

BY LAWS OF WOODED GLEN, SECTION I HOMEOWNERS' ASSOCIATION INC.

A Virginia Nonstock Corporation

ARTICLE I

INTRODUCTION

1.01 Name. The name of the corporation is WOODED GLEN, SECTION HOMEOWNERS' ASSOCIATION, INC., a Virginia non-stock corporation (the Association).

1.02 Statement of Applicability. On 1985, a Deed of Dedication and Subdivision (the Deed of Dedication and Subdivision) for approximately 19.92802 acres of real property located in Springfield District, Fairfax County, Commonwealth of Virginia, known as Wooded Glen, Section I (exclusive of Parcel C)- (the "Property") was recorded among the land records of Fairfax County, Virginia, in Deed Book _____ at page _____, by Capital Sun Corporation, a Virginia corporation ("Capital Sun Corporation") as the fee simple owner of the Property. The Property is more particularly described in the plat of subdivision (the "Plat") attached to and made a part of the Deed of Dedication and Subdivision. A Declaration of Covenants, Conditions and Restrictions of Wooded Glen, Section I also is attached to and made a part of the Deed of Dedication and Subdivision. Such Declaration conveys the parcels of land designated as Parcels D and E on the Plat, in fee simple, to the Association for the common use and enjoyment of the owners of the Property, provides for the maintenance and administration of such parcels and any other common facilities of the Property and establishes uniform standards, covenants, conditions and restrictions for the benefit of the owners and occupants of the Property. The provisions of these Bylaws govern the structure and operation of the Association and the use and occupancy of the Property.

1.03 Office. The principal office of the Association shall be located at _____. The Association may have such other or additional offices within or without the Commonwealth of Virginia as the Board of Directors from time to time may designate.

1.04 Registered Agent. The Registered Agent of the Association shall be Vincent A Tramonte, II, Esq., 210 E. Broad Street, Falls Church, Virginia 22046. The Board of Directors from time to time or at any time may change its Registered Agent.

1.05 Definitions. Capitalized terms used in these Bylaws shall have the meanings specified for such terms in the Declaration of Covenants, Conditions and Restrictions of Wooded Glen, Section I attached to and made a part of the Deed of Dedication and Subdivision, which terms and meanings are set forth below to the extent not defined above.

(a) "Articles of Incorporation" means the Articles of Incorporation of the Association, as filed on May 10, 1985 with the State Corporation Commission of the Commonwealth of Virginia.

(b) "Board of Directors" means the governing body of the Association.

(c) "Bylaws" mean these Bylaws, as amended from time to time.

(d) "Common Areas" means the parcels of land designated as Parcels D and E on the Plat, together with all improvements erected or to be erected thereon, which Common Areas are owned in fee simple by the Association for the common use and enjoyment of the Owners.

- (e) "Common Expenses" means and includes the following:
- (i) All costs of administration, maintenance, management, operation, repair and replacement of the Common Areas, including such reserves as may be established;
 - (ii) The administrative costs of the Association;
 - (iii) Real estate taxes and assessments levied against the Common Areas;
 - (iv) Premiums for insurance policies purchased by the Association in accordance with the provisions of these Bylaws;
 - (v) Expenses declared Common Expenses by the provisions of the Declaration or these Bylaws; and
 - (vi) Expenses agreed upon as Common Expenses by the Owners acting in accordance with the provisions of the Declaration and these Bylaws.
- (f) "Declarant" means Capital Sun Corporation, and any successor(s) and/or assign(s) who at any time and by written instrument duly recorded among the Land Records is or are assigned all rights and benefits reserved to the Declarant in the Declaration with respect to all or any portion of the Property, or who succeeds to any of the rights of any Declarant under the Declaration pursuant to a decree of foreclosure or any proceeding in lieu of foreclosure.
- (g) "Declaration" means the Declaration of Covenants, Conditions and Restrictions of Wooded Glen, Section I attached to and made a part of the Deed of Dedication and Subdivision, as amended from time to time.
- (h) "Land Records" means the appropriate governmental office in and for Fairfax County, Commonwealth of Virginia, wherein documents and instruments affecting real property are recorded for the purposes of providing notice to the general public.
- (i) "Living Unit" means any building located on a Lot and intended solely for the use and occupancy as a residence by a single family household, which, unless otherwise provided by law, shall consist of (i) an individual, or (ii) two (2) or more persons related by blood, adoption or marriage, or (iii) not more than three (3) persons of majority age and unrelated to each other by blood, adoption or marriage, together with any other persons related to any of such persons by blood, adoption or marriage, and living together as a single housekeeping unit.
- (j) "Lot" means each of those parcels of land designated as lots on the Plat, but does not include the Common Areas or any portion thereof.
- (k) "Member" means each person or entity who holds any fee simple interest in a Lot. Membership in the Association is and shall be appurtenant to and inseparable from fee simple ownership of a Lot.
- (l) "Mortgage" means any recorded first deed of trust or first mortgage encumbering a Lot.
- (m) "Mortgagee" means any person or entity secured under a Mortgage.
- (n) "Owner" means the person or persons who, individually, together or collectively, hold fee simple legal title to a Lot, but does not include any person holding title to any Lot merely as security for the payment of an indebtedness or the performance of an obligation unless and until such person takes title to a Lot by foreclosure or proceeding in lieu thereof. The term a "person" includes any natural person or any entity capable of holding title to real property.
- (o) "Restrictive Covenants" means the restrictive covenants set forth in Article VIII of the Declaration.

