



Indian Acres Club Of Thornburg, Inc.
P.O. Box 120 ~ Thornburg, Va. 22565

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The attached is the most recent copy of IACT, Inc. By-Laws. The Document is important to every Property Owner. Please keep same among your priority possessions.

The document is currently under in-depth review. Should an error or otherwise a defect(s) in the document be encountered, you will be promptly advised.

Thank you.

Bobby Stoneberger

Bobby Stoneberger

Secretary of the Association

September 30, 2006

BY-LAWS OF
INDIAN ACRES CLUB OF THORNBURG, INC.

ADOPTED AND EFFECTIVE AS OF JUNE 21, 1979

AMENDED ANNUAL MEETING MAY 24, 1980

AMENDED ANNUAL MEETING MAY 23, 1981

AMENDED ANNUAL MEETING MAY 29, 1982

AMENDED ANNUAL MEETING MAY 21, 1983

AMENDED ANNUAL MEETING MAY 19, 1984

AMENDED ANNUAL MEETING MAY 25, 1985

AMENDED ANNUAL MEETING MAY 17, 1986

AMENDED ANNUAL MEETING MAY 31, 1987

AMENDED SPECIAL MEETING JANUARY 13, 1991

AMENDED ANNUAL MEETING SEPTEMBER 30, 1995

AMENDED ANNUAL MEETING SEPTEMBER 26, 1998

AMENDED ANNUAL MEETING SEPTEMBER 30, 2006

By-Laws of Indian Acres Club of Thornburg, Inc.

In accordance with the appropriate provision of the Articles of Corporation of Indian Acres Club of Thornburg, Incorporated and those of Indian Acres International, Incorporated, the members of both Corporate Bodies have adopted the following By-Laws of the Association which include, in part, and are not inconsistent with, their respective Articles of Incorporation or the Laws of the Commonwealth of Virginia. Wherever either of these Corporations or acronyms therefore are mentioned, both Corporations are included.

ARTICLE I

SECTION 1. The name of the Virginia Non-Stock Corporation, formed pursuant to Chapter 2, Title 13.1 of the Code of Virginia, 1950, as amended, is: INDIAN ACRES CLUB OF THORNBURG, INC., hereinafter referred to as "CLUB", "ASSOCIATION" or "IACT".

ARTICLE II

DEFINITIONS

SECTION 1. "ASSOCIATION" shall mean and refer to Indian Acres Club of Thornburg, Inc., a Virginia Non-Stock Corporation, its successors or assigns. ASSOCIATION shall also mean Indian Acres International, Inc., a Delaware Stock Corporation, which is a 100% wholly owned subsidiary of IACT.

SECTION 2. "SUBDIVISION" shall be synonymous with "DEVELOPMENT" and either shall mean that certain recreational campground community consisting of approximately 6,245 individual parcels of real estate located on Virginia Route 606 in Berkley Magisterial District, Spotsylvania, Virginia, consisting of approximately 800 acres, commonly known and designated as "Indian Acres Subdivision".

SECTION 3. "COMMON AREA" shall be synonymous with "AMENITY" and either shall mean all real estate designated, now and in the future, for the common and exclusive use and enjoyment of the members of the ASSOCIATION and shall consist of the following hereinmentioned by way of illustration and not limitation:

- | | | | |
|----|----------------|----|-----------------------|
| a. | all roads | h. | golf course |
| b. | lakes | i. | camper caravan circle |
| c. | picnic areas | j. | outdoor chapel |
| d. | swimming pools | k. | clubhouse |
| e. | tennis courts | l. | recreational center |
| f. | marshlands | m. | comfort stations |
| g. | channels | | |

SECTION 4. "LOT" shall be synonymous with "CAMPSTEAD" or "FUNSTEAD". Any of these shall mean and refer to any plot or parcel of real estate within the SUBDIVISION as shown and described on Plats of Survey recorded in the Clerk's Office of the Circuit Court of Spotsylvania County, Virginia.

SECTION 5. "OWNER" shall mean and refer to the record owner or contract OWNER, whether one or more persons or entities, of the fee simple title to any LOT within the SUBDIVISION, but excluding those having such interest merely as security for the performance of an obligation.

One purchasing a LOT within the SUBDIVISION under a binding contract shall be considered an OWNER for purposes hereof.

SECTION 6. "SUBDIVIDED ACT" shall mean the Subdivided Land Sales Act of 1978, Title 55, Chapter 19, of the Virginia Code, 1950, as amended, Section 55-344, et seq., which became effective July 1, 1978.

SECTION 7. "ACT" shall mean the Virginia Non-Stock Corporation Act, Title 13.1, Chapter 2, of the Virginia Code, 1950, as amended, Section 13.1-201, et seq.

SECTION 8. "ARTICLES OF INCORPORATION" means the charter of the ASSOCIATION. It includes the original charter by the State Corporation Commission of the Commonwealth of Virginia on May 9, 1973, and all Amendments thereto, including Certificate of Merger of Consolidation.

SECTION 9. "MEMBER" shall be as defined in Article VI (1) of the Articles of Incorporation of the ASSOCIATION.

SECTION 10. "DELINQUENT MEMBER" shall refer to any member owner who is not current in payment of any annual charge and/or any assessments set or authorized by the BOARD OF DIRECTORS with respect to any and all LOTS owned by the member.

