

**BYLAWS
FOR
ASHBRIAR HOMEOWNERS ASSOCIATION,
a Virginia Non Stock Corporation**

Terms used herein without definition shall have the meanings specified for such terms in Article 13.1-803 of the Virginia Nonstock Corporation Act. capitalized terms used shall have the definitions set forth below.

(1) "Additional Phases" means the real estate described on Exhibits 2 through 5, inclusive, of the Declaration and which the Declarant may submit to the Declaration and to the jurisdiction of the Association pursuant to Article 2.1 of the Declaration, or any real estate that the Association may submit to the Declaration and assume jurisdiction over pursuant to Article 2.2 of the Declaration.

(2) "Act" means the Virginia Non-stock Corporation Act, Chapter 10 of Title 13.1 of the Code of Virginia (1950) , as the same may be amended, supplemented or replaced from time to time.

(3) "Annual Maintenance Assessment" means the proportionate share of the sum required by the Association to meet its annual Common Expenses.

(4) "Articles of Incorporation" means the Articles of Incorporation for Ashbriar Homeowners Association filed with the Virginia State Corporation Commission, as amended from time to time.

(5) "Association" means the Ashbriar Homeowners Association, a Virginia non-stock corporation.

(6) "Association Documents" means collectively, the Articles of Incorporation, this Declaration and the Bylaws, as amended from time to time. Any exhibit, schedule, certification or amendment to an Association Document is an integral part of that document.

(7) "Board of Directors" or "Board" means the executive and administrative entity established by Article 5 of the Articles of Incorporation as the governing body of the Association.

(8) "Builder" means both the Declarant and any Person who in the regular course of business purchases a Lot or Lots for the purpose of constructing improvements for resale or rental.

(9) "Bylaws" means the by-laws of the Association as adopted in accordance with the provisions of the Articles of Incorporation and the Act, as the same may be amended from time to time.

(10) "Class A Member or Members" means all Owner of Lots other than the Declarant.

(11) "Class B Member" means the Declarant and its successors and assigns.

(12) "Common Area" means, at any given time, all of the Property, other than Lots and areas dedicated to public use and accepted by requisite governmental authorities, then owned or leased by the Association or otherwise available to the Association for the benefit, use and enjoyment of the Owners; provided, however, that real estate is not Common Area solely because it is burdened by an easement for utilities, landscaping, storm water management or signage, even though the Association may maintain such areas. Any portion of the Common Area which the Association has the right to maintain as Community Trails or otherwise for the benefit of the Owners may be located within a Lot. For the purposes of maintenance, operation and control, such portion of the Lot shall be treated as Common Area; for the purposes of ownership, such portion shall be part of the Lot and shall be included in the calculation of voting rights and assessments. Common Area shall include any additional Common Area contained within any Additional Phase which is submitted to this Declaration pursuant to the provisions of Article 2.1 hereof.

(13) "Common Expenses" means all expenditures made and incurred on behalf of the Association, together with all funds determined by the Board of Directors to be necessary for the creation and maintenance of reserves pursuant to the provisions of the Association Documents.

(14) "Community Trails" means the paths and trails constructed by the Declarant across any Common Area owned in fee simple by the Association and the Lots, which shall be maintained by the Association for the use of all Owners.

(15) "Covenants Committee" or "Committee" means the committee that may be established by the Board of Directors pursuant to Article 9 hereof for the purposes and with the authorities therein set forth, including but not limited to assuring that the Property shall be maintained in a manner consistent with the purposes and intent of this Declaration.

(16) "Declarant" means Ashbriar, LLC, a Virginia limited liability company, its successors and assigns; provided, however, that no successor or assignee of the Declarant shall have any of the rights or obligations of the Declarant hereunder unless such rights and obligations are specifically assigned by

Declarant by document recorded in the Land Records or unless said rights and obligations of the Declarant inure to the successor by operation of law.

(17) "Declarant Control Period" means the period ending on the earlier of: (i) the seventh anniversary of the date of recordation of this Declaration or (ii) the date the number of votes of Class A Members equals the number of votes of the Class B Member; or (iii) the date specified by the Declarant in a written notice to the Association that the Declarant Control Period is to terminate on that date.

(18) "Declaration" means this instrument as the same may from time to time be amended or supplemented.

(19) "Design Standards" means the standards developed for the Property by the Covenants Committee pursuant to Article 9 hereof, and any standards established by the Declarant.

(20) "Development Period" means the period of time that the Declarant or Builders are engaged in development or sales, or activities related thereto, anywhere on the Property. When all the Lots and Common Area have been conveyed to Owners other than the Declarant or a Builder, then the Development Period shall end.

