

Carisbrooke Homeowners Association

By-Laws of the Association

CARISBROOKE HOMEOWNERS ASSOCIATION

BY-LAWS

ARTICLE I. GENERAL PROVISIONS.

Section 1.1. Definitions.

1.1.1. As used in these By-Laws, the following terms have the following meanings:

- (1) "Annual Assessment" has the meaning given it by the provisions of the Declaration.
- (2) "Annual Membership Meeting" means an annual meeting of the Membership, held pursuant to the provisions of Section 2.1.
- (3) "the Architectural Committee" means the entity referred to as such in the provisions of the Declaration.
- (4) "the Articles of Incorporation" means the Association's articles of incorporation, as filed with the Virginia State Corporation Commission, as from time to time amended.
- (5) "Assessment" means an Annual Assessment, an Initial Assessment, a Limited Assessment, or a Special Assessment.
- (6) "Assessment Lien" means a lien created and existing pursuant to the provisions of Section 6 of the Declaration.
- (7) "Assessment Year" has the meaning given it by the provisions of the Declaration.
- (8) "the Association" means Carisbrooke Homeowners Association, a non-stock corporation organized and existing under the law of Virginia.
- (9) "Association Property" means any and all real property, personal property or other assets beneficially owned by the Association, including, by way of example rather than of limitation, the Commons.
- (10) "the Board of Directors" means the board of directors of the Association.
- (11) "Board Meeting" means a meeting of the Board of Directors, held pursuant to the provisions of Section 3.7.

(12) "the Class A Membership" has the meaning given it by the provisions of Section 4 of the Declaration.

(13) "the Class B Membership" has the meaning given it by the provisions of Section 4 of the Declaration.

(14) "the Commons" has the meaning given it by the provisions of the Declaration.

(15) "the Community" means all of that real property in Loudoun County, Virginia, which consists of the aggregate of (a) Parcel 1 and (b) each Future Parcel which, at the time in question, has been added to the Community through an expansion thereof pursuant to the provisions of the Declaration.

(16) "the Declaration" means the instrument entitled "Declaration of Covenants, Conditions, Restrictions, Easements, Charges and Liens", intended to be recorded among the Land Records of ~~the said~~ Loudoun County, as from time to time amended.

(17) "the Developer" has the meaning given it by the provisions of the Declaration.

(18) "Director" means a member of the Board of Directors, in his capacity as such.

(19) "Future Parcel" has the meaning given it by the provisions of the Declaration.

(20) "Initial Assessment" has the meaning given it by the provisions of the Declaration.

(21) "Limited Assessment" has the meaning given it by the provisions of the Declaration.

(22) "Lot" has the meaning given it by the provisions of the Declaration.

(23) "Majority" means more than fifty percent (50%).

(24) "Member" means each person who is a member of the Association under the provisions of the Declaration.

(25) "the Membership" means all of the Members.

(26) "Membership Meeting" means an Annual Membership Meeting or a Special Membership Meeting.

(27) "Mortgage" has the meaning given it by the provisions of the Declaration.

(28) "Nominating Committee" means the committee referred to in the provisions of Section 3.6.

(30) "Notice Address" has the meaning given it by the provisions of the Declaration.

(31) "Officers" means, collectively, the President, the Vice-President, the Secretary, the Treasurer, each Assistant Secretary, each Assistant Treasurer and the holder of each other office which the Board of Directors creates pursuant to the provisions of Sections 4.1 and 4.4.

(32) "Owner" has the meaning given it by the provisions of the Declaration.

(33) "Parcel 1" has the meaning given it by the provisions of the Declaration.

(34) "person" means any natural person, trustee, corporation, partnership, limited liability company or other legal entity.

(35) "the President" means the president of the Association.

(36) "Rules and Regulations" means the rules and regulations adopted by the Association pursuant to the provisions of subsection 5.3 of the Declaration.

(37) "the Secretary" means the secretary of the Association.

(38) "Special Assessment" has the meaning given it by the provisions of the Declaration.

(39) "Special Membership Meeting" means a special meeting of the Membership, held pursuant to the provisions of Section 2.2.

(40) "the Treasurer" means the treasurer of the Association.

(41) "the Vice-President" means the vice-president of the Association.