SECTION 11. "BOARD OF DIRECTORS" or "BOARD" shall mean the group of persons vested with the management of the affairs of the ASSOCIATION.

SECTION 12. "DIRECTOR" shall mean a member of the BOARD OF DIRECTORS.

SECTION 13. "CORPORATION" shall be synonymous with CLUB or ASSOCIATION, or IACT.

SECTION 14. "GLEN" shall be synonymous with "SECTION" and shall consist of a certain number of LOTS within the SUBDIVISION; there are 19 GLENS in the SUBDIVISION, namely Glens 1-18, with Glen 14 consisting of Glens 14A and 14B.

SECTION 15. "RESTRICTIONS" shall be synonymous with "RESERVATION TREATIES" and shall be those conditions, covenants and restrictions of record in the Clerk's Office of the Circuit Court of Spotsylvania County, Virginia, which affect the LOT OWNER'S use and enjoyment of the AMENITIES AND CAMPSTEAD SITE with the DEVELOPMENT.

ARTICLE III

MEMBERSHIP

SECTION 1. Membership in the ASSOCIATION is defined in Article VI (1) of the ARTICLES OF INCORPORATION and is automatic and mandatory for those who purchase, or are under contract to purchase a CAMPSTEAD, FUNSTEAD or LOT within the SUBDIVISION in accordance with the RESTRICTIONS: The rights and obligations of membership shall be considered a covenant which runs with each LOT purchased.

The obligation of MEMBERS to pay the annual charge or other assessments set by the ASSOCIATION runs with ownership of a LOT. Failure to pay such annual charge or assessment makes such a MEMBER a DELINQUENT MEMBER whose voting rights and rights to use and enjoyment of facilities and services of the ASSOCIATION are suspended as long as such charges remain unpaid.

MEMBER(S) of the LOT OWNER'S immediate family, so long as such OWNER does not become a DELINQUENT MEMBER, are entitled to membership privileges, except that of voting, or the obligation of payment of annual charges or special assessments. Members of the immediate family shall include the spouse of such OWNER and the minor children of same, plus those major children and/or the parents of the OWNER and/or spouse and minor grandchildren of OWNER and/or spouse who reside in the primary residence of said OWNER. In addition to the above, a maximum of two (2) additional Identification Cards may be issued, at the discretion of the ADMISSION COMMITTEE, to be valid only when person using same is accompanied by owner, for use by:

- (1) Minors in the process of adoption by owner where such proceedings are being processed by a court of proper jurisdiction.

- (2) Individuals, living permanently in members primary residence, who are consanguineous relatives of owner or spouse.
- (3) Minors, living in the members primary residence, where owner is the legal guardian of the minor, or whose custody has been legally placed in owner for no fee or remuneration for such custodianship.
- (4) Doctor, nurse or chauffeur required because of the physical condition of owner or spouse.

SECTION 2. The ASSOCIATION shall provide, upon payment of the annual charge, each MEMBER and members of the MEMBER'S immediate family (as defined above), with an identification card, or similar form of identification, which shall adequately disclose and state that such person is entitled to the full use and enjoyment of the AMENITIES comprising the COMMON AREA owned by the ASSOCIATION. It shall be the responsibility of the holder of such identification to keep same in their possession and to present it to properly designated representatives of the ASSOCIATION when requested.

ARTICLE IV

COMMON AREA

SECTION 1. MEMBERS of the ASSOCIATION, who are not DELINQUENT MEMBERS, shall be entitled to the full use and enjoyment of the COMMON AREA, SERVICES and AMENITIES comprising same providing such use and enjoyment is consistent and in conformity with the Rules and Regulations of the ASSOCIATION published and in effect at the time as they relate to general usage or to a specific SERVICE or AMENITY.

SECTION 2. A DELINQUENT MEMBER'S right to the use and enjoyment of the facilities and services of the ASSOCIATION shall be suspended until such MEMBER has paid all outstanding annual charges and/or special assessments.

A DELINQUENT MEMBER has only the right of direct ingress and egress only to his/her LOT, to the absolute exclusion of the use and enjoyment of the facilities and services of the ASSOCIATION.

A DELINQUENT MEMBER shall not be entitled to guest privileges nor shall a DELINQUENT MEMBER be a guest of a MEMBER if the intent or effect in so doing shall be an evasion of these By-Laws or the Rules and Regulations of the ASSOCIATION.

ARTICLE V

CHARGES

SECTION 1. Each new purchaser of a LOT in the SUBDIVISION automatically becomes a MEMBER of the ASSOCIATION and subject to all its Rules and Regulations.

SECTION 2. Annually the ASSOCIATION will determine the annual charge to be levied against all LOT OWNERS in the SUBDIVISION for the operation and maintenance of the SUBDIVISION. In the event that such annual charge and other assessments which may have been made against such LOT OWNER are not paid, the ASSOCIATION may file a notice in the Office of the Clerk of the Circuit Court of Spotsylvania County, Virginia, that it is the owner of a lien to secure payment of any such annual charge and other assessments which may have been made, plus interest, costs and reasonable attorney fees, which lien shall encumber the numbered LOT on account of which such charge has been levied. The ASSOCIATION may foreclose any such lien by equitable foreclosure; and, in addition to the remedy of lien foreclosure, to sue for any such charge, interest, costs and attorney fees in any court of competent jurisdiction as for a debt owned by the DELINQUENT MEMBER. The ASSOCIATION may also transfer or assign this right of collection or foreclosure.