(21) "Dwelling Unit" means both a single family and townhouse unit erected on a Lot. A Dwelling Unit comes into existence for the purposes of this Declaration on the date that a certificate of occupancy or similar permit is issued by the appropriate governmental agency on such Dwelling Unit.

(22) "Land" means, at any given time, the real estate then subject to the Declaration (including Lots and Common Area), but does not include improvements or appurtenances thereto.

(23) "Land Records" means the land records of Loudoun County, Virginia.

(24) "Lot" means a portion of the Property (including at any given time any Additional Phase which is submitted to this Declaration) designated as a separate subdivided lot of record (but not including the real estate designated as Common Area and owned by the Association) on a plat of subdivision, resubdivision or consolidation or boundary line adjustment of a portion of the Property recorded among the Land Records upon which either a single family detached or townhouse dwelling is erected.

(25) "Majority Vote" means a simple majority (more than fifty percent) of the votes entitled to be cast by Members present in person or by proxy at a duly held meeting of the Members at which a quorum is present. Any vote of a specified percentage of Members means that percentage with respect to the total number of

votes entitled to be cast by Members present in person or by proxy at a duly held meeting at which a quorum is present. Any vote by a specified percentage of the Board of Directors (or the Covenants Committee) means that percentage with respect to votes entitled to be cast by directors (or Covenants Committee Members) present at a duly held meeting of the Board (or Covenants Committee) at which a quorum is present. Any vote for approval by a specified percentage of the Mortgagees means a vote for approval by the Mortgagees of Lots calculated according to the number of votes allocated to the Lot on which each has a Mortgage.

(26) "Members" mean collectively the Class A Members and the Class B Members.

(27) "Member" means any Class A or Class B Member.

(28) "Mortgagee" means an institutional lender (one or more commercial or savings banks, savings and loan associations, trust companies, credit unions, industrial loan associations, insurance companies, pension funds or business trusts, including but not limited to real estate investment trusts, any other lender regularly engaged in financing the purchase, construction, or improvement of real estate, or any assignee of loans made by such lender, or any combination of any of the foregoing entities) holding a first mortgage or first deed of trust ("Mortgage") encumbering a Lot which has notified the Board of Directors of its status and requested all rights under the Association Documents. Only for the purpose of the rights in Articles 12, 13, and 14 hereof, the term "Mortgagee" shall also include the Veterans Administration, the Federal Home Loan Mortgage Corporation, the Federal Housing Administration, the Federal National Mortgage Association, the Farmer's Home Administration, the Government National Mortgage Association and any other public or private secondary mortgage market entity, if such entity is participating in purchasing, guarantying or insuring Mortgages on Lots and the Board of Directors has notice of such participation.

(29) "Officer" means any Person holding office pursuant to the Bylaws.

(30) "Owner" means one or more Persons who own a Lot in fee simple, but does not mean any Person having an interest in a Lot solely by virtue of a contract or as security for an obligation.

(31) "Person" means a natural person, corporation, partnership, association, trust or other entity capable of holding title to real estate or any combination thereof.

(32) "Phase" means each discrete portion of the Property subjected to this Declaration described as Phases 1 through 5 as more particularly described on Exhibits 1 through 5 inclusive of the Declaration.

(33) "Private Streets and Roadways" means all streets, roadways, sidewalks, curbs, gutters and parking areas which are part of the Common Area, but not including streets and roadways dedicated to public use by a plat or deed of dedication.

(34) "Property" means at any given time, the Land (including all Phases then submitted to this Declaration) then subject to the Declaration (including Lots and Common Area) and includes all improvements and appurtenances thereto now or hereafter existing.

(35) "Recreational Facilities" all facilities for the common use and enjoyment of the Members constructed or existing on the Common Areas or the Lots, including but not limited to a tot lot, multipurpose court, Community Trails and any shown on any plat of subdivision for the Property and any required by any proffers relating to the Property.

(36) "Rules and Regulations" means the rules and regulations governing the use, occupancy, operation and physical appearance of the Property adopted from time to time by the Board of Directors.

(37) "Upkeep" means care, inspection, maintenance, operation, repair, repainting, remodeling, restoration, improvement, renovation, alteration, replacement and reconstruction.

(38) "Virginia Property Owners' Association Act" means Chapter 26 of Title 55 of the Code of Virginia (1950), as amended, supplemented or replaced from time to time.

