

BY-LAWS
OF
SUTER STREET HOMEOWNERS ASSOCIATION, INC.

ARTICLE I
Definitions

1.1 Association. "Association" shall mean and refer to Suter Street Homeowners Association, Inc., its successors and assigns.

1.2 Properties. "Properties" shall mean and refer to that certain real property designated as a portion of City Tax Map No. 41-C-41, situate on Suter Street in the City of Harrisonburg, Virginia, being more particularly shown and described as Lots 10, 11, 12, 13, 16, 17, 18, 19, 20 and 21 according to a division survey by Hal T. Benner, L.S., dated March 28, 2023, identified as "SUTER STREET DEVELOPMENT" on the subdivision plat recorded in the Clerk's Office of the Circuit Court of Rockingham County, Virginia, in Deed Book 5732, Page 625, (the "Subdivision Plat") and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

1.3 Roads. "Roads" shall mean the common roadways used for access to the Lots and as shown on the Subdivision Plat.

1.4 Lot. "Lot" shall mean and refer to any plot of land shown upon the Subdivision Plat for Suter Street Development Subdivision, as a Lot and subsequently to be recorded in the Clerk's Office of Rockingham County, Virginia, as individual Lots.

1.5 Member. "Member" shall mean and refer to every person or entity who becomes an Owner of one or more of the Lots.

1.6 Owner. "Owner" shall mean and refer to the record Owner, whether one or more persons or entities of a fee simple title to any Lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

1.7 Declarant. "Declarant" shall mean and refer to PDY, LLC, a Virginia limited liability company, and Central Valley Habitat For Humanity, Inc., a Virginia corporation, their successors and assigns, if such successors or assigns should acquire a majority of the remaining undeveloped Lots from the Declarant for the purpose of development.

1.8 Declaration. "Declaration", "Restrictions" or "Covenants" shall, unless the context otherwise indicates, mean and refer to any or all of those restrictions and covenants contained in the Declaration of the Suter Street Development, recorded in the aforesaid Clerk's Office in Deed Book 5788, page 651.

1.9 Subdivision. "Subdivision" shall mean and refer to the Lots, Common Area, and Open Spaces as shown on the Subdivision Plat.

ARTICLE II

Membership

2.1 Every person or entity who is a record Owner of a fee or undivided fee interest in any Lot which is subject by covenants of record to assessment by the Association, including contract sellers, shall be a Member of the Association. The foregoing 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 and may not be separated from ownership of any Lot which is subject to assessment by the Association. Ownership of such Lot shall be the sole qualification for membership.

ARTICLE III

Meetings of Members

3.1 Places of Meetings. All meetings of the Members shall be held at such place, either within or without the Commonwealth of Virginia, as from time to time may be fixed by the Board of Directors.

3.2 Annual Meetings. The first annual meeting of the Members shall be held within twelve (12) months after the incorporation of the Association, and each subsequent regular annual meeting of the Members shall be held approximately twelve (12) months after the previous annual meeting, at such day and time as shall be set by the Board of Directors.

3.3 Special Meetings. A special meeting of the Members for any purpose or purposes may be called at any time by the President, by a majority of the Board of Directors, or by Members together holding at least one-tenth of the voting interests of the Association at the time outstanding and entitled to vote with respect to the business to be transacted at such meeting. At a special meeting no business shall be transacted, and no corporate action shall be taken other than that stated in the notice of the meeting.

3.4 Notice of Meetings. Written or printed notice stating the place, day and hour of every meeting of the Members and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be mailed (including by e-mail or facsimile) not less than ten nor more than sixty (60) days before the date of the meeting to each Member of record or entitled to vote at such meeting, at his address which appears in the records of the Association. Such further notice shall be given as may be required by law, but meetings may be held without notice if all the Members entitled to vote at the meeting are present in person or by proxy or if notice is waived in writing by those not present, either before or after the meeting.