1.1.2. Any other term to which meaning is specifically given by any provision of the Declaration shall for purposes of these By-Laws have such meaning.

Section 1.2. Principal office. The Association's principal office shall be located at 8618 Westwood Center Drive, Suite 350,

Vienna, Virginia 22182, but meetings of Members and Directors may be held at such other places within ~~the said Loudoun~~ County, or ~~in~~ elsewhere in Virginia, as are from time to time designated by the Board of Directors.

Section 1.3. Fiscal year. The Association's fiscal year shall begin on January 1 and end on December 31 of every year, except that the Association's first fiscal year shall begin on the date of its incorporation.

Section 1.4. Status and applicability of By-Laws.

1.4.1. These By-Laws, as from time to time amended, are the by-laws referred to as "the By-Laws" in the provisions of the Declaration.

1.4.2. These By-Laws shall be applicable to, and shall govern, the administration of the Association's affairs by or through its Officers, the Board of Directors or the Membership.

ARTICLE II. MEMBERSHIP MEETINGS.

Section 2.1. Annual Membership Meetings. The first Annual Membership Meeting shall be held on a day falling within one year after the date of the Association's incorporation. Each subsequent Annual Membership Meeting shall be held on the same day of the same month of each year thereafter, at seven o'clock p.m., or otherwise as designated by the Board of Directors; provided, that if during any year such day is a Saturday, Sunday or legal holiday, the Annual Membership Meeting for such year shall be held at the same hour on the first day thereafter which is not a Saturday, Sunday or legal holiday.

Section 2.2. Special Membership Meetings. Special Membership Meetings may be called at any time by the President or the Board of Directors, or upon the receipt by the President or the Board of Directors of a written request for such Special Membership Meeting by Members holding at least twenty-five percent (25%) of the total number of votes held by the Class A Membership.

Section 2.3. Notice of Meetings. Written notice of each Membership Meeting shall be given by, or at the direction of, the Secretary or the person authorized to call such Membership Meeting, by mailing a copy of such notice, postage prepaid, to each Member entitled to vote thereat, addressed to such Member's Notice Address, at least fifteen (15) days before such Membership Meeting (except in the case of those Membership Meetings for which a longer notice period is specified by the provisions of paragraph 6.3.5 of the Declaration, for which such notice shall be given in accordance with such provisions). Such notice shall

specify the date, time and place of such Membership Meeting and, in the case of a Special Membership Meeting, its purpose.

Section 2.4. Quorum. The presence at the date, time and place of a Membership Meeting as set forth in such notice, in person or by proxy, of Members holding at least ten percent (10%) of the total number of votes held by, respectively, each class of the Membership shall be required to constitute a quorum for such Membership Meeting, except as is otherwise provided in the Articles of Incorporation, the Declaration or these By-Laws. If, however, a quorum does not exist at such date, time and place, a Majority of the Members who are present and entitled to vote thereat shall have the power to adjourn such Membership Meeting from time to time, without notice other than announcement at such Membership Meeting, until a quorum is present, in person or by proxy, as aforesaid.

Section 2.5. Proxies. At all Membership Meetings, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary. Each proxy shall be revocable by the Member who granted it (subject to the operation and effect of the provisions thereof) and shall automatically expire upon conveyance by such Member of the title to his Lot.

Section 2.6. Informal action. Whenever the Membership is required or permitted by the provisions of the Declaration, the Articles of Incorporation or these By-Laws to give or withhold its approval or consent or to take any other action, or whenever the Association's taking of any action, or its effectiveness, is conditioned by such provisions on the Membership's having given its approval or consent thereto or taken any other action, such approval or consent may be given or withheld, and such action may be taken, by the Membership without a Membership Meeting having been held for such purpose, provided that that number of Members whose votes would have been sufficient to cause such approval or consent to be given or withheld or such action to be taken, at a Membership Meeting duly called for such purpose at which all Members were present and voting on such question, have consented thereto in writing.

ARTICLE III. BOARD OF DIRECTORS.

Section 3.1. Composition and qualifications.