ARTICLE 2

MEETINGS OF MEMBERS

Article 2.1. Annual Meetings. The first annual meeting of the Association shall be held, not later than the first anniversary of the incorporation of the Association, at such time and place as may be fixed by a resolution of the Board of Directors. Subsequent annual meetings of the Association shall be hold on weekdays (other than legal holidays recognized as such in Virginia) at least thirty days before the beginning of each fiscal year at such time as may be fixed from time to time by resolutions of the Board of Directors.

Article 2.2. Special Meetings. The Association shall hold a special meeting: (1) upon the call of the President; (2) if so directed by resolution of the Board of Directors; (3) upon a petition presented to the Secretary and signed by Members entitled to cast at least twenty percent of the total number of votes

(excluding the Declarant's votes) ; or (4) upon request of the Declarant for so long as the Declarant owns a Lot. The signatures on a petition requesting a special meeting shall be valid for a period of ten days after the date of the first such signature. Such resolution, petition or request must: (a) either specify a date on which the meeting is to be held which will permit the Secretary to comply with Article 2.3 hereof, or else specify that the Secretary shall designate the date of the meeting; (b) specify the purposes for which the meeting is to be held; and (c) be delivered to the Secretary. No business other than that stated in such resolution, request or petition shall be transacted at such special meetings.

Article 2.30 Notice of Meetings.

(a) Written notice stating the place, date and time of each annual meeting and, in case of a special meeting, the purposes for which the meeting is called, shall be given by the Secretary (or as directed by the Secretary) to each Member entitled to vote at such meeting not less than ten nor more than sixty days before the date of the meeting. The giving of notice in the manner provided in this section and Article 11 hereof shall be considered service of notice.

(b) Notwithstanding the provisions of Subsection (a), notice of a meeting to act on an amendment to the Articles of Incorporation, a plan of merger or consolidation or dissolution shall be given in the manner provided above not less than twenty five nor more than sixty days before the date of the meeting. Any such notice shall be accompanied by a copy of the proposed amendment, plan of merger or consolidation or dissolution. Any such amendment, plan of merger or consolidation or dissolution shall not be effective unless notice of such matter was provided in accordance with this subsection.

Article 2.4. Waiver of Notice of Meetings.

(a) Whenever any notice is required to be given of any meeting of the Association, a waiver thereof in writing signed by a Member entitled to such notice, whether given before or after the meeting, shall be equivalent to the giving of such notice to that Member and such waiver shall be delivered to the Secretary for inclusion in the minutes or filing with the Association records.

(b) A Member who attends a meeting shall be conclusively presumed to have had timely and proper notice of the meeting or to have duly waived notice thereof, unless such Member attends for the express purpose of objecting to the transaction of any business on the grounds that the meeting was not lawfully called or convened and so notifies the person conducting the meeting at or prior to the commencement of the meeting or at or prior to consideration of the matter subject to objection, in the case of a special meeting.

Article 2.5. Quorum. A quorum shall be deemed to be present throughout any meeting of the Association if Members entitled to cast at least twenty-five percent of the total number of votes are present, in person or by proxy, at the beginning of such meeting. Once a Member is present at a meeting such Member is deemed present for quorum purposes for the remainder of the meeting and for any adjournment of that meeting unless a new Record Date is or shall be set for that adjourned meeting. If at any meeting of the Association a quorum is not present, a majority of the Members who are present at such meeting in person or by proxy may recess or adjourn the meeting to such place, date and time as such Members may agree, not less than forty-eight hours after the time the original meeting was called, whereupon the Secretary shall announce the place, date and time at the meeting and make other reasonable efforts to notify all Members of such place, date and time.

Article 2.6. Record Date to Determining Members; List of Members. The date for determining which, Persons are Members and therefore entitled to vote ("Record Date") shall be the close of business on the day before the effective date of the notice to the Members of the meeting, unless the Board of Directors shall determine otherwise. The Board shall not fix a Record Date more than seventy days before the date of the meeting or other action requiring a determination of the Members, nor shall the Board set a Record Date retroactively. At least ten days before each meeting, the Secretary shall make a complete list of Members, with the address of each, available for review by the Members before and during the meeting. The list shall be current as of the Record Date.

Article 2.7. Action by Members Without Meeting. Any action required or permitted to be taken at a meeting of the Association may be taken without a meeting if written consent, setting forth the action so taken and signed by all of the Members entitled to vote with respect to the subject matter thereof, is delivered to the Secretary for inclusion in the minutes or filing with the Association records. Such consent shall have the same force and effect as a unanimous vote of the Members.

