

BYLAWS
OF
WINDING RIDGE HOMEOWNERS ASSOCIATION

ARTICLE I

NAME AND LOCATION

The name of the corporation is WINDING RIDGE HOMEOWNERS ASSOCIATION, hereinafter referred to as the "Association". The principal office of the corporation shall be located at such place as may be designated by the Board of Directors, and meetings of members and directors may be held at such places within the Commonwealth of Virginia as may be designated by the Board of Directors.

ARTICLE II

DEFINITIONS

Section 1. "Association" shall mean and refer to the WINDING RIDGE HOMEOWNERS ASSOCIATION, its successors and assigns.

Section 2. "Properties" shall mean and refer to that certain real property described in the Declaration of Covenants, Conditions and Restrictions, and such additions thereto as may be hereafter brought within the jurisdiction of the Association.

Section 3. "Common Area" shall mean all real property owned by the Association for the common use and enjoyment of the members of the Association, and all areas within the easements for public street purposes, easement for pedestrian and vehicular traffic, and easement for private street purposes.

Section 4. "Lot" shall mean and refer to any lot or plot of ground shown upon any recorded subdivision map of the properties, with the exception of the Common Area and areas dedicated as public streets.

Section 5. "Member" shall mean and refer to any person or entity who holds a membership in the Association.

Section 6. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any lot which is part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

ARTICLE III

MEMBERSHIP

Section 1. Membership. Every person or entity who is a record owner of a fee or undivided fee interest in any residential lot in Winding Ridge Subdivision or any property annexed thereto, including contract sellers, which lot is subject by any covenants of record to assessments by the Association, shall be a member of the Association. Each member shall be entitled to one vote, subject to the provisions of Article V of the Articles of Incorporation as to the vote of Class B members, and any member owning more than one lot shall be entitled to one vote for each lot owned. In the event that the ownership in the said subdivision is held in more than one name, any joint owner present shall have the right to exercise the membership vote for the respective lot. The foregoing is not intended to include persons or entities who hold an interest in said lot 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.

Section 2. Suspension of Membership. During any period in which a member shall be in default in the payment of any annual or special assessment levied by the Association, or any installment thereof, the voting rights of such membership shall be suspended by the Board of Directors until such assessment or installment has been paid. Such rights of a member may also be suspended, after notice and hearing, for a period not to exceed sixty (60) days, for violation of any rules and regulations established by the Board of Directors governing the use of the Common Area and facilities.

ARTICLE IV

PROPERTY RIGHTS - RIGHT OF ENJOYMENT

Section 1. Each member may be entitled to the use and enjoyment of the Common Area and facilities in accordance with rules and regulations adopted by the membership. Any member may delegate his rights of enjoyment of the Common Area and facilities to the members of his family, his tenants or contract purchasers, who reside on the property. Such member shall notify the secretary in writing of the name of such delegee. The rights and privileges of such delegee are subject to suspension to the same extent as those of the member.

ARTICLE V

BOARD OF DIRECTORS

Section 1. Number. The affairs of the Association shall be managed initially by such number of directors as the Declarant may direct until the first Annual Meeting. Thereafter, the Association shall have five (5) directors.

Section 2. Election. The Board of Directors elected at the first Annual Meeting shall be elected for staggered terms, as follows: one (1) director for a term of three (3) years; two (2) directors for terms of two (2) years each; and two (2) directors for terms of one (1) year each. Thereafter, at subsequent annual meetings upon the expiration of the term of a director, directors shall be elected for terms of three (3) years each.

Section 3. Removal. Any director may be removed from the Board, with or without cause, by a majority vote of the members of the Association. In the event of death, resignation or removal of a director, the Nominating Committee shall advise the membership of the vacancy and shall solicit from homeowners as many nominations as it deems necessary, but not less than the number of vacancies to be filled. These nominees and those of the Nominating Committee shall be presented to the Board of Directors as soon as possible, and not later than two (2) months after the vacancy occurs. Any new appointment shall be made by the Board for the unexpired term and shall be made as soon as practicable.

Section 4. Compensation. No director shall receive compensation for any service he may render to the Association as a director. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 5. Action Taken Without a Meeting. The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

ARTICLE VI

MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held at least quarterly, without notice, at such place within the State of Virginia as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then the meeting shall be held at the same time on the next day which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any two directors, after not less than five (5) days written notice to each director.