(p) "Rules and Regulations" means those rules and regulations adopted from time to time by the Board of Directors in accordance with the provisions of the Declaration and these Bylaws.

ARTICLE II

MEMBERSHIP CLASSES

The Association shall have two classes of voting membership:

(a) Class A: Class A Members shall be all Members other than the Class B Member(s). Each Lot owned by a Class A Member(s) (regardless of the number of such Members owning such Lot) shall be entitled to one vote at all meetings of the Association.

(b) Class B: Each Declarant shall be a Class B Member. Each Lot owned by a Class B Member shall be entitled to three (3) votes at all meetings of the Association; provided, that all Class B memberships shall cease and automatically be converted to Class A memberships, with each Lot entitled to one vote at all meetings of the Association, upon the earlier to occur of either of the following events:

(i) At such time as the total number of all votes held by all Class A Members equal the total number of all votes held by all Class B Members; or

(ii) December 31, 1987.

ARTICLE III

MEETINGS OF MEMBERS: VOTING

3.01 Place of Meetings. Meetings of the Association shall be held at the principal office of the Association or such other suitable place convenient to Members as from time to time may be designated by the Board of Directors.

3.02 Annual Meetings. The first annual meeting of the Association shall be held within one (1) year from the date of recordation of the Declaration. Each subsequent annual meeting of the Members shall be held within thirteen (13) months following the previous annual meeting, on such date and at such time as shall be determined by the Board of Directors. At all annual meetings of the Association, members of the Board of Directors shall be elected and such other business as may properly come before a meeting may be transacted.

3.03 Special Meetings. Special meetings of the Members may be called at any time by the Chairman of the Board of Directors, if any, the President or the Board of Directors, or upon the written request of Members holding not less than twenty-five percent (25%) of the outstanding votes in the Association. No business shall be transacted at a special meeting except as stated in the notice of such meeting given in accordance with the provisions of paragraph 3.04.

3.04 Notice of Meetings: Roster of Members.

(a) Except as otherwise provided in section 13.1- 214 of the Virginia Nonstock Corporation Act with respect to notice by publication or notice of a meeting of the Association to act on a proposed amendment of the Articles of Incorporation or a proposed plan of merger or consolidation, written notice of each meeting of the Association shall be given to each Member entitled to vote at such meeting, which notice shall be given by the Secretary or any Assistant Secretary of the Association if such meeting is an annual meeting of the Association or is a special meeting of the Association called by the

Chairman of the Board of Directors, the President or the Board of Directors, and shall be given by the Members who requested such meeting, if such meeting is a special meeting of the Association requested by the Members in accordance with the provisions of paragraph 3.03 of these Bylaws. Each such notice shall be hand delivered or mailed, postage prepaid, not less than ten (10) nor more than fifty (50) days before the date of such meeting and shall be addressed to the Member at his, her or its address as it appears on the books of the Association. Such notice shall specify the date, time and place of the meeting and, in the case of a special meeting, the purpose of the meeting. The mailing of a notice of a meeting in the manner provided herein shall be deemed service of notice.

(b) The Board of Directors shall maintain a current roster of the names and addresses of Members to which notice of meetings of the Association shall be sent. Each Member shall furnish the Board of Directors with his, her or its name and current mailing address. The Board of Directors may rely on the most current information supplied to it by a Member, and shall have no responsibility, to verify or independently obtain any such information.

3.05 Casting of Votes. Since an Owner of a Lot may be more than one Member, the Member who shall be entitled to cast the vote of such Lot shall be the Member named in a certificate executed by all of the Members constituting such Owner and filed with the Secretary, or, in the absence of such named Member from the meeting (or the failure to name a Member), the Member who shall be entitled to cast the vote of such Lot shall be the Member who is present at any meeting, if only one Member is present. If more than one of such Members are present and no certificate has been filed with the Secretary (or if the Member named in the certificate for such Lot is not present), the vote appertaining to that Lot shall be cast only in accordance with the agreement of a majority of the Members so present, and such agreement shall be conclusively presumed if any one of them purports to cast the vote appertaining to that Lot without protest being made to the presiding officer of the meeting. If protest is made, such protest automatically shall constitute an abstention and such Lot shall be counted solely for the purpose of determining whether a quorum is present.

3.06 Suspension of Voting Rights. No Member may vote at any meeting of the Association if a lien has been enforced or foreclosed, or action therefor has been instituted against such Member's Lot and the amount necessary to release such lien has not been paid at the time of such meeting.

3.07 Proxies. The vote appertaining to any Lot may be cast pursuant to a proxy duly executed by the Owner or by such Owner's duly authorized attorney-in-fact on behalf of such Owner, or, in cases where the Owner is more than one Member, by or on behalf of all such Members. No proxy shall be revocable except by actual written notice of revocation by the Owner of the Lot to the presiding officer of the meeting. Any proxy shall be void if it is not dated or if it purports to be revocable without notice as aforesaid. All proxies must be presented to the presiding officer of the meeting prior to the commencement of any meeting for which they are given. No proxy shall be valid for a period in excess of eleven (11) months after execution thereof, unless otherwise provided in such proxy.