ARTICLE 3 **MEMBERS AND VOTING**

Article 3.1. Membership. Each Owner 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. No Owner shall have more than one Membership for each Lot owned. 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.

The Association shall have two (2) classes of voting Membership:

Class A Members: The Class A Members shall be the Owners of Lots, other than the Declarant,. Class A Members shall be entitled to one vote for each Dwelling Unit located on such Lot for which a certificate of occupancy or similar permit has been issued by the appropriate governmental agency for each Lot in which they hold the interest required for Membership by this Article. When more than one Person holds such interest in any Lot, all such Persons shall be a Member. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Lot. In the event of the additional of an Additional Phase, Class A Membership shall arise with respect to such Additional Phase upon recordation of a deed of dedication and subdivision which deed of dedication and subdivision shall extend the scheme of the Declaration to such annexed property and upon acquisition of a Lot by an Owner.

Class B Member: The Class B Member shall be the Declarant. The Class B Member shall be entitled to three (3) votes for each Lot owned by the Declarant. The Class B Member shall be the Declarant and the Declarant shall have three votes for each Class A vote entitled to be cast. When all the Lots have been conveyed to Owners other than the Declarant or a Builder, the Class B Membership shall expire.

Article 3.3. Manner of Voting.

(a) At a Meeting. Voting by Members at a meeting shall be by voice vote (except for the election of Directors which shall be by written ballot) unless the presiding officer determines otherwise or any Member present at the meeting, in person or by proxy, requests, and by a Majority Vote the Members consent to, a vote by written ballot indicating the name of the Member voting, the number of votes appertaining to such Member, and the name of the proxy of such ballot if cast by a proxy. There shall be no cumulative voting.

(b) By Referendum. In the sole discretion of the Board of Directors, elections of Directors may be submitted to a referendum of the Members on a ballot, by mail or at polling places. Ballots shall be returned to the Secretary by the date specified on the ballot. The Board of Directors shall determine the method of voting, the form of all ballots, the deadline for return of ballots and the number and location of polling places, if any.

Article 3.4. Proxies. A vote may be cast in person or by proxy. A proxy may be instructed (directing the proxy holder how to vote) or uninstructed (leaving how to vote to the proxy holder's discretion). Only instructed proxies may be granted by any Member to the managing agent. Proxies shall be in writing, shall be dated, shall be signed by the Member or a Person authorized by the Member, shall be valid for eleven months unless a longer time period is provided in the proxy and shall be filed with the Secretary. Such proxy shall be deemed revoked only upon actual receipt by the person presiding over the meeting of notice of revocation from the Member.

ARTICLE 4
BOARD OF DIRECTORS

Article 4.1. Number of Directors. During the Declarant Control Period, the Board of Directors shall consist of three Directors, all of which shall be appointed by the Class B Member. After the Declarant Control Period, the Board shall consist of five Directors or such greater number as established by the Board of Directors from time to time.

Article 4.2. Election of Directors and Terms of office.

(a) **Declarant-Controlled Board of Directors.** Except as provided in this section, all Directors shall be elected by the Class B Member who shall elect, remove and replace such Directors at will, and designate the terms thereof, until the meeting described in Subsection 4.2(b) at which all Members with voting rights are entitled to elect a majority of the Directors. The term of office of at least one but less than three of the Directors elected by the Class B Member at the first election of Directors shall expire at the third annual meeting following their election, the term of office of at least one but less than three of the Directors shall expire at the second annual meeting and the term of office of at least one but less than three of the Directors shall expire at the first annual meeting following their election. The actual number of Directors whose term of office expires at each of the three annual meetings described in the preceding sentence shall be one-third (or a fraction as near to one-third as possible) of the total number of Directors. Thereafter, each Director shall serve for a three-year term. If the aggregate number of Directors is changed, terms shall be established so that one-third (or a fraction as near to one-third as possible) of the total number of Directors is elected each year.

(b) **Member-elected Board of Directors.** At the first annual meeting of the Association following the end of the Declarant Control Period or at any special meeting called by the Class B Member to transfer control of the Board of Directors, the number of Directors shall be increased to five and the number of Directors elected by the Class B Member shall resign, if necessary, so that a majority of Directors shall have been elected by all Members having voting rights. At such meeting and at every annual meeting thereafter, Members of the Board of Directors

whose terms have expired or who have resigned shall be replaced by a vote of all Members having voting rights (including the Declarant). Persons elected shall serve for the remainder of the terms of the Directors replaced, or if no resignation was required, for the terms of office necessary so that the term of office of one third (or a fraction as near to one-third as possible) of the Directors shall expire at the first three annual meetings after their election. The Directors receiving the greatest vote shall be elected for the longest available terms. All successor Directors shall be elected to serve for staggered terms of three years unless elected to fill a vacancy in which case such Director shall serve as provided in Article 4.6 hereof. Except for death, resignation or removal, the Directors shall hold office until their respective successors shall have been elected. If an election is not held when required, the Directors holding over shall have the authority and power to manage the business of the Association until their successors are duly elected.