SECTION 3. The annual charge will be determined by the ASSOCIATION based upon the annual budget for the operation and maintenance of the SUBDIVISION. The BOARD OF DIRECTORS shall require the Project Manager to present a proposed annual budget for these functions not later than September 1st of each year. Such budget shall be guided by instructions furnished by the BOARD and shall include requirements for special projects to be accomplished in the coming year, revisions of priorities for services and/or other activities, a realistic estimate of the funds which will be available, and such other data as will be helpful to the Project Manager in preparing the proposed annual budget. The annual budget must be limited to an amount equal to the amount of funds which may prudently be expected to be available to cover such costs for the upcoming fiscal year.

The Treasurer of the ASSOCIATION shall prepare a similar proposed budget for the operation of the BOARD and Corporate Reserve Funds. This proposed budget will also be presented to the BOARD no later than September 1st of each year. The operational budget shall be administered as a part of the operational budget for the Project. The Reserve Funds shall be administered by the BOARD OF DIRECTORS.

The proposed annual budgets will be reviewed and revised by the BOARD OF DIRECTORS and a final budget approved by its regular meeting in the month of September of each year. Such annual fee shall not exceed that of the previous year by an amount which exceeds the percentage increase in the Consumer Price Index from June of the preceding year to June of the current year; except that in any year in which the sum of the uncontrollable costs for electricity, taxes and insurance will exceed twenty percent (20%) of the budget, the annual charge may be raised an additional amount necessary to bring these costs back to twenty percent (20%) of the budget. If the BOARD feels that a higher fee will be needed to meet necessary expenses such fee will be proposed to the MEMBERS in writing no later than September 1st and a special meeting of the MEMBERS will be held on the Saturday falling closest to September 15th to approve or disapprove, such higher fee. No additional notice of such meeting will be required nor will there be a requirement for earlier notice of such meeting. Proxies for this meeting will include instructions for voting for or against the higher fee. The notice for such meeting shall state the reason for the proposed increase in fee and include a copy of the proposed budget. The notice shall include a clear statement of what services and/or maintenance will not be performed if the increased fee is not approved. A majority of these eligibles voting will be required to disapprove the proposed fee. If alternate proposals for various levels of increased fees are to be made, these must be included in the meeting notice and provision made on the proxies for MEMBERS to vote upon them.

SECTION 4. The BOARD OF DIRECTORS shall not authorize expenditure of any funds in excess of funds available. The BOARD shall establish a reserve fund to meet exigencies of the future. The status of this fund shall be reported to the membership in the annual report to Property Owners. Any upward revision of a budget must include an approved method funding such revision.

SECTION 5. If it is determined to be in the best interests of the property OWNERS, and in order to conserve the assets of the ASSOCIATION; the BOARD OF DIRECTORS may propose a Special Assessment under the provisions of the SUBDIVIDED ACT, or an additional increment of annual charge in accordance with Article III, Paragraph 6, b, of the ARTICLES OF INCORPORATION, to be levied upon all MEMBERS. When this is deemed necessary, the membership shall be informed of the reasons for such a proposal, the amount to be levied upon such LOT and the OWNER thereof, the date the proposed levy is to be due, and each MEMBER who is not DELINQUENT, must be given the opportunity to vote, by mail, for or against the proposal. The notice of such proposal must be

mailed no less than thirty (30) days prior to the last date that valid votes may be postmarked. A simple majority of those voting will be sufficient to approve the proposed levy, provided that there is a vote of at least ten percent (10%) of the eligible property OWNERS.

In the event that a special assessment or additional increment of annual charge is levied, property OWNERS will be allowed a period of at least forty-five (45) calendar days in which to make payment of said charge.

SECTION 6. No MEMBER shall become a DELINQUENT MEMBER for reasons of non-payment of the annual charge or special assessment until thirty (30) days after the charge is due.

SECTION 7. The BOARD OF DIRECTORS may establish such fees as are necessary to cover costs and expenses of administration and inspection for applications for the construction of any structure or improvement on a CAMPSTEAD within the SUBDIVISION.

SECTION 8. General prohibitions and requirements as set forth in Section 8 of the RESTRICTIONS, and such other guidelines as the BOARD OF DIRECTORS shall enact, shall prevail and remain enforceable as to the construction and/or commercial activities conducted upon any CAMPSTEAD in the SUBDIVISION.

SECTION 9. Any OWNER, or prospective purchaser, of a CAMPSTEAD located within the Indian Acres SUBDIVISION who requests a recordable statement from the ASSOCIATION which sets forth the amount of unpaid regular or special assessments shall be required to pay therewith a sum of fifteen dollars (\$15.00), or such other fee as the BOARD OF DIRECTORS may determine, which sum shall be paid as a pre-requisite to the issuance of said statement. This obligation to pay said fee is pursuant to Section 55-344 of the SUBDIVIDED ACT, and Article 12 D(3) of the RESTRICTIONS, and the person making such request shall be bound by all the terms and conditions of such Section and such Article in regard to the request therein allowed.

SECTION 10. There shall be established and maintained a replacement and maintenance fund divided into two segments. One such segment shall be designated the VEHICLE AND EQUIPMENT DEPRECIATION FUND. This fund will be used only for the replacement of those items upon which the fund is calculated. The elements used in the formula with which calculated shall be the original cost of the item, and a realistically determined depreciation period for each individual item. No item will appear on this list which is not also on a list of authorized

items for the operation of Indian Acres, as approved by the BOARD OF DIRECTORS. This segment of the fund will be maintained by a budget line item.

