

BY-LAWS

PURCELLVILLE MANOR HOMEOWNER ASSOCIATION, INC.

ARTICLE I

NAME AND LOCATION. The name of the Association is Purcellville Manor Homeowners Association, hereinafter referred to as the "Association." The principal office of the Association shall be located at Purcellville, Virginia, but meetings of members and directors may be held at such places within the State of Virginia as may be designated by the Board of Directors.

ARTICLE II

DEFINITIONS

Section 1. "Association" shall mean and refer to the 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 hereafter be brought within the jurisdiction of the Association.

Section 3. "Common Area" shall mean all property owned by the Association for the common use and enjoyment of the members of the Association.

Section 4. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties with the exception of the Common Area.

Section 5. "Member" shall mean and refer to every 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 a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 7. "Declarant" shall mean and refer to Francis

V. Lane, Jr., his successors and assigns if such successors or assigns should acquire more than one undeveloped Lot from the Declarant for the purpose of development.

Section 8. "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions applicable to the Properties recorded in the Office of Clerk of the Circuit Court of Loudoun County, Virginia.

ARTICLE III

MEMBERSHIP

Section 1. Membership. Every person or entity who is a record owner of a fee or undivided fee interest in any Lot which is subject by covenants of record to assessment by the Association, including contract sellers, shall be a Member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. No Owners shall have more than one membership. 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, the voting rights of such member shall be suspended by the Board of Directors until such assessment 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.

SECTION 3. Class of Members. This Association shall have two classes of voting membership.

(a) With the exception of the Declarant, every person, group of persons or entity who is a record owner of a fee interest in any Lot which is or becomes subject to covenants of record and assessment fees by the Association shall be a Class A member of the Association, provided, however, that any such person, group of persons or entity who holds such interest solely as security for the performance of any obligation shall not be a member and provided, further, that any person, group of persons or entity who holds such an interest in any Lot designated as Common Area shall not be a Member on account thereof. Class A Members shall be entitled to one vote for each Lot in which they hold the interest required for membership. In the event that more than one person, group of persons or entity is the record owner of a fee interest in any Lot, then the vote for the membership appurtenant to such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Lot.

(b) The Class B Member shall be the Declarant who shall be entitled to three votes for each Lot in which he holds the interest otherwise required for Class A membership, provided, however, that the Class B membership shall lapse and become a nullity on the first to happen of the following events:

(i) When the total votes outstanding in the Class A membership equals the total votes outstanding in the Class B membership, or

(ii) On 31 December, 1989; or

(iii) Upon affirmative relinquishment by all Class B Members by document recorded in the Office of the Clerk of the Circuit Court of Loudoun County, Virginia.

ARTICLE IV

PROPERTY RIGHTS: RIGHTS OF ENJOYMENT

Section 1. Each member shall be entitled to the use and enjoyment of the Common Area and facilities as provided in the Declaration. Any Member may delegate his rights of enjoyment of this 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 any 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; SELECTION; TERM OF OFFICE

Section 1. Number. The affairs of this Association shall be managed by a Board not to exceed five (5) directors, who need not be Members of the Association.

Section 2. Election At the first annual meeting the Members shall elect the directors, casting votes in the proportion to which they are entitled under corporation charter.

At the first meeting of the members the members shall elect one-third (1/3), as nearly as is possible, of the number of Directors to be elected for a term of one (1) year; one-third (1/3) for a term of two (2) years, and one-third (1/3) for a term of three (3) years, and at each annual meeting thereafter, the members shall elect successors for the Directors whose terms are then expiring for a term 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, his successor shall be selected by the remaining members of the board and shall serve for the unexpired term of his predecessor.

Section 4. Compensation. No director shall receive compensation for any service he may render to the Association. 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 the 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 from time to time and at such place as may be designated by a majority of the Board of Directors.

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.

Section 3. Quorum. A majority of the number of directors shall constitute a quorum for the transaction of business. 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

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

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

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

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

(c) 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) employ a manager, an independent contractor, or such other employees as it deems necessary, and to prescribe their duties.

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

(a) 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 one-fourth (1/4) of the Class A members who are entitled to vote;

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

(c) as more fully provided herein, and in the Declaration, to:

(1) fix the amount of the annual assessment against each Lot;

(2) 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;

(3) procure and maintain adequate liability and hazard insurance on property owned by the Association;

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

- (5) cause the Common Areas to be maintained; and
- (6) at the option and in the sole discretion of the Association to cause the exterior of any dwelling to be maintained if the necessity for the maintenance or repair is caused by the willful or negligent acts of the owner or his family, guests or invitees.

ARTICLE VIII

MEETING OF MEMBERS

Section 1. Annual Meetings. The first annual meeting of the Members shall be held within one year from the date of incorporation of the Association, and each subsequent regular annual meeting of the Members shall be held on the same day of the same month of each year thereafter, at the hour of 8:00 o'clock p.m. If the day for the annual meeting of the Members is a legal holiday, the meeting will be held at the same hour on the first day thereafter which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the Members may be called at any time by the president or by the Board of Directors, or upon written request of the Members who are entitled to vote one-fourth (1/4) of all of the votes of the entire membership or who are entitled to vote one-fourth (1/4) of the votes of the Class A membership.

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, 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 to 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, at least a majority of the votes of each class of membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these By-Laws and the vote of a majority of those present shall decide a question brought before such meeting, unless otherwise provided in the Articles of Incorporation, the Declaration, or these By-Laws. If, however, such quorum shall not be present or represented at any meeting, the Members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be 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 IX

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices. 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, and a treasurer, and such other officers as the Board may from time to time by resolution create.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each 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 (1) year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

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 with or without cause by the Board. 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 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 for 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 preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes.