Article 4.3. Qualifications. No person shall be eligible for election as a Director unless such person is an owner, an owner's tenant, an Owner's spouse, an officer, trustee, general partner (or officer or partner of the general partner) of an Owner, the Declarant (or a designee of the Declarant) or a Mortgagee in possession (or a designee of a Mortgagee in possession). No Owner or representative of such Owner shall be elected, as a Director or continue to serve as a Director if such owner is more than sixty days delinquent in meeting financial obligations to the Association.

Article 4.4. Action by Board of Directors. At all meetings of the Board of Directors a majority of the total number of Directors shall constitute a quorum for the transaction of business. A Majority Vote of the Directors while a quorum is present shall constitute a decision of the Board of Directors, unless otherwise provided in the Act, the Articles of Incorporation or these Bylaws. The Board of Directors may not mortgage, pledge or dedicate to the repayment of indebtedness or otherwise transfer, convey or encumber any or all of the Common Areas without the approval of the Members and Mortgagees as required by the Declaration.

Article 4.5. Removal or Resignation of Directors. Except with respect to initial Directors, Directors elected by the Class B Member and replacements thereof, at any regular or special meeting of the Association duly called, any one or more of the Directors may be removed with or without cause by a Majority Vote of the Members and a successor may then and there be elected to fill the vacancy thus created. Any Director whose removal has been proposed by the Members shall be given at least five days notice of the time, place and purpose of the meeting and shall be given an opportunity to be heard at the meeting. The notice given to Members of such meeting shall state that one of the purposes of the meeting is to remove such Director. The Class B Member may remove and replace any initial Director or any Director elected by the Class B Member at will, pursuant to Article 4.2 hereof. A Director may resign at any time by giving notice to the Board of Directors, the President or the Secretary. Unless otherwise specified, such

resignation shall take effect upon the receipt thereof and the acceptance of such resignation shall not be necessary to make it effective. Except for Directors elected by the Class B Member, a Director shall be deemed to have resigned upon disposition by the Owner of the Lot which made such person eligible to be a Director, or if such Director is not in attendance at three consecutive regular meetings of the Board without approval for such absence, and the minutes reflect the Director's resignation pursuant to this section.

Article 4.6. Vacancies. Vacancies on the Board of Directors caused by any reason other than the removal of a Director by the Members or by the Class B Member shall be filled by a Majority Vote of the remaining Directors at the meeting of the Board held for such purpose promptly after the occurrence of such vacancy or, if the Directors remaining in office constitute fewer than a quorum, an affirmative vote of the majority of the Directors remaining in office even though the Directors present at such meeting constitute less than a quorum. Each person so elected shall be a Director until a successor shall be elected at the next annual meeting of the Association. Vacancies caused by removal of a Director by the Members shall be filled by a vote of the Members and the successor Director shall serve the remainder of the term of the Director being replaced. The Class B Member shall designate the successor to an initial Director or any Director elected by the Class B Member. The term of the replacement Directors shall expire so that the staggered terms shall remain unaffected.

ARTICLE 5 POWERS AND DUTIES OF THE BOARD OF DIRECTORS

The business and affairs of the Association shall be managed by the Board of Directors elected in accordance with the procedures and for the terms of office set forth herein. The Board of Directors shall have all of the powers and duties necessary for the administration of the affairs of the Association and may do all such acts and things as are not required by the Act or the Association Documents to be exercised and done by the Members. The Board of Directors shall delegate to one of its members or to a Person employed for such purpose the authority to act on behalf of the Board on such matters relating to the duties of the managing agent retained by the Association which may arise between meetings of the Board as the Board deems appropriate. In addition to the duties imposed by any other provision of the Association Documents or by any resolution of the Association that may hereafter be adopted, the Board shall perform the following duties and take the following actions on behalf of the Association:

(1) Provide for Upkeep of the Common Area and, to the extent provided in the Association Documents, of the Lots.

(2) Designate, hire, dismiss and, where appropriate, compensate the personnel necessary to provide for the Upkeep of the Common Area and, to the extent provided in the Association Documents, of the Lots.1

(3) Collect the Annual Maintenance Assessment, deposit the proceeds thereof in depositories designated by the Board of Directors and use the proceeds to carry out the Upkeep of the Property to the extent the Association is so authorized by the Association Documents.