3.08 Conduct of Meetings. The minutes of all meetings shall be kept in a Minute Book maintained for the Association by the Secretary. The then current Robert's Rules of Order or any other rules of procedure acceptable to a majority of the votes of Members shall govern the conduct of all meetings of the Association when not in conflict with these Bylaws or the Declaration.

3.09 Presiding Officer. Any person designated by Class B Members holding more than fifty percent (50%) of the aggregate votes held by all Class B Members shall preside at the first annual meeting of the Association. Thereafter, the President shall preside at all meetings of the Association. In the absence of the President at any meeting of the Association, any person chosen by the Board of Directors shall preside over such meeting.

3.10 Inspectors of Election. One or more Inspector(s) of Election shall be appointed by the Board of Directors prior to or at the time of any meeting of the Association at which Directors shall be elected.

3.11 Quorum. Except as otherwise provided elsewhere in these Bylaws, or as required by law, the presence in person or by proxy of Members holding thirty-five percent (35%) of the outstanding votes in the Association shall constitute a quorum at and throughout all meetings of the Association.

3.12 Adjournment of Meetings. Except as otherwise provided in these Bylaws, if any meetings of the Association cannot be held because a quorum is not present, Members holding a majority of the votes present at such meeting, either in person or by proxy, may adjourn the meeting without further notice to a time not less than ten (10) nor more than sixty (60) days from the time the original meeting was called, and except as otherwise required by law, the presence, in person or by proxy, of Members holding twenty-five percent (25%) of the outstanding votes in the Association shall constitute a quorum at and throughout such reconvened meeting.

3.13 Association Action. Except as otherwise provided in these Bylaws, the Articles of Incorporation or in the Declaration, or as required by law, decisions of the Association shall be made by Members holding a majority of the votes. As used in these Bylaws, the term "Members holding a majority of the votes" or words of like import shall mean more than fifty percent (50%) the aggregate votes entitled to be cast by Members present, in person or by proxy, at a meeting of the Association at which a quorum is present.

ARTICLE IV

BOARD OF DIRECTORS

4.01 Number. Until the first annual meeting of the Association and, thereafter, until his or her successor shall have been elected and shall have qualified, the affairs of the Association shall be managed by a Board of Directors composed of three (3) persons designated in the Articles of Incorporation or by Capital Sun Corporation in accordance with the provisions of paragraph 4.09(a) or 4.10 of these Bylaws. Thereafter, the affairs of the Association shall be managed by a Board of Directors composed of five (5) persons.

4.02 Election. Except for the initial members of the Board of Directors designated in the Articles of Incorporation or by Capital Sun Corporation in accordance with the provisions of paragraph 4.09(a) or 4.10 of these Bylaws, Directors shall be elected by plurality vote. Each Lot owned by a Class A Member(s) (regardless of the number of such Members owning such Lot) shall be entitled to one (1) vote for as many persons as there are Directors to be elected and for whose election such Member(s) shall be entitled to vote. Cumulative voting by Class A Members shall be prohibited. Each Lot owned by a Class B Member shall be entitled to three (3) votes for as many persons as there are Directors to be elected and for whose election such Member shall be entitled to vote. Cumulative voting by Class B Members shall be permitted to but only to the extent of such Member's triple voting strength.

4.03 Qualifications. Except for the initial members of the Board of Directors designated in the Articles of Incorporation or by Capital Sun Corporation in accordance with the provisions of paragraph 4.09(a) or 4.10 of these Bylaws, all members of the Board of Directors shall be Members, or partners, officers, directors, trustees, agents or employees of Members which are not natural persons. No Member may be elected to or may serve on the Board of Directors if a lien has been enforced or foreclosed, or action therefor has been instituted against such Member's Lot and the amount necessary to release such lien has not been paid at the time of such election or during such incumbency.

4.04 Term of Office. At the first annual meeting of the Association, each person receiving the first, second and third highest number of votes shall be elected for a term of two (2) years, and the persons receiving the fourth and fifth highest number of votes shall be elected for a term of one

(1) year. All persons elected as members of the Board of Directors at any subsequent annual meeting of the Association shall be elected for two (2) year terms. Each person elected as a member of the Board of Directors shall hold office until such person's successor shall have been elected and shall have qualified.

4.05 Compensation. No Director shall receive any compensation for serving as a Director, although each Director shall be entitled to reimbursement for actual and reasonable expenses incurred in the performance of his or her duties to the Association.

4.06 Quorum: Votino. A majority of the members of the s Board of Directors shall constitute a quorum for the transaction of business. Every act or decision of a majority of the Directors present at a meeting at which proper notice is given and at which a quorum is present shall constitute the act of the Board. If at any meeting of the Board of Directors there shall be less than a quorum present, a majority of those present or the sole present Director may adjourn the meeting from time to time. At any reconvened meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

4.07 Meetings of Directors.

(a) Regular Meetings. Regular meetings of the Board of Directors shall be held between annual meetings of the Association, with such frequency and at such time and place as shall be determined from time to time by the Board of Directors. Notice of regular meetings of the Board of Directors shall be given to each Director, by mail, telegraph, telex or telecopy at least ten (10) business days prior to the date named for such meeting.

(b) Special Meetings. Special meetings of the Board of Directors may be called by the President on seven (7) business days' notice to each Director, given by mail, telegraph, telex or telecopy, which notice shall state the time, place and purpose of such meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and like notice on the written request of at least two (2) Directors.