The second segment of the REPLACEMENT AND MAINTENANCE FUND shall be designated the REAL PROPERTY AND CAPITAL COMPONENTS REPLACEMENT AND MAINTENANCE FUND. This fund shall not exceed the cost of the IACT capital components and real property, whether listed on the IACT REAL PROPERTY INVENTORY or otherwise. This segment of the fund shall be funded by a line item in the operating budget for IACT, and contributions to this fund shall be sufficient to meet the reserve fund requirements for real property and capital components as set forth in the Virginia Property Owners Association Act, Code of Virginia, 1950, Section 55-514.1, as amended.

Both segments of this fund shall be adjusted annually for inflation and will be calculated by methods which meet the criteria for generally accepted accounting principles.

Both segments of this fund shall be included as part of the investment plan of the Treasurer and the interest earned by those funds shall remain in such accounts until the required level of funding is reached. Any interest accrued which would raise the amount of the account above the required amount may be transferred, by the BOARD OF DIRECTORS, to any other account as determined appropriate by the BOARD OF DIRECTORS.

As a part of the BUDGET process each year, separate budgets will be prepared for expenditures from these funds.

ARTICLE VI

MEETINGS OF MEMBERS

SECTION 1. The annual meeting of the MEMBERS of the ASSOCIATION shall be held in the month of September of each year, effective with calendar year 1988, for the purpose of electing MEMBERS of the BOARD OF DIRECTORS and acting upon other business that may be properly brought before the said meeting.

SECTION 2. All meetings of the MEMBERS shall be held at Indian Acres.

SECTION 3. Meetings of the MEMBERS may be called by the President of the ASSOCIATION, or by the BOARD OF DIRECTORS. A special meeting of MEMBERS may be called by MEMBERS having one-twentieth (1/20) of the votes entitled to be cast at such meeting.

SECTION 4. Written notice stating the place, day and hour of the meeting and, in the case of a special meeting, the purpose(s) for which the meeting is called, shall be delivered not less than twenty-five (25) nor more than fifty (50) days before the date of the meeting, either personally or by mail, (including setting forth the notice in any periodical published by the ASSOCIATION and given general circulation to all MEMBERS) by or at the direction of the President, or the BOARD OF DIRECTORS, or those persons calling the meeting, to each MEMBER entitled to vote at such meeting. The notice shall also include a proxy form for the use of the MEMBER in voting on the issues to be considered at the meeting.

The notice of meeting for any meeting during which an amendment to the ARTICLES OF INCORPORATION, or these By-Laws, is to be considered must include a copy of the proposed amendment and a copy of the provisions being amended. The proxy forms for such a meeting will provide the MEMBER an opportunity to vote for or against each such proposal.

If a Notice of Meeting is mailed, such notice shall be deemed to be delivered when deposited in the United States mails, addressed to the MEMBER at his address as it appears on the records of the ASSOCIATION, postage thereon prepaid.

Notwithstanding any other provision of these By-Laws, whenever any notice is required to be given to any MEMBER of any meeting for any purpose under the provisions of law, the ARTICLES OF INCORPORATION, or these By-Laws a waiver thereof in writing, signed by the MEMBER entitled to such notice, whether before or after the time stated therein, shall be equivalent to the giving of such notice.

A MEMBER who attends a meeting shall be deemed to have had timely and proper notice of the meeting, unless such MEMBER attends for the express purpose of objecting because the meeting is not lawfully called or convened.

SECTION 5. Voting rights for MEMBERS in the ASSOCIATION shall be as expressed in the ARTICLES OF INCORPORATION of the

ASSOCIATION. A DELINQUENT MEMBERS'S right to vote is suspended until all outstanding charges have been paid.

SECTION 6. Ten percent (10%) of the total number of votes entitled to be cast at any meeting of the MEMBERS of the ASSOCIATION, present in person or represented by written proxy, shall constitute a quorum.

Unless otherwise provided by law or by the ARTICLES OF INCORPORATION of the ASSOCIATION, the vote of a majority of the votes entitled to be cast by the MEMBERS present or represented by proxy at a meeting at which a quorum is present shall be necessary for the adoption of any matter voted upon by said MEMBERS.

SECTION 7. Each year the BOARD OF DIRECTORS shall prepare a written annual report which shall state the major events effecting the DEVELOPMENT, the ASSOCIATION, and the MEMBERS, since the last annual meeting, and shall also present the financial condition of the ASSOCIATION, as shown in the Financial Report prepared at the close of the fiscal year immediately preceding the date of the annual meeting, plus such other information which the BOARD feels necessary. This written report will be sent to each MEMBER together with the notice for the annual meeting.

SECTION 8. A MEMBER entitled to vote, as provided in the ARTICLES OF INCORPORATION of the ASSOCIATION, may vote in person or by proxy, unless otherwise provided in these By-Laws or the ARTICLES OF INCORPORATION. Proxies will not be used for the election of DIRECTORS; these elections will be by direct mail ballot.

Proxies shall be executed in writing by the MEMBER or by his/her duly authorized attorney-in-fact, and shall be valid only for the specific meeting and/or issues specifically stated thereon.