(4) Adopt and amend any reasonable Rules and Regulations not inconsistent with the Association Documents.

(5) Open bank accounts on behalf of the Association and designate the signatories thereon.

(6) Enforce the provisions of the Association Documents.

(7) Act with respect to all matters arising out of any eminent domain proceeding affecting the Common Area owned in fee simple by the Association.

(8) Notify the Members of any litigation against the Association.

(9) obtain and carry insurance against casualties and liabilities, as provided in the Declaration, pay the premiums therefor and adjust and settle any claims thereunder.

(10) Pay all Common Expenses.

(11) Prepare and adopt an annual budget and make Assessments to defray the Common Expenses of the Annual Maintenance of the Association and establish the means and methods of collecting such Assessments and establish the period of the installment payment, if any, of the Annual Maintenance Assessment for Common Expenses in accordance with the Declaration.

(12) Borrow money on behalf of the Association, when required for any valid purpose in accordance with the provisions of the Declaration.

(13) Sign deeds, plats of resubdivision and applications for construction permits or similar documents for the Common Area owned in fee simple by the Association, as may be necessary or desirable in the normal course of the orderly development of the Property, at the request of the Declarant or on its own determination, subject to the restrictions set forth in the Declaration.

(14) Dedicate or transfer any portion of the Common Area owned in fee simple by the Association or grant or terminate easements, rights-of-way or licenses over and through all the Common Area pursuant to the Declaration and subject to the restrictions set forth in the Declaration.

(15) Provide an Association Disclosure Packet within fourteen days after a written request and payment of the appropriate fee or otherwise in compliance with applicable law or an Assessment Certificate within ten days after a written request and payment of the appropriate fee in accordance with the Declaration.

(16) Do anything else not inconsistent with the Act or the Association Documents.

ARTICLE 6 OFFICERS

Article 6.1. Designation and Duties of Officers. The principal officers of the Association shall be the President (who shall also serve as Chairman of the Board of Directors), the Vice President, the Secretary and the Treasurer, all of whom shall be elected by the Board of Directors. The Board of Directors may also elect an assistant treasurer, an assistant secretary and such other Officers as in its judgment may be necessary. The President shall be an Owner (except for those Directors designated or elected by the Declarant) and a Director. Any other Officers may, but need not, be Owners or Directors. Each officer shall perform such duties as are normally associated with such office in parliamentary organizations, except to the extent (if any) inconsistent with the Act or the Association Documents, and shall perform such other duties as may be assigned to such officer by resolution of the Board of Directors. If any Officer is unable for any reason to perform the duties of the office, the President (or the Board of Directors if the President fails to do so) may appoint another qualified person to act in such Officer's stead on an interim basis.

Article 6.2. Election of Officers. The officers of the Association shall be elected annually by the Board of Directors at the organizational meeting of each new Board and shall hold office at the pleasure of the Board. Any Officer may hold more than one position; provided, however, that the offices of President, Vice President and Secretary shall be held by three different individuals. Except for death, resignation or removal, the officers shall hold office until their respective successors shall have been elected by the Board.

Article 6.3. Resignation or Removal of Officers. Any officer may resign by delivering written notice to the Board of Directors. Unless otherwise specified, such resignation shall take effect upon the receipt thereof, and acceptance of such resignation shall not be necessary to make it effective. Upon the affirmative vote of a majority of the total number of Directors any officer may be removed, either with or without cause, and a successor may be elected at any regular meeting of the Board or at any special meeting of the Board called for such purpose.

Article 6.4. Vacancies. A vacancy in any office may be filled by appointment by the Board of Directors. The person appointed to fill a vacancy shall serve for the remainder of the term of the Officer such person replaces.

Article 6.5. President. The President shall be the chief executive officer of the Association; preside at all meetings of the Association and of the Board of Directors; have general and active direction of the business of the Association subject to the control of the Board; see to the execution of the resolutions of the Association and the Board of Directors; see that all orders and resolutions of the Board are carried into effect; and, in general, perform all the duties incident to the Office of President.

Article 6.6. Vice President. The Vice President shall take the place of the President and perform the duties of the President whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board of Directors shall appoint some other Director to act in the place of the President, on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed by the Board of Directors or by the President.