(c) Organization Meeting. A special organization meeting shall be held within ten (10) days after each annual meeting of the Association. No notice to the members of the Board of Directors shall be necessary in order legally to constitute such special meeting, provided that a quorum shall be present thereat.

(d) Waiver of Notice. Any Director at any time and in writing may waive notice of any meeting of the Board of Directors and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board shall constitute a waiver of notice by such Director of the time and place of such meeting, unless such attendance is for the purpose of objecting to such meeting. If all Directors are present at any meeting of the Board of Directors, no notice shall be required and any business may be transacted at such meeting.

(e) Telephone Meetings. Members of the Board of Directors may participate in any meeting of the Board of Directors by means of a conference telephone or similar communication equipment if all persons participating in such meeting can hear each other at the same time. Such participation shall constitute presence in person at any such meeting.

(f) Action without Meeting. Any action by the Board of Directors required or permitted to be taken at any meeting may be taken without a meeting if all of the members of the Board of Directors consent in writing to such action. Any such unanimous written consent shall be filed with the minutes of the proceedings of the Board of Directors.

(g) Conduct of Meetings. A minute book, recording therein all resolutions adopted by the Board of Directors, and a record of all transactions and proceedings occurring at all meetings of the Board of Directors shall be kept by the Secretary of the Association. The then current

Robert's Rules of Order or any other rules of procedure at any time or from time to time acceptable to a majority of the Board of Directors shall govern the conduct of the meetings of the Board of Directors when not in conflict with the Declaration or these Bylaws.

4.08 Powers and Duties of the Board of Directors. Except as otherwise provided by law or expressly reserved to the Members in accordance with the provisions of the Declaration, the Articles of Incorporation or these Bylaws, the Board of Directors shall have all of the powers, duties and authority vested in or given to the Association or the Board of Directors by the Declaration, the Articles of Incorporation, these Bylaws or by any resolution of the Members that hereafter may be adopted in accordance with the provisions of these Bylaws. The foregoing grant of authority to the Board of Directors shall be interpreted in its broadest sense.

4.09 Removal or Resignation of Members of the Board of Directors.

(a) Until the first annual meeting of the Association, any initial member of the Board of Directors designated in the Articles of Incorporation may be removed, with or without cause, solely by Class B Members holding more than fifty percent (50%) of the aggregate votes held by all Class B Members, and his or her successor thereupon shall be designated by such Members. Thereafter, any member of the Board of Directors may be removed, with or without cause, by Members holding a majority of the votes at any regular or special meeting of the Association duly called for such purpose, and a successor may then and there be elected. Any successor Director elected in accordance with the provisions of this paragraph shall serve for the remainder of the term of the member so removed. Without limiting the provisions of paragraph 3.04 of these Bylaws, any Director whose removal has been proposed by the Owners shall be given at least seven (7) days' notice of the calling of the meeting and the purpose thereof and shall be given an opportunity to be heard at the meeting.

(b) Any member of the Board of Directors may resign at any time and shall be deemed to have resigned in the event such member for any reason shall be absent from four (4) consecutive meetings of the Board of Directors.

4.10 Vacancies. Vacancies in the Board of Directors caused by any reason other than the removal of a Director as provided in paragraph 4.09(a) of these Bylaws (which shall be filled as provided in paragraph 4.09(a)) shall be filled by the sole remaining Director or by a vote of a majority of the remaining Directors (whether or not the remaining Directors constitute a quorum) at a special meeting of the Board of Directors held for such purpose promptly after the occurrence of any such vacancy, and each person so elected shall be a member of the Board of Directors for the unexpired term of his or her predecessor in office; provided, however, that, until the first annual meeting of the Association, any vacancy in the position of any member of the Board of Directors designated in the Articles of Incorporation shall be filled by Class B Members holding more than fifty percent (50%) of the aggregate votes held by all Class B Members.

4.11 Liability of the Board of Directors, Officers, Owners, and Association

(a) The officers and the members of the Board of Directors of the Association, in consideration of his/her services to the Association, shall not be liable to Members for any mistake of judgment, negligence or otherwise, except for their own individual willful misconduct or gross negligence. The Members and the Association hereby indemnify and hold harmless each of the officers and Directors from and against all liability arising out of contracts made or other action taken or failure to act by the officers or the Board of Directors on behalf of the Members or the Association to the full extent permitted under law.

(b) The officers and the members of the Board of Directors of the Association shall not be liable for any failure of utility services or other services obtained by the Association or paid for as a Common Expense, or for injury or damages to any person or property caused by the elements, by any Member, or by any other person, or resulting from electricity, water, snow or

ice which may leak or flow from any portion of the Common Areas or from any pipe, drain, conduit or equipment; provided, that nothing herein shall in any way be deemed to limit the scope of the insurance coverage required to be maintained by the Association pursuant to the provisions of Article IX of these Bylaws.

4.12 Conflicts of Interest. No contract or other transaction between the Association and any one or more of its officers or Directors or in which one or more of its officers or Directors are interested, and no contract or other transaction between the Association and any other corporation, firm or association in which any one or more of its officers or Directors are officers or directors, or are peculiarly or otherwise interested, shall be either void or void able because of such relationship or interest or because such officer or Director is present at the meeting of the Association, the Board of Directors or any committee thereof, as the case may be, which authorizes, approves or ratifies such contract or transaction, or because his or her or their vote(s) is counted for such purpose, if any of the conditions specified in either of the following paragraphs exists:

(a) The material facts of such relationship or interest is disclosed or known to the Association, the Board of Directors or committee which authorizes, approves or ratifies such contract or transaction by the affirmative vote of a majority of disinterested Members, Directors or committee members, d5 the case may be; or

(b) Such contract or transaction is fair and reasonable to the Association. Any common or interested officer(s) or Director(s) may be counted in determining the presence of a quorum at any meeting of the Association, the Board of Directors or any committee thereof which authorizes, approves or ratifies any contract or transaction.