Every proxy shall be revokable at the pleasure of the MEMBER executing it. The presence of a MEMBER at a meeting shall automatically revoke any proxy of that MEMBER for that meeting.

Proxies shall be included in all meeting notices, and upon receipt will be verified by the Secretary who will insure that only those proxies of MEMBERS who are not delinquent are counted.

SECTION 9. The President, or in his/her absence, the Vice President, or in the absence of both of these, the Treasurer, of the ASSOCIATION shall preside over all meetings of the MEMBERS.

The Secretary, or in his/her absence, the Assistant Secretary, shall act as Secretary at all meetings. If neither the President, Vice President, or Treasurer are present at a meeting, the Secretary, Assistant Treasurer or Assistant Secretary (in that order) shall preside; in the absence of all officers of the ASSOCIATION, the MEMBERS present shall choose a pro-tem official.

ARTICLE VII

DIRECTORS

SECTION 1. The affairs of the ASSOCIATION shall be managed by its BOARD OF DIRECTORS pursuant to Article III of the ARTICLES OF INCORPORATION. Said BOARD OF DIRECTORS shall meet at least monthly or as frequently as deemed necessary by said BOARD as provided for in Article VIII hereof.

Each DIRECTOR shall be of legal age and shall be a MEMBER of the ASSOCIATION. A DELINQUENT MEMBER may not be nominated for election as a DIRECTOR, and a DIRECTOR who becomes a DELINQUENT MEMBER during his/her term of office is thereby disqualified as a DIRECTOR and a vacancy is created in the BOARD OF DIRECTORS as a result thereof. No spouse, child, sibling, father-in-law, mother-in-law, son-in-law, daughter-in-law, sister-in-law, brother-in-law, aunt or uncle of a paid employee of IACT, Inc., nor any person who has been convicted of a crime punishable by more than twelve (12) months confinement (unless pardoned by the President of the United States or the Governor of a State or Commonwealth) shall be eligible to serve as a member of the IACT, Inc. BOARD OF DIRECTORS.

SECTION 2. The number of DIRECTORS of the ASSOCIATION shall be nine (9).

SECTION 3. In September of each year, not less than three (3) members of the BOARD OF DIRECTORS shall be elected, by mail ballot, who shall each serve for a term of years specified by the BOARD. The term specified shall preserve the principle that one-third (1/3) of the BOARD terms shall expire each year. Those elected shall take office at the end of the Annual Meeting following election.

SECTION 4. Any vacancy occurring on the IACT BOARD OF DIRECTORS will be filled by the affirmative vote of a majority of the remaining Directors until the next annual meeting when the membership shall fill the vacancy. The candidate having the highest number of votes shall get the longest available term.

Any Director who has been recalled or resigned to avoid being recalled shall not be eligible to serve on the IACT BOARD OF DIRECTORS.

ARTICLE VIII

MEETINGS OF DIRECTORS

SECTION 1. Meetings of the BOARD OF DIRECTORS, regular or special, may be held either within or without the Commonwealth of Virginia, and upon such notice as these By-Laws may prescribe, or, where not inconsistent with the By-Laws, as a resolution of the BOARD OF DIRECTORS may prescribe.

Attendance of a DIRECTOR at any meeting shall constitute a waiver of Notice of such meeting except where a DIRECTOR attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not legally called or convened.

Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the BOARD OF DIRECTORS need be specified in the notice or waiver of notice of such meeting.

The BOARD OF DIRECTORS, may, at its discretion, terminate the term of office of any Board member who has failed to appear at three (3) consecutive Board Meetings provided that such termination action has been listed on the agenda for the Board Meeting at which action is to take place and further provided that a copy of such agenda has been forwarded by the Secretary to the MEMBER concerned by Registered Mail.

SECTION 2. A majority of the number of DIRECTORS shall constitute a quorum for the transaction of business.

The act of a majority of the DIRECTORS present at a meeting, at which a quorum is present, shall be a valid act of the BOARD OF DIRECTORS.

SECTION 3. Any action required to be taken at a meeting of the DIRECTORS of the ASSOCIATION, or any action which may be taken at a meeting of the DIRECTORS, 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 entitled to vote with respect to the subject matter thereof.

Such consent shall have the same force and effect as a unanimous vote.

SECTION 4. Members of the BOARD OF DIRECTORS may participate in a meeting of the BOARD OF DIRECTORS by means of a conference telephone or similar communications equipment, by means of which all persons participating in the meeting can hear each other, and participation by such means shall constitute presence in person at such meeting.

SECTION 5. Meetings of the BOARD OF DIRECTORS may be held at any time upon the call of the Chairman of the Board, the President, Treasurer, Secretary or any three or more DIRECTORS, by oral, telegraphic or written notice, given to each DIRECTOR of the ASSOCIATION prior to the meeting. A meeting may not be called with less than twenty-four (24) hours notice without the concurrence of a majority of the members of the BOARD.

If the notice hereof is mailed, such notice shall be deemed to be delivered when deposited in the United States mails addressed to the Director at his/her address as it appears in the records of the ASSOCIATION, with postage prepaid, except that such mailed notice must be made not less than four (4) business days prior to the scheduled date of the meeting.

ARTICLE IX

OFFICERS

SECTION 1. The officers of the ASSOCIATION shall consist of a President, Vice President, Secretary, Treasurer, Assistant Secretary and Assistant Treasurer.