Article 6.7. Secretary. The Secretary shall: keep the minutes of all meetings of the Association and of the Board of Directors; have charge of such books and papers as the Board may direct and as may be required by Article 13.1-932 of the Act and Article 55-510 of the Virginia Property Owners,' Association Act; give or cause to be given all notices required to be given by the Association; give each Member notice of Assessment as soon as practicable after Assessment is made; give each Member notice and a copy of the rules and regulations or amendment thereof; maintain a register setting forth the place to which all notices to Members and Mortgagees hereunder shall be delivered; file or cause to be filed the annual report required by Article 13.1-936 of the Act or Mortgagee to inspect and copy at reasonable times and by appointment the records of the Association; and, in general, perform all the duties incident to the Office of Secretary.

Article 6.8. Treasurer. The Treasurer shall be responsible for Association funds and securities; keep full and accurate

financial records and books of account showing all receipts and disbursements; prepare or cause to be prepared all required financial data, including the Assessment Certificate required by Article V, section 8 of the Declaration or the Association Disclosure Packet as required by Virginia Property owners' Association Act; deposit all monies and other valuable effects in the name of the Board of Directors or the Association in such depositories as may from time to time be designated by the Board; and, in general, perform all the duties incident to the Office of Treasurer.

Article 7. 1. Covenants Control Committee - The Board of Directors shall establish an Covenants Committee as set forth in the Declaration.

Article 7.2. Other Committees. The Board of Directors may create and abolish from time to time such other committees consisting of two or more persons as the Board may deem appropriate to aid in the administration of the affairs of the Association. Such committees shall have the powers and duties fixed by resolution of the Board from time to time. The Board shall appoint the chair of each committee, and may either appoint the other Members thereof or leave such appointment to the committee chair.

ARTICLE 8 MEETINGS OF BOARD OF DIRECTORS AND COMMITTEE

Article 8.1. Types of Meetings. The first (organizational) meeting of the Board of Directors following an annual meeting of the Association shall be held within thirty days thereafter at such time and place as shall be determined by a majority of the Directors to elect officers, appoint committee members and establish the manner of operation of the Board for the ensuing year. Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the Directors; provided, however, that after the Declarant Control Period, such meetings shall be held at least quarterly during each fiscal year. Special meetings of the Board of Directors may be called by the President, and shall be called by the President or Secretary upon the written request of at least two Directors. Meetings of the Covenants Committee or any other committee or subcommittee shall be held on an as-needed basis, as determined by the Board of Directors or committee. All meetings of the Board of Directors or any committee shall be open to Members as observers, except that the President or presiding officer or chairman of a committee may call the Board or committee into executive session on sensitive matters such as personnel, litigation strategy or hearings with respect to violations of the Association Documents in accordance with applicable law or as otherwise permitted by law. Any final action taken in executive session shall be recorded in the minutes. The Board of Directors

or any committee may hold their meetings in the Commonwealth of Virginia or outside the District as the Board may from time to time determine.

Article 8.2. Notice. Notice of meetings shall be given to each Director or committee member, as appropriate, personally or by mail, telegraph or telephone, orally or in writing, at least three business days prior to the date named for such meeting. Such notice shall state the place, date and time and, in the case of special meetings, the purpose thereof. No notice of the organizational meeting of the Board of Directors shall be necessary if such meeting is held immediately following the annual meeting.

Article 8.3. Waiver of Notice. Any Director or committee Member, as appropriate, may at any time, in writing, waive notice of any meeting of the Board of Directors, and such waiver shall be deemed equivalent to the giving of such notice. Attendance at any meeting shall constitute a waiver of notice of the time, place and purpose of such meeting, unless the Director or committee member attends for the express purpose of objecting to the transaction of any business on the grounds that the meeting was not lawfully called or convened and so notifies the person conducting the meeting at or prior to the commencement of the meeting or at or prior to consideration of the matter subject to objection, in the case of a special meeting. If all Directors or committee members, as appropriate, are present at any meeting of the Board of Directors or committee, no notice shall be required and any business may be transacted at such meeting.

Article 8.4. Quorum. At all meetings of the Board of Directors or a committee, a majority of the total number of Directors or committee members, as appropriate, shall constitute a quorum for the transaction of business, and a Majority Vote while a quorum is present shall constitute the decision of the Board of Directors, unless provided otherwise in the Act, the Articles of Incorporation or the Bylaws. If at any meeting there is less than a quorum present, a majority of those present may recess or adjourn the meeting from time to time. When the meeting which was recessed or adjourned is reconvened, so long as a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice. A Director or committee member, as appropriate, who participates in a meeting by any means of communication by which all Directors or committee members may simultaneously hear each other during the meeting shall be deemed present at the meeting for all purposes.