ARTICLE V

OFFICERS

5.01 Designation. The principal officers of the Association shall be a President, a Secretary and a Treasurer. The Board of Directors may appoint a vice president(s), assistant treasurer(s), assistant secretary(s) and/or such other officers as in its judgment may be necessary or desirable. All officers shall have the duties normally incident to their respective offices in a Virginia non-stock corporation and such other or additional duties as from time to time shall be assigned by the Board of Directors.

5.02 Qualifications. Except for officers elected by the initial members of the Board of Directors designated in the Articles of Incorporation or by Capital Sun Corporation in accordance with the provisions of paragraph 4.09(a) or 4.10 of these Bylaws, all officers of the Association shall be Members, or partners, officers, directors, trustees, agents or employees of Members which are not natural persons. No Member may be elected or may serve as an officer if a lien has been enforced or foreclosed, or action therefor has been instituted against such Member's Lot and the amount necessary to release such lien has not been paid at the time of such election or during such incumbency. The President shall be a member of the Board of Directors. Any officer other than the President may be but shall not be required to be a member of the Board of Directors. The offices of President and Secretary shall not be held by the same person.

5.03 Election of Officers. The officers of the Association shall be elected by the Board of Directors at the organization meeting following each annual meeting of the Association and shall hold office at the pleasure of the Board of Directors.

5.04 Removal or Resignation of Officers. Any officer may be removed, either with or without cause, by the Board of Directors. Any officer may resign at any time and shall be deemed to have resigned in the event such officer for any reason shall be incapacitated or otherwise absent from his or her duties for a continuous period of sixty (60) days or more. Any vacancy in an office shall be filled by the Board of Directors at a regular meeting or a

special meeting called for such purpose.

5.05 Agreements, Contracts, Deeds, Checks, etc. All agreements, contracts, deeds, leases, checks and other instruments of the Association for expenditures or obligations in excess of One Thousand Dollars (\$1,000) shall be executed by any two officers of the Association or by such other person or persons as may be designated by the Board of Directors. All such instruments for expenditures or obligations of One Thousand Dollars (\$1,000) or less may be executed by any one officer of the Association or by such other person as may be designated by the Board of Directors.

5.06 Compensation of Officers. No officer shall receive any compensation for acting as such, although each officer shall be entitled to reimbursement for actual and reasonable expenses incurred in the performance of his or her duties to the Association.

ARTICLE VI

Assessments

6.01 Fiscal Year. The fiscal year of the Association shall consist of twelve month period commencing January 1 of each year and terminating on December 31 of such year, except that the first fiscal year of the Association shall begin on the date of the first conveyance to a third party purchaser of fee simple title to any Lot and shall end on December 31 of that year.

6.02 Determination of Common Expenses. Each year on or before the first day of November, the Board of Directors shall adopt a budget for the Association containing an estimate of the total amount which it considers necessary to pay the cost of the Common Expenses for the ensuing fiscal year (including without limitation, such reasonable amounts as the Board of Directors shall deem sufficient to provide working capital for the Association, a general operating reserve, reserves for repairs and replacements of the Common Areas, and reserves for contingencies). Before the first day of December of each fiscal year, the Board of Directors shall send to all Members a copy of such budget. At such time as the initial Board of Directors takes office, or as soon thereafter as shall be practicable, it shall determine the budget for the first fiscal year.

6.03 Effect of Failure to Prepare or Adopt Budget. The failure or delay of the Board of Directors to prepare or adopt a budget for any fiscal year shall not constitute a waiver or release in any manner of any Member's obligation to pay assessments for Common Expenses as provided in this Article and, in the absence of any annual budget, all Members shall continue to pay assessments for Common Expenses at the rates established for the previous fiscal year until the installment of such assessment which is due more than ten (10) days after such new annual budget shall have been adopted and notice thereof given to all Members.

6.04 Assessment for Common Expenses. Subject to the provisions of paragraph 6.05 of these Bylaws, the total amount of the estimated Common Expenses as set forth in the budget of the Association for any fiscal year shall be assessed equally against all Lots other than unoccupied Lots owned by any Declarant. Unoccupied Lots owned by any Declarant shall be assessed at twenty-five percent (25%) of the rate of assessment against all other Lots. Within ninety (90) days after the end of each fiscal year, the Board of Directors shall supply to all Members an itemized accounting of the Common Expenses for such fiscal year actually incurred and paid, together with a tabulation of the amounts collected pursuant to the provisions of this Article for such fiscal year, and showing the net amount over or short of the actual expenditures, plus reserves. Any amount accumulated in excess of the amount required for actual expenses and reserves in the discretion of the Board of Directors shall either (i) be credited, in proportion to the obligation of each Lot to bear assessments for Common Expenses, to next due installments, or (ii) refunded pro rata to Members who paid assessments in proportion to the obligation of each Lot to bear assessments for Common Expenses, or (iii) added to reserves, until exhausted. Subject to the

provisions of paragraph 6.05 of these Bylaws, any net shortage shall be assessed first, against unoccupied Lots owned by any Declarant to the extent such Lots bore a reduced twenty-five percent (25%) rate of assessment, and, then, against all Lots, in proportion to the obligation of each Lot to bear assessments for Common Expenses and shall be payable, in the discretion of the Board of Directors, either (i) in full, with payment of the next due installment, or (ii) in not more than two (2) equal installments, beginning with the next due installment.