3.1.1. The Board of Directors shall initially consist of three (3) Directors.

3.1.2. Each Director shall be (a) a natural person; (b) at least twenty-one (21) years old; and (c) either (i) alone or in combination with one or more other persons an Owner, or (ii) an officer, director, employee or agent of a corporation,

partnership, limited liability company, trust or other legal entity (other than a natural person) which, either alone or in combination with one or more other persons, is an Owner, provided that the Secretary is given such proof of such natural person's status as officer, director, employee or agent of such entity as the Secretary may reasonably require.

Section 3.2. Terms of directorships.

3.2.1. The persons named as Directors in the Articles of Incorporation shall serve as such until the first Annual Membership Meeting, at which time their terms as Directors shall expire.

3.2.2. (a) At the first Annual Membership Meeting, a successor shall be elected to each such Director. Two such successors shall be elected to serve for a term of three (3) years, two such successors shall be elected to serve for a term of two (2) years, and one such successor shall be elected to serve for a term of one (1) year.

(b) At each subsequent Annual Membership Meeting, a Director shall be elected to fill the position of each Director whose term expires as of such Membership Meeting, to serve for a term of three (3) years.

Section 3.3. Removal. Any Director may be removed from the Board of Directors, with or without cause, by the vote of Members holding a Majority of the votes held by all of the Members. If a Director dies, resigns or is removed from his position as such, his successor shall be selected by the remaining Directors and shall serve for the unexpired term of his predecessor.

Section 3.4. Compensation. No Director shall receive compensation for any service which he renders to the Association, but a Director may be reimbursed for his payment of actual expenses incurred in the performance of his duties. Nothing in the provisions of this Section shall preclude any person who is a Director from (a) simultaneously serving as an officer, partner, manager, member and/or employee of any corporation, partnership, limited liability company or other entity with which the Association does business and/or which performs management or other services for the Association, and (b) in such person's capacity as such, being compensated by such corporation, partnership, limited liability company or other entity for his service as such.

Section 3.5. Action taken without a Board Meeting. The Directors shall have the right to take any action in the absence of a Board Meeting which they could take at a Board Meeting, by obtaining each Director's written approval thereof. Any action

so taken and approved shall have the same effect as though taken at a Board Meeting.

Section 3.6. Nomination and election of Directors.

3.6.1. Nomination. Nomination for election to the Board of Directors shall be made by a committee which shall be known as "the Nominating Committee". Nominations may also be made by Members from the floor at the Annual Membership Meeting at which the election is to be held for which such nominations are made. The Nominating Committee shall consist of a chairman, who shall be a Director, and two or more other persons who are Members. The Nominating Committee shall be appointed by the Board of Directors before each Annual Membership Meeting, to serve from the close of such Annual Membership Meeting until the close of the next Annual Membership Meeting, and such appointment shall be announced at each Annual Membership Meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it determines in its discretion, but shall not make fewer nominations than the number of vacancies to be filled. Such nominations shall be made from among persons who are qualified to hold directorships under these By-Laws.

3.6.2. Election. Election to the Board of Directors shall be by secret written ballot. At such election the Members or their proxies may cast, for each vacancy, that number of votes which they are entitled to cast under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting shall not be permitted.

Section 3.7. Board Meetings.

3.7.1. Regular Board Meetings. Regular Board Meetings shall be held quarterly, without notice, at such date, time and place as is fixed from time to time by resolution of the Board of Directors. If such date falls on a legal holiday, such meeting shall be held at the same time on the next day which is not a legal holiday.

3.7.2. Special Board Meetings. Special Board Meetings shall be held when called by the President or any two Directors, after not less than three (3) days' notice to each Director.

3.7.3. Quorum. The presence at such date, time and place of a Majority of the Directors shall constitute a quorum for the transaction of business at such Board Meeting. Every act done or decision made by a Majority of the Directors present at a duly held Board Meeting at which a quorum is present shall be regarded as the act or decision of the Board of Directors.

Section 3.8. Powers and duties of Board of Directors.