The BOARD OF DIRECTORS may, by resolution duly adopted, add additional officers and assistant officers as it deems to be in the best interests of the ASSOCIATION.

Any two or more offices may be held by the same person, except the office of President. The President, Vice President, Treasurer and Secretary shall be elected from among the DIRECTORS on the BOARD OF DIRECTORS.

SECTION 2. The BOARD OF DIRECTORS as soon as practical after the conclusion of the annual meeting of the MEMBERS of the ASSOCIATION, shall elect the officers of the CORPORATION, each of whom shall, upon acceptance of his/her respective office, serve for the term of one (1) year, or until his successor is elected and shall qualify.

SECTION 3. Any officer elected by the BOARD OF DIRECTORS may be removed by the BOARD upon the vote of two-thirds (2/3) of all members of the BOARD, whenever, in the judgement of the BOARD, the best interests of the ASSOCIATION will be served thereby. Any such removal shall be without prejudice to the recovery of damages for breach of contract. Election or appointment of an officer shall not of itself create contract rights. Second reading requirements established by the BOARD OF DIRECTORS are not applicable to this provision of the By-Laws.

SECTION 4. No officer or DIRECTOR may be paid for serving in such capacity. As a non-stock, non-profit corporation, no part of the net income of the ASSOCIATION shall inure to the benefit of any DIRECTOR or Officer of the ASSOCIATION. The BOARD OF DIRECTORS may authorize the payment of necessary expenses of BOARD Members and Officers for the carrying out of ASSOCIATION business. Such expenses shall be included in the budget of the BOARD.

SECTION 5. A vacancy in any office arising from any cause may be filled for the unexpired portion of the term by the BOARD OF DIRECTORS.

SECTION 6. The Officers of the ASSOCIATION shall each have such power and duties as generally pertain to their respective offices, as well as such powers and duties as from time to time may be conferred by the BOARD OF DIRECTORS. The Vice President, the Assistant Secretary(s), and the Assistant Treasurer(s), shall, in the order of their respective seniorities, in the absence or disability of the President, Secretary or Treasurer, respectfully, perform the duties of such office and shall generally assist the President, Secretary or Treasurer, respectively.

SECTION 7. At its first meeting after the Annual Meeting of Members, the BOARD shall elect a Chairman of the Board. The Chairman of the Board shall preside at all BOARD meetings and shall have the authority and responsibility to see that all orders and Resolutions of the BOARD are carried out. If the Chairman is absent, the BOARD may appoint one of its MEMBERS present as Chairman Pro Tem.

The Secretary shall record the votes and keep minutes of the 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; insure that appropriate current records showing the MEMBERS of the ASSOCIATION and their status and voting rights,

together with their addresses are maintained; shall have all such normal powers and duties of the Secretary of the CORPORATION; and shall perform such other duties as required by the BOARD.

The Treasurer shall be responsible for the receipt and deposit of all monies of the ASSOCIATION and their deposit into appropriate bank accounts, and shall disburse such funds as directed by resolution of the BOARD OF DIRECTORS in accordance with law, these By-Laws, and the ARTICLES OF INCORPORATION. The Treasurer shall sign promissory notes of the ASSOCIATION; insure that proper books of account are maintained; cause an annual audit of the ASSOCIATION books to be made at the completion of each fiscal year, participate in the preparation of the annual budgets and prepare a statement of income and expenditure to be presented to the membership annually. The Treasurer shall have all such normal powers and duties of the Treasurer/Comptroller of the CORPORATION; and shall perform such other duties as required by the BOARD, including the requirement to insure that all necessary tax forms are prepared and filed in a timely fashion and the necessary taxes paid.

The Treasurer, Assistant Treasurer(s), and any other officer who may be given signatory authority on checks of the ASSOCIATION shall be bonded for an amount equal to the maximum amount which shall be directly available to the ASSOCIATION for each given year.

ARTICLE X

NOMINATING COMMITTEE

SECTION 1. The BOARD OF DIRECTORS of the ASSOCIATION shall, no later than the regular March meeting of each year, appoint a Nominating Committee for the sole purpose of obtaining and processing nominations for election to membership on the BOARD OF DIRECTORS and to make its recommendations for such membership. The committee will follow the established Nominating Committee Procedures. This committee shall consist of five (5) members and as many alternates as deemed necessary by the Board of Directors (none of whom may be a DELINQUENT MEMBER), nor a MEMBER of the BOARD OF DIRECTORS, with the exception of the SECRETARY of the CORPORATION.

The Nominating Committee shall publish in the weekly bulletin for four (4) consecutive weeks that they are now accepting applications for nominees for the BOARD OF DIRECTORS.

Committee members will serve until their final report is accepted by the BOARD OF DIRECTORS. Vacancies on the committee shall be filled by the BOARD OF DIRECTORS. At the request of the other members of the Committee, the BOARD may replace any Committee member who fails to attend two or more meetings of the Committee.

SECTION 2. A majority of the members of the Nominating Committee shall constitute a quorum for the transaction of business. The act of the majority of the members present at a meeting at which a quorum is present shall be a valid act of the committee.

SECTION 3. Meetings of the Nominating Committee shall take place as the need arises to fulfill the purpose for which it is created; however, there shall be no less than two (2) meetings held by the said committee whereby at least a ten (10) day prior notice thereof was published in the newsletter of the ASSOCIATION, or by other notice. The distribution of such notice in the bulletin distributed at the gate to members as they arrive on a Friday, Saturday or Sunday provided that such notice be in at least three (3) successive such bulletins prior to each meeting, will satisfy this requirement.