6.05 Maximum Annual Assessments. Notwithstanding the actual total amount of the estimated Common Expenses as set forth in the budget of the Association for any fiscal year, annual assessments for Common Expenses shall be subject to the following:

(a) For fiscal year 1986 no Lot shall be assessed more than One Hundred Eighty-Five Dollars (\$185.00).

(b) Commencing for fiscal year 1987, and thereafter continuing for each succeeding fiscal year, the Board of Directors shall have the right, to be exercised in the sole discretion of the Board of Directors and without the consent of the Members, to increase the maximum allowable annual assessments for Common Expenses; provided, that for any fiscal year such increase shall not exceed the greater of (i) five percent (5%) of the maximum allowable annual assessments for Common Expenses in effect for the prior fiscal year, or (ii) the product obtained by multiplying the maximum allowable annual assessments for Common Expenses in effect for the prior fiscal year by the percentage increase in the United States Department of Labor, Bureau of Labor Statistics, Consumer Price Index for All Urban Consumers - (CPI-U), DC-MD-VA All Items (1967=100) (the "Consumer Price Index"), between the Consumer Price Index most recently published prior to January 1 of such prior fiscal year and the Consumer Price Index most recently published prior to January 1 of such fiscal year, plus the amount of any increases in any ad valorem real estate taxes and premiums for insurance policies purchased by the Association pursuant to the provisions of these Bylaws.

(c) The Association from time to time or at any time may waive, in whole or in part, the foregoing provisions of this paragraph 6.05 by the affirmative vote of Members holding two-thirds (2/3) of the votes present, in person or by proxy, at a meeting of the Association duly called and held for such purpose, and at which shall be present, in person or by proxy, Members holding sixty percent (60%) of the outstanding votes in the Association. If such quorum shall not be obtained, then Members holding a majority of the votes present, in person or by proxy, at such meeting may adjourn such meeting, and upon due notice such meeting shall be reconvened and the presence, in person or by proxy, of Members holding thirty percent (30%) of the outstanding votes in the Association shall constitute a quorum at and throughout such reconvened meeting.

6.06 Reserves. All reserves shall be kept in a separate bank account(s), segregated from the general operating funds of the Association. If the Board of Directors shall deem it advisable, funds accumulated for each type of reserve shall be kept in a separate bank account, identified by reference to the specific category of reserve. Extraordinary expenditures which may become necessary during any fiscal year shall be charged first against such reserves. Except where an emergency requires an expenditure to present or minimize loss from further damage to or deterioration of the Common Areas, reserves accumulated for one purpose may not be expended for any purpose unless approved by the Board of Directors.

6.07 Special Assessments. In addition to annual assessments for Common Expenses, the Board of Directors at any time or from time to time may levy special assessments to defray, in whole or in part, extraordinary expenditures, or the cost of any construction, reconstruction, or replacement of the Common Areas, which shall be assessed in proportion to the obligation of each Lot to bear assessments for Common Expenses, provided, that any such special assessment shall be levied only upon the affirmative vote of Members holding two-thirds (2/3) of the votes present, in person or by proxy, at a meeting of the Association duly called and held for such purpose, and at which shall be present, in person or by proxy, Members holding sixty percent (60%) of the outstanding votes in the Association. If such quorum shall not

be obtained, then Members holding a majority of the votes present, in person or by proxy, at such meeting may adjourn such meeting, and upon due notice such meeting shall be reconvened and the presence, in person or by proxy, of Members holding thirty percent (30%) of the outstanding votes in the Association shall constitute a quorum at and throughout such reconvened meeting. Special assessments may be payable in lump sum or in installments, as the Board of Directors from time to time may determine.

6.08 Accounts. Except as otherwise provided in these Bylaws, all assessments collected by the Board of Directors may be commingled into a single fund.

6.09 Collection of Assessments. The Board of Directors shall take prompt action to collect any assessments for Common Expenses which remain unpaid for more than thirty (30) days from the due date for payment thereof. Any assessment, or installment thereof, which remains unpaid for a period in excess of fifteen (15) days shall bear interest from the due date until paid at a rate to be determined from time to time by the Board of Directors but not to exceed the maximum rate allowable by law.

6.10 Statement of Common Expenses. The Board of Directors shall promptly provide to any Owner, contract purchaser or Mortgagee so requesting the same in writing a written statement in recordable form of all unpaid assessments due from such Owner. A fee not in excess of Twenty-Five Dollars (\$25.00) may be charged by the Board of Directors to defray the cost of rendering such statement.

ARTICLE VII

BOOKS AND RECORDS

7.01 Books and Accounts. Books and accounts of the Association shall be kept under the direction of the Treasurer in accordance with good accounting practices, and shall include detailed accounts, in chronological order, of the receipts and expenditures of the Association and its administration, and shall specify the maintenance, repair and service expenses and any other expenses incurred. The amount of any special assessment required for payment of any capital improvement of the Association shall be credited upon the books of the Association to the "paid-in Surplus" account as a capital contribution.