Section 3. Quorum. A majority of the number of director fixed by these Bylaws in Article V, Section 1, shall constitute a quorum for the transaction of business, except that, for purposes of filling vacancies on the Board of Directors, a quorum shall consist of a majority of the number of directors then serving, but not less than one-third of the number fixed by these Bylaws. Every act or decision done or made by a majority of the directors present

at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

ARTICLE VII

NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of five (5) members and shall be appointed by the Board of Directors prior to each Annual Meeting. These five (5) members shall serve from the close of such Annual Meeting until the close of the next Annual Meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among members or their delegates.

Section 2. Election. Election to the Board of Directors shall be by secret ballot. At such election the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of these Bylaws. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE VII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

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

(a) To adopt and publish rules and regulations governing the use of the Common Area and facilities, the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof:

(b) To exercise for the Association all powers, duties and authority vested in or delegated to this Association not reserved to the membership by other provisions of these Bylaws, or the Articles of Incorporation.

(c) To declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors; and

(d) To employ an independent contractor, or such other employees as they deem necessary, and to prescribe their duties.

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

(a) To cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members or at any special meeting, when such statement is requested in writing by members representing at least one-fourth (1/4) of the votes of record;

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

(c) As more fully provided herein:

(1) To fix the amount of annual assessment against each lot at least thirty (30) days in advance of each annual assessment period, as hereinafter provided in Article XII, and

(2) To send written notice of each assessment to every owner subject thereto at least thirty (30) days in advance of each annual assessment period;

(d) To issue, or cause an appropriate officer to issue, upon demand by person, a certificate setting forth whether any assessment has been paid. A reasonable charge may be made by the Board of Directors for the issuance of these certificates. Such certificate shall be conclusive evidence of any assessment therein stated to have been paid;

(e) To procure and maintain adequate liability insurance, and to procure adequate hazard insurance on property owned by the Association;

(f) To cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;

(g) To cause the Common Area to be maintained; and

(h) To enforce compliance with all provisions of the Declaration of Covenants, Conditions and Restrictions.

(i) To approve an annual budget.

ARTICLE IX

COMMITTEES

Section 1. Standing Committees. Standing Committees of the Association shall include (1) Budget Committee, (2) Maintenance Committee, (3) Architectural Committee, and (4) Community Relations Committee. Membership on each Standing Committee shall include at least one Board member and may include members from among the general membership of the Association. Members of the committee shall be appointed by and shall serve at the discretion of the President. A quorum for any Standing Committee shall consist of a

majority of its members. Recommendation on matters will be made to the Board of Directors for approval, except that the Board may, in its discretion, grant approval to Standing Committees to act on matters not involving policy or expenditure of funds. The President shall be an ex officio member of all Standing Committees.

(a) Budget Committee. Duties of the Budget Committee shall include, but not be limited to, ongoing financial oversight of all budgetary matters, general and long term; and the detailed preparation of the budget for the following year.

(b) Maintenance Committee. Duties of the Maintenance Committee shall include, but not be limited to, oversight and coordination of all general maintenance of common areas, such as repairs and lighting, and shall include review of all related expenditures.

(c) Architectural Committee. Duties of the Architectural Committee shall include, but not be limited to, preservation of the architectural integrity of the community as detailed in the Covenants; and implementation of the Master Plan for plantings in the common areas of the community, and all other duties as contained in Article VIII of the Declaration of Covenants, Conditions and Restrictions.

(d) Community Relations Committee. Duties of the Community Relations Committee shall include, but not be limited to, oversight of the general areas of community relations, especially in regard to the use of common areas; and the welcoming of new residents.

Section 2. Subcommittees. Subcommittees of these Standing Committees may be formed at the discretion of the President or the Standing Committees, and the membership shall be from the general membership of the Association. A quorum for any subcommittee shall consist of a majority of its members. Recommendations of subcommittees shall be made to the Board of Directors through the parent Standing Committee.

Section 3. Ad Hoc Committees. The President shall have the right to appoint such Ad Hoc Committees as he any deem necessary to carry out the purposes of the Association. Membership of such Ad Hoc Committees shall be drawn from the Board membership or from the general membership of the Association.