SECTION 4. The members of the Nominating Committee shall elect a Chairperson to preside over their meetings, a Vice Chairperson and a Secretary who shall keep correct and complete written minutes of its proceedings.

The minutes of the meetings of the Nominating Committee and other records of its activities, may be inspected by any MEMBER of the ASSOCIATION, or his agent or attorney, for any proper purpose at any reasonable time.

SECTION 5. The Nominating Committee shall have discretion in establishing the methods and time for the submission of nominations and the assimilation from and distribution of information of the MEMBERS of the ASSOCIATION of such nominations, it shall comply with the following procedures and times. The Chairman of the Board shall present copies of the Nominating Committee procedures to the Committee which must be followed.

a. It shall accept nominations by petitions from eligible MEMBERS, other than nominations from the Committee, and nominations from the floor up until 1 July of each year with the written signatures of thirty (30) different MEMBERS of the ASSOCIATION eligible to vote at the time of signing and with a resume of not more than one hundred (100) words in length, but

not less than fifty (50) words in length, of the nominee's background and qualifications. The Committee will have no responsibility to accept petitions for nominations which are filed after 1 July or which do not include the necessary signatures and resume and recent photograph.

Nominations by the Committee shall be made by majority vote of the Committee, and will be certified by the Committee. The necessary resume shall be the exact words supplied by the applicant, if the applicant submitted a resume, except that only the first one hundred (100) words of such resume shall be published. Name, address and age of applicant shall not be counted in the word limitation. If no resume is submitted, the Committee shall not further consider the candidate.

b. The Corporate Secretary or the Assistant Secretary in the case the Secretary's term expires shall review all nominations to determine that the nominee and the signators were eligible to vote at the time the petition was submitted. The nomination of a MEMBER who was a DELINQUENT MEMBER at the time such petition was submitted will be voided. A nomination bearing the signature of DELINQUENT MEMBERS will be voided if the elimination of these signatures reduces the number of valid signatures below the required thirty (30).

c. The Committee shall present to the BOARD OF DIRECTORS, no later than its regular July meeting, a list of nominees as they are to appear on the ballot, along with resumes and photographs. It shall also submit a written report delineating its activities, recommended candidates, and other recommendations which it may have. The Chairperson of the Nominating Committee shall read this report at the Annual Meeting of the MEMBERS.

ARTICLE XI

ELECTIONS

SECTION 1. The annual election of DIRECTORS at the discretion of the Board of Directors, will be conducted by an outside agent or agency selected by the Board of Directors or an Election Committee appointed by the Board of Directors. Election of Directors will be by mail ballot only. Each MEMBER, who is not a DELINQUENT MEMBER, may cast one ballot. MEMBERS owning more than one LOT may cast a ballot for each LOT owned. The voting rights of DELINQUENT MEMBERS are suspended until all imposed charges are paid in full.

SECTION 2. The BOARD OF DIRECTORS will submit the list of nominees as they are to appear on the ballots, resumes and photographs to the outside agent, agency or Election Committee to be printed and mailed to each eligible MEMBER not later than twenty-five (25) days before the Annual Meeting and not later than twenty-one (21) days prior to the last date that ballots must be received. Each ballot will include instructions concerning the voting rights of a MEMBER and the method to be used in casting his/her ballot.

SECTION 3. The Secretary of the ASSOCIATION shall provide the agent, agency or Election Committee with a complete list of MEMBERS eligible to vote with their addresses and shall certify the accuracy of the list. The Office of the President shall provide the Secretary of the Corporation a complete list of MEMBERS eligible to vote with their addresses and a set of mailing labels not less than fifteen (15) days prior to the scheduled mailing.

SECTION 4. All of the OWNERS of a numbered LOT in the SUBDIVISION are entitled, collectively, to one ballot for each such LOT. Fractional votes shall not be cast. The OWNER of more than one-half (1/2) interest in any numbered LOT shall be entitled to cast the ballot for such LOT.

SECTION 5. All ballots shall be received by the outside agent, agency or Election Committee validated, counted, tabulated and turned over to the Committee of Five Electors. The agent, agency or Election Committee shall certify the results of the election in writing on a date prior to the Annual Meeting of the MEMBERS.

SECTION 6. The BOARD OF DIRECTORS shall appoint an Election Committee of five (5) ELECTORS and as many alternates as deemed necessary by the Board of Directors, none of whom are DELINQUENT MEMBERS or candidates in the election or MEMBERS of the BOARD OF DIRECTORS to supervise and monitor all phases of the election process.

SECTION 7. In the event that there is a tie vote between two or more candidates for a single DIRECTOR'S position, the Election Committee shall present these candidates to the MEMBERS at the Annual Meeting and a majority vote of the eligible voters present, including proxies, will break the tie.

ARTICLE XII

CAMPSTEAD SITE CONTROL COMMITTEE

SECTION 1. The BOARD OF DIRECTORS shall appoint a Campstead Site Control Committee (CSCC) which shall have as its purpose those functions and responsibilities described in Sections 5 and 6 of the DECLARATION OF RESTRICTIONS. Actions of the CSCC will be subject to review and appeal to the BOARD OF DIRECTORS except where, by the terms of Sections 5 and 6 of the DECLARATION OF RESTRICTIONS, the decisions of the CSCC are final.