7.02 Inspection of Books. The books and accounts of the Association shall be available for examination and copying by the Members at their own expense and/or their duly authorized agents or attorneys, and by any Mortgagee, and/or its duly authorized agents or attorneys, upon reasonable notice, during normal business hours and for purposes reasonably related to their interest.

7.03 Documents. Copies of the Declaration, Articles of Incorporation and By-Laws may be purchased from the Association at a reasonable cost as from time to time may be established by the Board of Directors.

7.04 Auditing. All books and records of the Association shall be audited at least once for each fiscal year of the Association by an outside auditor employed by the Board of Directors. Such auditor shall not be an occupant of the Property or a Member. In addition, any Member, at the sole expense of such Member, may cause the books and records of the Association to be audited, during normal business hours and upon reasonable notice, by an independent Certified Public Accountant.

ARTICLE VIII

Maintenance and Repair

8.01 By the Association. Except as otherwise provided in this Declaration or in these Bylaws, the Association shall be responsible for the

maintenance, repair and replacement of the Common Areas, the cost of which shall be a Common Expense.

8.02 By the Owners. Each Owner shall be responsible for the maintenance of such Owner's Lot and the maintenance, repair and replacement of such Owner's Living Unit, and all parts thereof. Each Owner shall perform normal maintenance and repair to such Owner's Lot and Living Unit, and shall keep such Lot in a clean, safe and sanitary condition, free and clear of snow, ice and any accumulation of water. Each Owner shall be responsible for the expense of any maintenance, repair and/or replacement of any of the Common Areas, if in the opinion of not less than a majority of the Board of Directors such expense was necessitated by the negligence, misuse or neglect of any Owner(s), or of any member(s) of such Owner's household or family, or of any employee(s), agent(s), licensee(s) or invitee(s) of such Owner(s). All repairs or replacements of any and all Common Areas made pursuant to this paragraph shall be made by the Association, but the cost thereof shall be borne by the party(s) responsible therefor as herein provided.

8.03 Manner of Repair and Re~lacement. All repairs and replacements shall be substantially similar to the original construction and installation and shall be of first class quality.

ARTICLE IX

Insurance

9.01 General Requirements.

(a) Each policy of insurance purchased by the Board of Directors on behalf of the Association shall provide to the fullest extent obtainable that:

(i) in no event shall any such insurance be brought into contribution with insurance purchased by individual Owners or their Mortgagees;

(ii) the insurer waives (1) any right to claim by way of subrogation against the Association, the Board of Directors or the Owners, and their respective agents, employees, invites and, in the case of Owners, the members of their households; and (2) any defense based upon co-insurance or upon any invalidity arising from the acts of the insured;

(iii) such policy shall not be cancelled, invalidated or suspended due to the act or omission of any Owner (including any member of his or her household and his or her invites, agents and employees) or of any member, officer or employee of the Board of Directors;

(iv) such policy may not be cancelled or substantially modified (including cancellation for nonpayment of premium) without at least thirty (30) days prior notice to the Board of Directors; and

(v) any "no other insurance" clause shall expressly exclude individual Owners' policies from its operation.

(b) All policies of insurance shall be written by companies with a financial rating of A or better under Best's Rating Guide (or any comparable rating under a revised rating guide).

9.02 Physical Damage Insurance. The Board of Directors shall obtain and maintain a blanket all-risk policy of physical damage insurance, with extended coverage, insuring the Common Areas in an amount equal to one hundred percent (100%) of the full replacement value of the Common Areas based on then current replacement cost (exclusive of the land and other items normally excluded from such coverage), without deduction for depreciation. The amount of coverage shall be reviewed annually by the Board of Directors with the assistance of the insurance company affording such coverage and such coverage shall be re-determined when and as the Board of Directors deems advisable. A certificate of insurance or a true and certified copy of the policy of physical damage insurance, all renewals thereof, and any sub-

policies or certificates and endorsements issued there under, together with proof of payment of premiums shall be delivered by the insurer to any Mortgagee so requesting the same.

9.03 Liability Insurance. The Board of Directors shall obtain and maintain comprehensive general public liability insurance in such limits as the Board of Directors may from time to time determine in accordance with this paragraph, insuring each member of the Board of Directors, the Association and each Owner against any liability to the public or to the Owners (and their invites, agents and employees) arising out of or incident to the ownership and/or use of the Common Areas. Such insurance shall be issued on a comprehensive liability basis and shall contain: (i) libel, slander, false arrest and other personal injury offenses; (ii) medical payments coverage; (iii) a cross liability endorsement under which the rights of a named insured under the policy shall not be prejudiced with respect to such insured's action against another named insured; (iv) coverage for water damage liability; and (v) a "severability of interest" endorsement which shall preclude the insurer from denying liability to a Owner because of negligent acts of the Board of Directors, the Association or of another Owner. The Board of Directors shall review such limits once each year, but in no event shall such insurance be written in an amount less than One Million Dollars (\$1,000,000.00) covering all claims for bodily injury or property damage arising out of one occurrence. Additional amounts of umbrella liability insurance in excess of the primary limits, in the discretion of the Board of Directors, also may be obtained.