Secretary

(b) The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board 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 shall perform such other duties as required by the Board.

Treasurer

(c) 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 sign all checks and promissory notes of the Association; keep proper books of account; cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year; and shall 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 X

ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. By the Declaration each Member is deemed to covenant and agree to pay to the Association: (1) annual assessments or charges, and (2) special assessments for capital improvements. The annual and special assessments, together with such interest thereon and costs of collection thereof, as hereinafter provided, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with 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 improvements and maintenance of the Properties, services and facilities devoted to this purpose and related to the use and enjoyment of the Common Area, and of the homes situated upon the Properties.

Section 3. Annual Assessments. The maximum annual assessment for each Lot shall not exceed Six Hundred Dollars (\$600.00) per annum, and may be levied on a monthly, quarterly, semi-annual or annual basis. The Board of Directors of the Association may fix the annual assessment at any amount not in excess of the maximum herein provided for.

Section 4. Special Assessment. In addition to the annual assessments authorized by this Article, the Association may levy in any assessment year a special assessment, applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of a described capital improvement located upon the Common Areas, including the necessary fixtures and personal property related thereto, provided that any such assessment shall have the assent of three-fourths (3/4) of all Classes of the then Members of the Association. A meeting of the Members shall be duly called for this purpose. Any special assessment levied by the Association pursuant to the provisions of this Section shall be fixed at a uniform rate for each Lot.

Section 5. Commencement of Annual Assessments. The annual assessment for each membership shall commence on the same day as the conveyance of a lot to a third party by the Declarant. The first annual assessment for any such membership shall be made for the balance of the calendar year and shall become due and payable and a lien on the date aforesaid. Except as herein provided, the assessment for any lot for any year after the first year shall become due and payable and a lien on the first day of said year. It shall be the duty of the Board of Directors of the Association periodically to fix the amount of the annual assessment against each Lot for each assessment period and the Board of Directors shall make reasonable efforts to fix the amount of the assessment against each Lot for each assessment period at least thirty (30) days in advance of such date or period and shall, at that time, prepare a roster of the lots and assessments applicable thereto which shall be kept in the office of the Association and shall be open to inspection by any owner upon reasonable notice to the Board. Written notice of the assesment shall thereupon be sent to the owner of any Lot subject thereto.

Section 6. Assessment Certificates. The Association shall, upon demand, at any reasonable time, furnish to any owner liable for assessment a certificate in writing signed by an officer or other authorized agent of the Association, setting forth the status of said assessment, i.e., whether the same is paid or unpaid. Such certificates shall be conclusive evidence of the payment of any assessment therein stated to have been paid. A charge not to exceed Fifteen Dollars (\$15.00) may be levied in advance by the Association for each certificate so delivered.

ARTICLE XI

Section 1. Non-Payment of Assessment. Any assessment levied pursuant to these covenants which is not paid on the date

when due shall be delinquent and shall, together with interest thereon and cost of collection thereof, as hereinafter provided, thereupon become a continuing lien upon the Property which shall bind such Lot in the hands of the then owner, his successors, heirs, devisees, personal representatives and assigns. The personal obligation of the then Owner to pay such assessment, however, shall also remain his personal obligation for the statutory period.

If the assessment is not paid within thirty (30) days after the delinquency date, the assessment shall bear interest at the rate of twelve percent (12%) per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the property (to the same extent, including a foreclosure sale and deficiency decree, and subject to the same procedures as may then be applicable to mortgages under the laws of the Commonwealth of Virginia), in either of which events, interest, costs and reasonable attorney's fees shall be added to the amount of each assessment. No Owner may waive or otherwise escape liability for the assessments herein provided for by non-use of the Common Areas or abandonment of his Lot or Dwelling.

Section 2. Subordination Provisions. The lien of the assessments provided for in this Declaration shall be subordinated only to the lien of any first mortgage or mortgages now or hereafter placed upon the Lot subject to assessment, provided, however, that such subordination shall apply only to the assessments which have become due and payable prior to a sale or transfer of such lot pursuant to a decree of foreclosure, or any other proceeding in lieu of foreclosure. Such sale or transfer shall not release such property from liability for any assessments which thereafter become due, nor from the lien of any such subsequent assessment.

Section 3. Exempt Property. The following property subject to this Declaration shall be exempt from assessments created herein:

- (a) All property dedicated to and accepted by a local public authority;
- (b) Common areas;
- (c) Property owned by non-profit organizations; and
- (d) All lots owned by Declarant.

ARTICLE XII

BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any Member. The Declaration, the Articles of Incorporation and the By-Laws of the Association shall be available for inspection by any member at the principal office of the Association, where copies may be purchased at reasonable costs.

ARTICLE XIII

CORPORATE SEAL

Section 1. These By-laws 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.

Section 2. In case of any conflict between the Articles of Incorporation and these By-laws, the Articles shall control; and in the case of any conflict between the Declaration and these By-laws, the Declaration shall control.

ARTICLE XV

MISCELLANEOUS

The Fiscal year of the Association shall begin on the first day of January and end on the 31st day of December every year,

except that the first fiscal year shall begin on the date of incorporation.

In the event any provision or paragraph of these By-Laws shall be determined invalid, void or unenforceable, such determination shall not render invalid, void or unenforceable any other provisions hereof.

No restriction, condition, obligation or provision of these By-Laws shall be deemed to have been subrogated or waived by reason of any failure to enforce same.

Wherever in these By-laws the context so requires, the singular shall include the plural and the use of any gender includes all genders.

IN WITNESS WHEREOF, we, being all of the directors of Purcellville Manor Homeowners Association, Inc., have hereunto set our hands this 7th day of November, 1985.

Francis V. Green Jr. (SEAL)

____ (SEAL)

1 (SEAL)

____ (SEAL)