SECTION 2. At least one member of the CSCC shall be a current member of the BOARD OF DIRECTORS, and no member of the Committee may be a DELINQUENT MEMBER. Members of the Committee will be appointed by the BOARD OF DIRECTORS for periods of one year, but may be replaced at any time by the BOARD.

SECTION 3. The BOARD will from time to time establish procedures and guidelines for this Committee.

ARTICLE XIII

JUDICIARY COMMITTEE

SECTION 1. The BOARD OF DIRECTORS shall appoint a Judiciary Committee, composed of five (5) members, which shall have as its sole purpose the formal review of appeals by MEMBERS concerning regulatory and/or administrative actions of the ASSOCIATION. The Committee will make a determination on such appeals based upon the RESTRICTIONS, ARTICLES OF INCORPORATION, IACT RULES AND REGULATIONS, SUBDIVIDED ACT, VIRGINIA NON-STOCK CORPORATION ACT, and other applicable laws. MEMBERS may appeal decisions of the Judiciary Committee to the BOARD OF DIRECTORS.

SECTION 2. Members of the Judiciary Committee will be appointed for periods of not less than one (1) year and may be removed at any time by the BOARD OF DIRECTORS. No member of the BOARD OF DIRECTORS shall serve as a member of this Committee.

ARTICLE XIV

OTHER COMMITTEES

SECTION 1. The BOARD OF DIRECTORS may establish such committee, boards, or groups as may be required in order for it to carry out its functions under the ARTICLES OF INCORPORATION and these By-Laws.

ARTICLE XV

MANAGEMENT CONTRACT

SECTION 1. The BOARD OF DIRECTORS is authorized to enter into such contract, or contracts, as may be necessary to carry out the functions of the ASSOCIATION provided such contracts do not contain provisions which are in conflict with law, these By-Laws, the ARTICLES OF INCORPORATION, or the RESTRICTIONS, and are clearly in the best interests of the property OWNERS. Except that no contract may be entered into for the management of Indian Acres.

SECTION 2. No OFFICER of the CORPORATION shall be authorized to enter into any contract exceeding one (1) year in time or \$10,000 in value, without the approval of the BOARD OF DIRECTORS.

ARTICLE XVI

RULES AND REGULATIONS

These By-Laws shall be the By-Laws of the ASSOCIATION. The BOARD OF DIRECTORS is authorized to adopt Rules and Regulations necessary to accomplish the objectives of the ASSOCIATION as long as such Rules and Regulations are not in conflict with these By-Laws, the ARTICLES OF INCORPORATION and the RESTRICTIONS. Rules and Regulations adopted by the ASSOCIATION for the operation of "INDIAN ACRES CLUB OF THORNBURG, INC., (IACT) RULES AND REGULATIONS PERTAINING TO THE SUBDIVISION" and only those Rules and Regulations adopted by the BOARD OF DIRECTORS of the ASSOCIATION, in accordance with the authority above, shall be legally binding and enforceable against all MEMBERS of the ASSOCIATION.

ARTICLE XVII

FISCAL YEAR

SECTION 1. The fiscal year of the ASSOCIATION shall be the first day of November of each year to October 31st of the immediately succeeding year.

ARTICLE XVIII

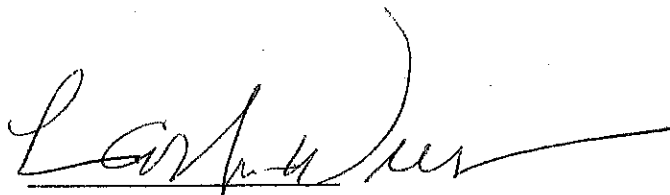
AMENDMENTS

SECTION 1. Proposals to alter, amend, or repeal these By-Laws, in whole or in part, may be made by a majority vote of the MEMBERS of the BOARD OF DIRECTORS, or by petition of at least one-twentieth (1/20) of those MEMBERS eligible to vote at the time of signing. Proposals for amendment will be included in the notice of the next annual meeting, or, if such meeting is not scheduled within ninety (90) days, the proposers may call for a special meeting to deal with the issue. A proposed amendment will be passed if it is approved by a majority of the voters voting, provided at least ten percent (10%) of the eligible MEMBERS have voted on the issue.

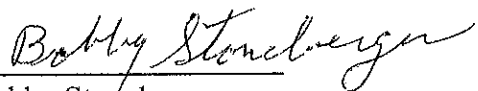
CERTIFICATE

I hereby certify that the above By-Laws are a true, exact and complete set of By-Laws for the Indian Acres Club of Thornburg, Inc. (IACT, Inc.) adopted by resolution of the BOARD OF DIRECTORS on June 21, 1979, as amended on May 24, 1980; May 23, 1981; May 29, 1982; May 21, 1983; May 19, 1984; May 25, 1985; May 17, 1986; May 31, 1987; January 13, 1991; and September 30, 1995.

AFFIRMED AND APPROVED:

A handwritten signature in cursive script, appearing to read "Lillian Cooper-Wiggins".

Lillian Cooper-Wiggins
Chairperson of the Board of Directors
of the Association

A handwritten signature in cursive script, appearing to read "Bobby Stoneberger".

Bobby Stoneberger
Secretary of the Association

A handwritten signature in cursive script, appearing to read "Melvin A. Streeter".

Melvin A. Streeter
President of the Association