry Terrace Homeowners Association, Inc. have hereunto set our hands this ____ day of _____, 2008.

MULBERRY TERRACE HOMEOWNER'S ASSOCIATION, INC.

By: _____
President

By: _____
Vice President

By: _____
Treasurer

By: _____
Secretary

By: _____
Director

By: _____
Director

By: _____
Director