9.04 Other Insurance. The Board of Directors shall obtain and maintain:

(a) Directors and officers liability coverage and fidelity bond coverage to protect against wrongful and dishonest acts on the part of officers, directors and employees of the Association and all others who handle, or are responsible for handling, funds of the Association. Fidelity bonds shall: (i) name the Association as an obligee; (ii) contain waivers of any defense based upon the exclusion of persons who serve without compensation from any definition of employee" or similar expression; (iii) be written in such amounts as from time to time shall be required by the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, whichever is greater, and (iv) include provision for ten (10) days' written notice to the Association and each servicer of any Mortgage owned by the Federal National Mortgage Corporation or Federal Home Loan Mortgage Corporation before the bond can be cancelled or substantially modified; and

(b) Such other insurance as the Board of Directors may determine, or as may be requested from time to time by Members holding a majority of the votes, or as required by the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation or by law.

9.05 Separate Insurance. Each Owner shall have the right, at such Owner's expense, to obtain insurance for such Owner's Living Unit, upon such Owner's personal property and for such Owner's personal liability.

9.06 Board of Directors as Agent. The Board of Directors hereby is irrevocably appointed the agent for each Owner, to adjust and settle all claims arising under insurance policies maintained by the Association and to execute and deliver releases upon the payment of claims.

9.07 Repair and Reconstruction After Fire or Other Casualty. Unless otherwise provided by law or unless the Declaration shall be waived and terminated in accordance with the provisions of Article XII of the Declaration, in the event of damage of fire or other casualty, the Board of Directors must and shall arrange for and supervise the prompt repair and restoration of such Common Areas.

ARTICLE X

Mortgages

10.1 Whenever so requested in writing by a Mortgagee of a Lot, the Board of Directors promptly shall report to such Mortgagee

(a) any sixty (60) day delinquency in the payment of assessments due from the Owner of such Lot or other default by such Owner of any obligation under the Declaration, the Articles of Incorporation or these Bylaws,

(b) any material damage to such Lot or to the Common Areas, and of any condemnation or similar proceeding which may affect the Mortgagee, and

(c) any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association.

10.02 All Mortgagees or their representatives shall be entitled to attend meetings of the Association and shall have the right to speak thereat.

10.03 Right to Satisfy Association Obligations. All Mortgagees shall have the right, to be exercised jointly or severally, to pay taxes or other charges which are in default and which have or may become a charge against the Common Areas, and to pay overdue premiums on hazard insurance policies affecting the Common Areas or to secure new insurance coverage upon the lapse of any such policy. Any Mortgagee making any such payment or incurring any such expense immediately shall be reimbursed therefor by the Association.

ARTICLE XI

Miscellaneous

11.01 Notices. Except as otherwise provided in these Bylaws or by law, all notices, demands, bills, statements or other communications under these Bylaws shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by United States mail, first-class postage prepaid, (i) if to a Member, at the address that such Member shall designate in writing and file with the Association, or if no such address is designated, at the address of the Lot of such Member, or (ii) if to the Association or the Board of Directors, at the principal office of the Association or at such other address as shall be designated by notice in writing to the Members pursuant to this paragraph.

11.02 Invalidity. The invalidity of any portion of these Bylaws shall not impair or affect in any manner the validity, enforceability or effect of the balance of these Bylaws.

11.03 Captions. The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of these Bylaws, or the intent of any provision hereof.

11.04 Gender. The use of the masculine gender in these Bylaws shall be deemed to include the feminine gender and the use of the singular shall be deemed to include the plural, and vice versa whenever the context so requires.

11.05 Amendments. These Bylaws may be modified or amended by the affirmative vote of Members holding sixty-six and two-thirds percent (66-2/3%) of the outstanding votes in the Association, provided, however, that, except as required to comply with the requirements of the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, or any other governmental or quasigovernmental agency insuring or involved in the making or purchasing of Mortgages, (i) so long as any Declarant owns one or more Lots, no amendment to these Bylaws, the Rules and Regulations or any architectural and environmental guidelines shall be adopted that could unreasonably interfere with the development and sale of the Property or that could abridge, modify, eliminate or otherwise affect any right, power, easement, privilege or benefit granted or reserved to any Declarant under these Bylaws or which would impose any discriminatory charges or fees against

any Declarant, and (ii) no amendment to these Bylaws, the Rules and Regulations or any architectural and environmental guidelines shall be adopted that would abridge, modify or eliminate or otherwise affect any privilege granted or reserved to Mortgagees.

IN WITNESS WHEREOF, the Board of Directors of the Association unanimously hereby adopt these By-Laws as the By-Laws of Wooded Glen, Section I Homeowners' Association as of this day of _____, 1985.

CERTIFICATION

The undersigned hereby certifies as follows:

1. I am the duly elected and acting Secretary of WOODED GLEN, SECTION I HOMEOWNERS' ASSOCIATION, a Virginia non-stock corporation.

2. The foregoing By-Laws constitute the original By Laws of the Association, as adopted at a meeting of the Board of Directors held on the _____ day of _____, 1985.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of the Association this ____ day of _____ 1985.

Amendment to By Laws
Adopted April 26, 1989

Article VII, Section 4.

"7.04 Auditing. The Board of Directors, once each fiscal year, shall employ a Certified Public Accountant to prepare an Accountant's Compilation Report of all books and records of the Association. Such Certified Public Accountant shall not be a member of the Board of Directors."