ARTICLE X

MEETINGS OF MEMBERS

Section 1. Annual Meetings. The first annual meeting of the members of the Association shall be held on the first Tuesday in October after the expiration of the Class B Membership, and thereafter on the first Tuesday in the month of October, at a time to be designated by the Board of Directors. If the day for the

annual meeting of the members is a legal holiday, the meeting may be held at the same hour on the first day following which is not a legal holiday.

Section 2. Special Meetings. Special Meetings of the members may be called at any time by the President, the Vice President, the Board of Directors, or upon written request of at least one-fourth (1/4) of the total vote of the membership entitled to vote.

Section 3. Notice of Meetings. Written notice of each meeting of the members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, not less than ten (10) days before such meeting to each member entitled to vote thereat, addressed to the member's address last appearing on the books of the Association, or supplied by such member of the Association, for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

Section 4. Quorum. The presence at the meeting of members entitled to cast, or of proxies entitled to cast, one-fourth (25%) of the votes shall constitute a quorum for any action, except as otherwise provided in the Articles of Incorporation, the Declaration of Covenants, Conditions and Restrictions, these Bylaws, or the Statutes of the Commonwealth of Virginia. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcements at the meeting, until a quorum as aforesaid shall be present or represented.

Section 5. Proxies. At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his lot.

ARTICLE XI

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Officers. The officers of this Association shall be a President and Vice President, who shall at all times be members of the Board of Directors, a Secretary, a Treasurer, and such other officers as the Board may from time to time appoint.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following the annual meeting of the members.

Section 3. Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one year, or until his successor shall be duly elected or appointed.

Section 4. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 5. Resignation and Removal. Any officer may be removed from office by the Board with or without cause. Any officer may resign at any time by giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled by the Board of Directors. The officer elected to such vacancy shall serve the remainder of the term of the officer he replaces.

Section 7. Multiple Offices. The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

Section 8. Duties. The duties of the officers are as follows:

President

(a) The President shall be the chief executive officer of the Association, shall preside at all meetings of the Board of Directors, shall see that orders and resolutions of the Board are carried out, shall sign all written contracts and instruments on behalf of the Association, and shall co-sign all checks and promissory notes with the Treasurer.

Vice-President

(b) The Vice-President shall act in the place and stead of the President in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

Secretary

(c) The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board of Directors and of the members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the members; keep appropriate current records showing the members of the Association together with their addresses, and perform such other duties as required by the Board.

Treasurer

(d) The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association, and shall disburse such funds as directed by resolution of the Board of Directors; shall co-sign with the President all checks of the Association; keep proper books of account; cause an annual certified audit of the Association books to be made by a certified public accountant at the completion of each fiscal year if requested to do so by the Board of Directors of a majority of the combined membership; and prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the members.

ARTICLE XII

ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. By acquiring title to any lot each member is deemed to covenant and agree to pay to the Association annual assessments or charges and special assessments for capital improvements, which assessments shall include an adequate reserve fund for maintenance, repairs and replacement of those common elements of the common properties owned by the Association that must be replaced on a periodic basis, together with such interest thereon and costs of collection thereof, as hereinafter provided, all of which shall be a charge on the land and shall be a continuing lien upon the property against each such assessment is made until paid. Each such assessment, together with such interest, costs and reasonable attorney's fees shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due and shall not pass to his successors in title, unless expressly assumed by them.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively for the purpose of promoting the recreation, health, safety, and welfare of the residents in the Properties and in particular for the improvement and maintenance of the Properties, services and facilities devoted to this purpose and related to the use and enjoyment of the Common Area.

Section 3. Basis and Maximum of Annual Assessments. Until January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment shall be \$570.00 per lot.

(a) From and after January 1 of the year immediately following the conveyance of the first Lot, the maximum annual assessment may be increased each year not more than ten percent (10%) above the maximum assessment for the previous year.

(b) From and after January 1 of the year immediately following the conveyance of the first lot, the maximum annual

assessment may be increased above ten percent (10%) by a vote of two-thirds (2/3) of each class of members who are voting in person or by proxy, at a meeting duly called for this purpose, written notice of which shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting setting forth the purpose of the meeting.

(c) After consideration of the current maintenance costs and further needs of the Association, the Board of Directors may fix the annual assessment at an amount not in excess of the maximum.

Section 4. Rate of Assessment. The annual assessment shall be fixed at a uniform rate for all Lots and may be collected on a quarterly basis.