3.8.1. Powers. Except as may be otherwise provided in the Declaration, the Board of Directors shall have the power

(a) to adopt and publish Rules and Regulations governing the use of the Commons and the personal conduct of the Members and their family members and guests thereon, and to establish penalties for infractions thereof;

(b) to suspend the voting rights, and the right to use the recreational facilities included within the Commons, of any Member

(i) during any period in which such Member is in default in the payment of any Assessment levied by the Association; and

(ii) after notice and hearing, for a period of not longer than sixty (60) days, for such Member's infraction of the published Rules and Regulations;

(c) to exercise for the Association all powers, duties and authority vested in or delegated to the Association and not reserved to the Membership by other provisions of these By-Laws, the Articles of Incorporation, the Declaration or applicable law;

(d) to declare any directorship to be vacant if the Director who holds it is absent from three (3) consecutive regular Board Meetings called in accordance with these By-Laws; and

(e) subject to the provisions of the Declaration, to employ a manager, an independent contractor or such other employees as the Board of Directors deems necessary, and to prescribe their duties.

3.8.2. Duties. Except as may be otherwise provided in the Declaration, it shall be the duty of the Board of Directors

(a) to cause to be kept a complete record of all of its acts and corporate affairs and to present a statement thereof to the Members at each Annual Membership Meeting, or at any Special Membership Meeting when such statement is requested in writing by Members holding at least twenty-five percent (25%) of the total number of votes held by the Class A Membership;

(b) to supervise all Officers, agents and employees of the Association, and to see that their duties are properly performed;

(c) as is more fully provided in the Declaration,

(i) to fix the amount of the Annual Assessment levied against each Lot;

(ii) to send written notice of each Assessment to every Owner subject thereto; and

(iii) to foreclose the Assessment Lien against any Lot for which any such Assessment is not paid within thirty (30) days after the date upon which it is due, and/or to bring an action at law against the Owner of such Lot, if such Owner is personally obligated to pay the same;

(d) to issue, or to cause an appropriate Officer to issue, upon demand by any person, a certificate setting forth whether or not any Assessment has been paid. A reasonable charge may be made by the Board of Directors for the issuance of such certificates. If a certificate states that an Assessment has been paid, such certificate shall be conclusive evidence of such payment;

(e) to procure and maintain adequate liability, hazard and, if the Community or any part thereof lies in a Special Flood Hazard Area as designated on a Flood Insurance Rate Map, flood insurance covering all Association Property;

(f) to cause the Commons to be maintained;

(g) to cause all Officers, agents or employees of the Association having fiscal responsibilities to be bonded, as the Board of Directors may deem appropriate. Each director, officer and employee of the Association, any manager of the Association Property, if any, and any director, partner, officer or employee of such manager, whose duties as such require him to handle or be responsible for funds of the Association or in its possession or control through any trust or other arrangement, shall, if demanded in writing by the Association, before commencing such duties furnish the Association with a fidelity bond covering his said activities, in form and amount and with a corporate surety which are reasonable and appropriate under the circumstances and are satisfactory to the Board of Directors. The Association shall pay the premium for any such bond.

ARTICLE IV. OFFICERS.

Section 4.1. Offices. The Officers shall consist of the President, the Vice-President (who shall at all times be Directors), the Secretary, the Treasurer and such other Officers as the Board of Directors may from time to time by resolution designate and create.

Section 4.2. Election of Officers. The Officers shall be elected at the first Board Meeting after each Annual Membership Meeting.

Section 4.3. Term. Each Officer shall hold office for a term of one (1) year unless during such period he resigns, is removed from office or otherwise becomes disqualified to serve as such.

Section 4.4. Special appointments. The Board of Directors may elect such other Officers as the Association's affairs may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board of Directors from time to time determines.

Section 4.5. Resignation and removal. Any Officer may be removed from office with or without cause by the Board of Directors. Any Officer may resign at any time by giving written notice thereof to the Board of Directors, the President or the Secretary. Such resignation shall take effect upon the date of receipt of such notice or at any later time specified therein and (unless otherwise specified therein) need not be accepted to be effective.

Section 4.6. Vacancies. A vacancy in any office may be filled by appointment by the Board of Directors. The Officer appointed to such vacancy shall serve for the remainder of the term of the Officer whom he replaced.

Section 4.7. Multiple offices. The offices of the Secretary and the Treasurer may be held simultaneously by the same person. Otherwise, no person shall hold simultaneously more than one office, except in the case of special offices created pursuant to the provisions of Section 4.4.