3.5 Quorum. The presence at the meeting of Members or their proxies entitled to cast at least sixty percent (60%) of the votes of each class of Members shall constitute a quorum for any action, except as otherwise provided in the Articles of Incorporation, the Declaration or these By-Laws. If, however, such quorum shall not be present or represented at any meeting, the Members entitled to vote thereat shall have the power to adjourn the meeting and to call another meeting without notice other than announcement at the meeting prior to adjournment, and the required quorum at any such subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting.

3.6 Waiver of Notice. A Member may waive any notice required by the Articles of Incorporation of the Association, these By-Laws or the Virginia Non-Stock Corporation Act (the

“Act”) before or after the date and time of the meeting that is the subject of such notice. The waiver shall be in writing, be signed by the Member entitled to such notice and be delivered to the Secretary for inclusion in the minutes or filing with the Association’s records. A Member who attends a meeting (a) waives objection to lack of notice or defective notice of the meeting, unless the Member at the beginning of the meeting objects to holding the meeting or transacting business at the meeting, and (b) waives objection to consideration of a particular matter at the meeting that is not within the purpose or purposes described in the meeting notice, unless the Member objects to considering the matter when it is presented.

3.7 Proxies. At all meetings of Members, each Member may vote in person or by proxy. All Proxies shall be in writing, in the form required by law, and filed with the Secretary of the Association. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of its Lot.

3.8 Conduct of the Meeting. The President of the Association shall act as Chairman at each meeting of the Members. In his absence, the Vice President, or should he be also absent, then a Member chosen by a majority vote of the Members present and entitled to vote, shall act as Chairman of the meeting. The Secretary of the Association, or an Assistant Secretary, or in their absence, any Member designated by the Chairman, shall act as secretary of the meeting.

The Chairman shall determine the order of the business at each meeting of the Members of the Association, but such order may be changed by a majority in voting power of the Members present, either in person or by proxy, and entitled to vote at such meeting.

ARTICLE IV

Voting

4.1 Voting Rights. The Association shall have two classes of voting membership:

Class A. Class A Members shall be all those Owners as defined in Article II with the exception of the Declarant. Class A Members shall be entitled to one vote for each Lot in which they hold the interest required for membership by Article II. When more than one person holds such interest in any Lot, all such persons shall be Members. The vote for such Lot shall be exercised as they determine among themselves, but in no event shall more than one vote be cast with respect to any Lot. For so long as the Class B Members exist, the Class A Members are non-voting Members.

Class B. The Class B Members shall be the Declarant, its successors and assigns. The Class B Members shall be entitled to three (3) votes for each Lot it owns. The Class B membership shall cease as provided in the Articles of Incorporation of the Association.

ARTICLE V
Directors

5.1 General Powers. The property, affairs and business of the Association shall be managed by the Board of Directors, and, except as otherwise expressly provided by law, the Articles of Incorporation or these By-Laws, all of the powers of the Association shall be vested in such Board.

5.2 Number of Directors. The number of Directors constituting the Board of Directors shall be not less than three (3) nor more than five (5).

5.3 Election and Removal of Directors; Quorum.

(a) Directors shall be elected at each annual meeting of Members to succeed those Directors whose terms have expired and to fill any vacancies then existing.

(b) Directors shall hold their offices for terms of two (2) years and until their successors are elected. Any Director may be removed from office at a meeting called expressly for that purpose by the voting of Members holding not less than a majority of the shares entitled to vote at an election of Directors.

(c) Any vacancy occurring in the Board of Directors may be filled by the affirmative vote of the majority of the remaining Directors though less than a quorum of the Board, and the term of office of any Director so elected shall expire on the date fixed for the expiration of the term of office of the Director to which such Director was so elected.

(d) A majority of the number of Directors elected and serving at the time of any meeting shall constitute a quorum for the transaction of business. The act of a majority of Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors. Less than a quorum may adjourn any meeting.