Article 8.5. Conduct of Meetings. The President shall preside over meetings of the Board of Directors and the Secretary shall keep the minutes of the meetings and record all resolutions adopted at the meetings and proceedings occurring at the meetings. The chairman of a committee shall preside over the meeting of the committee and may appoint any member of committee to keep minutes. The then current edition of Robert's Rules of Order, Newly Revised, shall

govern the conduct of the meetings of the Board of Directors or committee when not in conflict with the Act or the Association Documents.

Article 8.6. Action Without Meeting. Any action by the Board of Directors or a committee required or permitted to be taken at any meeting may be taken without a meeting if a consent in writing setting forth the action taken shall be signed either before or after such action is taken by all of the Directors or committee members, as appropriate. Any such written consent shall have the same force and effect as a unanimous vote and shall be filed with the minutes of the Board of Directors or committee.

ARTICLE 9 **FIDUCIARY DUTIES**

Article 9.10 Signature Requirements. unless otherwise provided in the resolution of the Board of Directors: (1) all agreements, contracts, deeds, leases, checks and other instruments of the Association for expenditures or obligations in excess of one percent of the total Annual Maintenance Assessment for Common Expenses for that fiscal year, and all checks drawn upon reserve accounts, shall be signed by any two persons designated by the Board of Directors; and (2) all such instruments for expenditures or obligations of one-half of one percent or less of the total Annual Maintenance Assessment for Common Expenses for that fiscal year, except from reserve accounts, may be signed by any one person designated by the Board of Directors. Notwithstanding the foregoing, instruments creating or paying obligations for less than Two Thousand Dollars (\$2,000.00), except for withdrawals from the reserve funds, may be signed by only one person. Any officer of the Association may be designated by Board resolution to sign an Assessment Certificate or an Association Disclosure Packet on behalf of the Association.

Article 9.2. conflicts of Interest. Each Director or officer shall exercise such Director's or Officer's powers and duties in good faith and in the best interests of the Association. Any common or interested Director or Officer may be counted in determining the presence of a quorum of any meeting of the Board of Directors, a committee or the Members which authorizes, approves or ratifies any contract or transaction, but such Directors or Officers vote shall not be counted with respect to any matter as to which such Director or Officer would have a conflict of interest; such Director or Officer may vote, however, at the meeting to authorize any other contract or transaction. The voidability of a transaction involving a Director or officer with a conflict of interest shall be determined in accordance with Article 13.1-871 of the Act.

Article 9.3. Liability and Indemnification.

(a) **No Personal Liability.** The Directors, Officers and members of the Covenants Committee shall not be liable to the Association or any Member for any mistake of judgment, negligence or otherwise, except for their own individual willful misconduct or bad faith. Directors and officers shall have no personal liability with respect to any contract made by them on behalf of the Association. No Member shall be liable for the contract or tort liability of the Association by reason of ownership or membership therein. Every agreement made by the Board of Directors, the Officers or the managing agent on behalf of the Association shall, if obtainable, provide that the Directors, the Officers or the managing agent, as the case may be, are acting only as agents for the Association and shall have no personal liability thereunder.

(b) **Indemnification.** The Association shall indemnify the Directors, Officers and members of the Covenants Committee to the extent that it is contemplated a nonstock nonprofit corporation may indemnify its directors, officers and employees pursuant to Sections 13.1-875 through 13.1-883 of the Act; provided, however, that before the Association uses association funds for indemnification, all insurance proceeds must be obtained and applied toward such indemnification. The foregoing right of indemnification shall not be exclusive of any other rights to which a person may be entitled by law, agreement, vote of the Members or otherwise.

(c) **Directors and Officers Liability Insurance.** The Association shall have the power, pursuant to Article X of the Declaration, to purchase and maintain insurance on behalf of any person who is or was a Director, Officer or member of the Covenants Committee against any liability asserted against such person and incurred by such person in any such capacity or arising out of such person's status as such, whether or not the Association would have the power to indemnify such person against such liability under the provisions of this section. Further, the availability of the Association's indemnity shall not relieve any insurer of any liability under an insurance policy held by the Association.

Article 9.4. Compensation of Directors and Officers. The Association may pay a recording secretary. Otherwise, no salary or other compensation shall be paid by the Association to any Director or officer of the Association for serving or acting as such, but this shall not preclude the payment of salary or other compensation for the performance by such Director or Officer of other services to the Association nor shall it preclude the reimbursement of reasonable, ordinary and necessary expenses incurred in serving or acting as a Director or Officer.