Section 4.8. Duties. The Officers shall have the following duties:

4.8.1. President. The President shall preside at all Board Meetings; see that all orders and resolutions of the Board of Directors are carried out; sign on behalf of the Association all leases, mortgages, deeds and other written instruments to which it is a party; and co-sign on the Association's behalf all checks and promissory notes which it issues.

4.8.2. Vice-President. The Vice-President shall act in the President's place and stead in the event of his absence, inability or refusal to act, and exercise and discharge such other duties as are prescribed by the Board of Directors.

4.8.3. Secretary. The Secretary shall record the votes and keep the minutes of all Board Meetings and proceedings and all Membership Meetings; serve notice of all Board Meetings and all Membership Meetings; keep appropriate, current records showing the names and Notice Addresses of the Members; and perform such other duties as are prescribed by the Board of Directors.

4.8.4. Treasurer. The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association; disburse such funds as directed by resolution of the Board of Directors; sign on the Association's behalf all checks and promissory notes which it issues; keep proper books of account for the Association; cause an annual audit of the Association's books to be made by a public accountant at the completion of each of its fiscal years; prepare an annual budget and a statement of the Association's income and expenditures to be presented to the Membership at each Annual Membership Meeting; and deliver a copy of each of the same to each Member.

ARTICLE V. COMMITTEES.

The Board of Directors shall appoint the members of the Architectural Committee pursuant to the provisions of the Declaration, and of the Nominating Committee as provided in these By-Laws. In addition, the Board of Directors shall appoint such other committees as it deems appropriate in carrying out its purposes.

ARTICLE VI. BOOKS AND RECORDS.

The Association's books, records and papers, the Declaration, the Articles of Incorporation and these By-Laws shall at all times be available for inspection by any Member at the Association's principal office (where copies may be purchased at reasonable cost) during reasonable business hours.

ARTICLE VII. ASSESSMENTS.

As is more fully provided in the Declaration, each Member is obligated to pay to the Association, an Initial Assessment, Annual Assessments, Special Assessments, and, if applicable to such Member's Lot, Limited Assessments, which are secured by a continuing Assessment Lien upon his Lot. Any Assessment which is not paid when due shall be delinquent. If the Assessment is not paid within thirty (30) days after the date on which it becomes due, it shall bear interest from such date at the rate set forth in the provisions of the Declaration, and the Association may bring an action at law against the Owner personally obligated to pay the same and/or foreclose the Assessment Lien against his Lot, and all interest, costs, and reasonable attorney's fees

incurred in any such action shall be added to the amount of such Assessment. No Owner may waive or otherwise escape liability for any Assessment by nonuse of the Commons or abandonment of his Lot.

ARTICLE VIII. AMENDMENT AND CONSTRUCTION OF BY-LAWS.

Section 8.1. Amendment. These By-Laws may be amended at an Annual Membership Meeting or a Special Membership Meeting by a vote of a Majority of those Members who are present in person or by proxy (provided that a quorum exists for such meeting), except that while there is a Class B Membership, the Federal Housing Administration and the Department of Veterans Affairs shall have the right to veto any such amendment made while a Mortgage is in effect which is guaranteed or insured by it.

Section 8.2. Construction. These By-Laws, the Articles of Incorporation and the Declaration, all as may be amended from time to time ("Association Document(s)"), shall be construed together and shall be deemed to incorporate one another. Any requirements as to the content of one shall be deemed satisfied if the deficiency can be cured by reference to any of the others. Any provision of any Association Document referenced in any other Association Document with the intent to incorporate the provisions of the Association Document into the other Association Document, shall be deemed incorporated therein, as if set forth in full. If there is any conflict between the Association Documents, the Declaration shall control, except as to matters of compliance with the provisions of Chapter 10 of Title 13.1 of the Code of Virginia (1950), as from time to time amended (the "Act"), in which case the Articles of Incorporation shall control. Particular provisions shall control general provisions, except that a construction consistent with the Act shall in all cases control over any construction inconsistent therewith. The provisions of the By-Laws shall control over any conflicting provision of any rule, regulation or other resolution adopted pursuant to any of the Association Documents. All references made herein to any Section or subsection shall, unless therein expressly indicated to the contrary, be deemed to have been made to such Section or subsection of these By-Laws.

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