5.4 Meetings of Directors. An annual meeting of the Board of Directors shall be held as soon as practicable after the adjournment of the annual meeting of Members at such place as the Board may designate. Other meetings of the Board of Directors shall be held at places within or without the Commonwealth of Virginia and at times fixed by resolution of the Board, or upon call of the President or any two of the Directors. The Secretary or officer performing the Secretary's duties shall give not less than ten (10) days notice by letter, telephone, e-mail, or facsimile (or in person) to the Board Member at his last known address (post office, e-mail, or facsimile) of all meetings of the Board of Directors, provided that notice need not be given of annual meetings or of regular meetings held at times and places fixed by resolution of the Board. The Board of Directors may participate in a meeting by means of a conference telephone or similar communications equipment whereby all persons participating in the meeting can hear each other. A written record shall be made of the action taken at any such meeting. Directors may act without a meeting if a consent in writing setting forth the action so taken shall be signed by all the Directors either before or after such action. At any meeting at which every member of the Board of Directors shall be present, although held without notice, any business may be transacted which might have been transacted if the meeting had been duly called. Meetings may be held at any time without notice if all of the Directors are present, or if those not present waive notice in writing either before or after the meeting.

ARTICLE VI

Officers

6.1 Election of Officers; Terms. The officers of the Association shall consist of a President, Treasurer, and a Secretary. Other officers, including a Chairman of the Board, one or more Vice-Presidents (whose seniority and titles, including Executive Vice-Presidents and Senior Vice-Presidents, may be specified by the Board of Directors), and assistant and subordinate officers, may from time to time be elected by the Board of Directors. All officers shall hold office for a period of two (2) years and until their successors are elected. The President shall be chosen from among the Directors. Any two offices may be combined in the same person as the Board of Directors may determine.

6.2 Removal of Officers; Vacancies. Any officer of the Association may be removed summarily with or without cause, at any time, by the Board of Directors. Vacancies may be filled by the Board of Directors.

6.3 Duties. The officers of the Association shall have such duties as generally pertain to their offices, respectively, as well as such powers and duties as are prescribed by law or are hereinafter provided or as from time to time shall be conferred by the Board of Directors. The Board of Directors may require any officers to give such bond for the faithful performance of his duties as the Board may see fit.

ARTICLE VII

Property

7.1 General. The Association shall have the ability to acquire and hold property, both real and personal, for the aesthetic, recreational and general civic benefit of the Subdivision and the Association.

7.2 Recreational and other facilities. The Association shall have the ability to purchase, construct, maintain and operate recreational or other facilities for the use and enjoyment of residents of the Subdivision.

7.3 Easements. The Association shall have the right to grant easements for public utility purposes to any municipality or public utility for the purpose of installation or maintenance of utilities to serve any lot located in the subdivision including the extension of said utility to adjacent properties.

7.4 Maintenance. The Association shall maintain the Roads until the same are accepted into the into the Virginia State Highway System.

7.5 Policing. The Association shall be charged with general public policing and control of the Subdivision and the Board of Directors of the Association shall have the power to make any reasonable regulations for the control of such and the prevention of nuisances within the Subdivision.

ARTICLE VIII
Indemnity of Officers and Directors

8.1 Definitions. In this Article:

"Applicant" means the person seeking indemnification pursuant to this Article.

"Expenses" includes legal fees.

"Liability" means the obligation to pay a judgment, settlement, penalty, fine, including any excise tax assessed with respect to an employee benefit plan, or reasonable expenses incurred with respect to a proceeding.

"Official Capacity" means (i) when used with respect to a director, the office of director in the Association; or (ii) when used with respect to an individual other than a director, the office in the Association held by the officer or the employment or agency relationship undertaken by the employee or agent on behalf of the Association. "Official Capacity" does not include service for any other foreign or domestic corporation or any partnership, joint venture, trust, employee benefit plan or other enterprise.

"Party" includes an individual who was, is, or is threatened to be made a named defendant or respondent in a proceeding.

"Proceeding" means any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative and whether formal or informal.