Section 5. Date of Commencement of Annual Assessments: Due Dates. The full annual assessments provided for herein shall commence on each Lot subject to the Declaration on the first day of the month following the issuance by appropriate governmental authorities of a residential use and occupancy permit on such Lot.

Class B members shall be assessed for each Lot owned at a rate equal to 25% of the rate charged to Class A members assessments and said assessments shall commence on the same date that the first full assessment is due for a Class A member.

The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors. The Association shall, upon demand at any time by a first mortgagee or other part, furnish a certificate in writing signed by an officer of the Association, setting forth whether the assessments on a specified Lot have been paid, and notifying the first mortgagee or other requesting party of any default in the performance by a Member of any obligation under this Declaration, which is not cured within sixty (60) days. A reasonable charge may be made by the Board of Directors for the issuance of those certificates. Such certificates shall be conclusive evidence of payment of any assessment therein stated to have been paid.

Section 6. Remedies of the Association in the Event of Default. If any assessment is not paid within thirty (30) days after the due date, the assessment shall be subject to a late fee equal to one-twentieth (1/20) of the amount past due and shall bear interest from the date of delinquency at the rate to be determined by the Board of Directors from time to time, but at no time to exceed the usury rate provided by the appropriate statutes of the Commonwealth of Virginia and the Association may bring an action at law against the Owner personally obligated to pay the same, and/or foreclose the lien against the property; and interest, late fees,

costs, and reasonable attorney's fees of any such action shall be added to the amount of such assessment, all in accordance with the procedures set forth in the Code of Virginia, as amended. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot.

Section 7. Subordination of the Lien to Mortgagees. The lien of the assessment provided for herein shall be subordinate to the lien of any first and/or second trust or mortgage. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to a foreclosure or any proceeding in lieu thereof shall extinguish the lien of such assessments as to payments thereof which become due prior to such sale or transfer provided that such assessments cannot be satisfied from the proceeds of such sale or transfer. No sale or transfer shall relieve such lot from liability for any assessments thereafter becoming due or from the lien thereof.

ARTICLE XIII

BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable hours, be subject to inspection by any Member, or the first mortgagee on any Lot owned by a Member, at the principal office of the Association. Copies of the restrictive covenants, the Article of Incorporation, the Bylaws of the Association, and the Minutes of the Board of Directors may be purchased from the Secretary of the Association at a reasonable cost.

ARTICLE XIV

SEAL

The Association shall have a seal in circular form having within its circumference the words: WINDING RIDGE HOMEOWNERS ASSOCIATION.

ARTICLE XV

LIABILITY, INDEMNIFICATION AND INSURANCE OF DIRECTORS

Section 1. No Director or Officer shall be liable for transacting business for the simultaneous benefit of the Association and himself, whether directly or through an entity in which such director or officer is involved, provided that at least three-quarters (3/4) of the Board of Directors of the Association approves the transaction(s) following full disclosure of said Director or Officer.

Section 2. The Association shall grant indemnify to its Directors, Officers, employees or agents, and may insure any such

party upon approval of the Board of Directors, in accordance with Section 13.1-205.1, Code of Virginia, as amended, and with other applicable statutes.

ARTICLE XVI

AMENDMENTS

Section 1. These Bylaws may be amended by the Board of Directors; alternately, they may be amended at a regular or special meeting of the members, by a vote of a majority of a quorum of members present in person or by proxy, except such provisions hereof as shall require approval of a greater percentage of membership, as specified herein as in the Articles of Incorporation, or the Declaration of Covenants, Conditions and Restrictions, provided that, not later than 21 days prior to the meeting at which the proposed amendments are to be considered, the proposed Bylaws amendments are submitted in writing to the Board of Directors, which shall cause such proposed amendments to be published in the call for the general meeting. As long as there is a Class B membership, the following actions will require the prior approval of the Federal Housing Administration and/or the Veterans Administration: Annexation of additional properties, mergers and consolidations, mortgaging of Common Area, dedication of Common Area, and dissolving and/or amending the Bylaws.

ARTICLE XVII

MISCELLANEOUS

Section 1. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflict between the restrictive covenants and these Bylaws, the restrictive covenants shall control.

Section 2. Invalidation of any one or more of these Bylaws by judgment or court order shall not affect any remaining provisions, which shall remain in full force and effect.

Section 3. The fiscal year of the Association shall begin on the first day of April and end on the 31st day of March of each year, except that the first fiscal year shall begin on the date of incorporation.