8.2 General. The Association shall indemnify any person who was or is a Party to any proceeding, including a proceeding by or in the right of the Association to procure a judgment in its favor, by reason of the fact that he is or was a director, officer, employee, or agent of the Association, or is or was serving at the request of the Association as a director, trustee, partner, or officer of another Association, partnership, joint venture, trust, employee benefit plan or other enterprise, against any Liability incurred by him in connection with such proceeding if (i) he believed, in the case of conduct in his Official Capacity, that his conduct was in the best interests of the Association, and in all other cases that his conduct was at least not opposed to its best interests, and, in the case of any criminal proceeding, had no reasonable cause to believe his conduct was unlawful, and (ii) he was not guilty of gross negligence or willful misconduct. A person is considered to be serving an employee benefit plan at the Association's request if his duties to the Association also imposes duties on, or otherwise involves services by, him to the plan or to participants in or beneficiaries of the plan. A person's conduct with respect to an employee benefit plan for a purpose he believed to be in the interests of the participants and beneficiaries of the plan is conduct that satisfies the requirement of this section.

8.3 Impact of Legal Proceeding. The determination of any proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere is not, of itself, determinative that the Applicant did not meet the standard of conduct described in this Article.

8.4 Limit on Indemnification. Notwithstanding the provisions of Section 8.2 of this Article, provided there is a finding of gross negligence or willful misconduct, no indemnification shall be made in connection with any proceeding charging the Applicant with improper benefit to himself,

whether or not involving action in his Official Capacity, in which he was adjudged liable on the basis that personal benefit was improperly received by him.

8.5 Indemnification of Expenses. To the extent that the Applicant has been successful on the merits or otherwise in defense of any proceeding referred to in Section 8.2 of this Article, or in defense of any claim, issue or matter therein, he shall be indemnified against expenses actually and reasonably incurred by him in connection therewith.

8.6 Procedure. Any indemnification under Section 8.2 of this Article (unless ordered by a court) shall be made by the Association only as authorized in the specific case upon a determination that indemnification of the Applicant is proper in the circumstances because he has met the applicable standard of conduct set forth in Section 8.2 and Section 8.4.

The determination shall be made:

(a) By the Board of Directors by a majority vote of a quorum consisting of Directors not at the time parties to the proceeding;

(b) If a quorum cannot be obtained under subsection (a) of this section, by majority vote of a committee duly designated by the Board of Directors (in which designation Directors who are parties may participate), consisting solely of two or more Directors not at the time parties to the proceeding;

(c) By special legal counsel;

(i) Selected by the Board of Directors or its committee in the manner prescribed in subsections (a) or (b) of this section; or

(ii) If a quorum of the Board of Directors cannot be obtained under subsection (a) of this section and a committee cannot be designated under subsection (b) of this section, selected by majority vote of the full Board of Directors, in which selection Directors who are parties may participate; or

(d) By the Members, but shares owned by or voted under the control of Directors who are at the time parties to the proceeding may not be voted on the determination.

Authorization of indemnification and evaluation as to reasonableness of expenses shall be made in the same manner as the determination that indemnification is permissible, except that if the determination is made by special legal counsel, authorization of indemnification and evaluation as to reasonableness of expenses shall be made by those entitled under subsection (c) of this section to select counsel.

8.7 Advance Payment/Reimbursement.

(a) The Association may pay for or reimburse the reasonable expenses incurred by any Applicant who is a Party to a proceeding in advance of final disposition of the proceeding if:

(i) The Applicant furnishes the Association a written statement of his good faith belief that he has met the standard of conduct described in Section 8.2 and Section 8.4;

(ii) The Applicant furnishes the Association a written undertaking, executed personally or on his behalf, to repay the advance if it is ultimately determined that he did not meet the standard of conduct; and

(iii) A determination is made that the facts then known to those making the determination would not preclude indemnification under this Article.

(b) The undertaking required by paragraph (ii) of subsection (a) of this section shall be an unlimited general obligation of the Applicant but need not be secured and may be accepted without reference to financial ability to make repayment.

(c) Determinations and authorizations of payments under this section shall be made in the manner specified in Section 8.6.

8.8 Expanded Indemnity. The Board of Directors is hereby empowered, by majority vote of a quorum of disinterested Directors, to cause the Association to indemnify or contract in advance to indemnify any person not specified in Section 8.2 of this Article who was or is a Party to any proceeding, by reason of the fact that he is or was an employee or agent of the Association, or is or was serving at the request of the Association as an employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise, to the same extent as if such person were specified as one to whom indemnification is granted in Section 8.2. The provisions of Section 8.3 through Section 8.7 of this Article shall be applicable to any indemnification provided hereafter pursuant to this Section 8.8.

8.9 Insurance Option. The Association may purchase and maintain insurance to indemnify it against the whole or any portion of the Liability assumed by it in accordance with this Article and may also procure insurance, in such amounts as the Board of Directors may determine, on behalf of any person who is or was a director, officer, employee or agent of the Association, or is or was serving at the request of the Association as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise, against any Liability asserted against or incurred by him in any such capacity or arising from his status as such, whether or not the Association would have power to indemnify him against such Liability under the provisions of this Article.

8.10 Definitions. Every reference herein to directors, officers, employees, or agents shall include former directors, officers, employees, and agents and their respective heirs, executors, and administrators. The indemnification hereby provided and provided hereafter pursuant to the power hereby conferred on the Board of Directors shall not be exclusive of any other rights to which any person may be entitled, including any right under policies of insurance that may be purchased and maintained by the Association or others, with respect to claims, issues, or matters in relation to which the Association would not have the power to indemnify such person under the provisions of this Article.

ARTICLE IX
Restrictive Covenants

9.1 General. The Association, or any Owner, shall have the right to enforce by a proceeding at law or in equity, the restrictions, conditions and covenants imposed by the Declaration. Failure by the Association or by an Owner to enforce any covenant or restriction therein contained shall in no event be deemed a waiver of the right to do so thereafter.

ARTICLE X
Amendments

10.1 By the Directors. The Board of Directors by a majority vote thereof shall have the power to make, alter, amend or repeal the By-Laws of the Association at any regular or special meetings of the Board. This power shall not be exercised by the executive committee or any other committee of directors.

10.2 By the Members. At any annual or special meeting, By-Laws may be adopted, and all By-Laws shall be subject to amendment, alteration, or repeal by a majority of all Members entitled to vote. Pursuant to resolution adopted by a majority of the Members entitled to vote, the Members may provide that certain By-Laws adopted, approved, or designated by them may not be amended, altered, or repealed, except by a certain specified vote of the Members.

10.3 Special Amendments. Notwithstanding anything herein to the contrary, the Declarant may unilaterally amend these By-Laws to make any amendment (a) it deems necessary to make a non-material, clarifying or corrective change, or (b) required by any of the federal mortgage agencies, such as the Veterans Administration, Federal Housing Administration, Fannie Mae or Freddie Mac, or by a local development of the Suter Street Development Subdivision or the operation of the Association, by the filing of Articles of Amendment with the Virginia State Corporation Commission, and shall give written notice to the Members of any amendments made pursuant to clause (b). This right of the Declarant to amend these By-Laws as aforesaid shall continue notwithstanding the lapse of the Declarant's Class B membership.

10.4 Conflict. In the case of any conflict between the Declaration and these By-Laws, the Declaration shall control, and in the case of any conflict between these By-Laws and the Articles, the Articles shall control.

ARTICLE XI
Miscellaneous Provisions

11.1 Seal. The seal of the Association shall consist of a flat-faced circular die, of which there may be any number of counterparts, on which there shall be engraved the word "Seal" and the name of the Association.

11.2 Fiscal Year. The fiscal year of the Association shall end on such date and shall consist of such accounting periods as may be fixed by the Board of Directors.

11.3 Checks, Notes and Drafts. Checks, notes, drafts and other order for the payment of money shall be signed by such persons as the Board of Directors from time to time may authorize, however, the signature of any such person may be a facsimile.

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