

CHHA BY-LAWS

ARTICLE I NAME AND LOCATION

The name of the corporation is CHANTILLY HIGHLANDS HOMES ASSOCIATION, hereinafter referred to as the "Association". The principal office of the corporation shall be located at 12307 Fan Shell Court, Reston, Virginia, 22091, 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 Chantilly Highlands Homes Association, its successors and assigns.

Section 2. "Properties" shall mean and refer to that certain real property described in the "Declaration" and such additions which, from time to time, may be 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.

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

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 G. T. Urquhart Limited, and its successors and assigns, if such successors or assigns should acquire more than one undeveloped Lot for purposes of development, and any person or entity that may dedicate and subdivide all or a portions of the 373.3 acre tract described in Exhibit "A" hereto, into lots and subject the lots and parcels to the Declaration.

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

ARTICLE III 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 owner 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.

ARTICLE IV PROPERTY RIGHTS: RIGHTS OF ENJOYMENT

Section 1. Members' Easements of Enjoyment. Every member shall have a right and easement of enjoyment in and to the Common Area and such easement shall be appurtenant to and shall pass with the title to every assessed Lot, subject to the following provisions:

- a. The right of the Association to limit the number of guests of members;
- b. The right of the Association to charge reasonable admission and other fees for the use of any recreational facility situated upon the Common Area;
- c. The right of the Association, in accordance with its Articles of Incorporation and By-Laws, to borrow money for the purpose of improving the Common Area and facilities and in aid thereof with the assent of more than two-thirds (2/3) of each class of members to mortgage said property and to acquire property encumbered by the lien or liens of the deed or deed of trust securing improvements on said property;
- d. The right of the Association to suspend the voting rights and right to use of the recreational facilities by a member for any period during which any assessment against his Lot remains unpaid, and for a period not to exceed sixty (60) days for any infraction of its published rules and regulations;
- e. the right of the Association, at any time and consistent with the then existing zoning ordinances of Fairfax County, consistent with its designation as "open space", or upon dissolution, to dedicate or transfer all or any part of the Common Area to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the members, provided that any such dedication or transfer shall be the assent of two-thirds (2/3) of the votes of the 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. And upon such assent and in accordance therewith, the officers of the Association shall execute the necessary documents.
- f. The right of the Association to grant to any public utility with or without payment to the Association, and consistent with the "open space" designation thereof, easements for the construction, reconstruction, installation, repair and/or necessary maintenance of utility lines through or over any portion of the Common Area. The foregoing shall not be construed, however, to permit any such public utility to acquire or damage any improvements situated upon the Common Areas, or other structures or installations situated thereon which would otherwise be deemed to be part of the realty, without the payment of damages, if any, to the Association, all in amounts and in a manner now or hereafter governing proceedings for the acquisition of private property for public use by condemnation in this State.
- g. the right of the Association to lease Common Area, provided however that such lease(s) must:
 1. be only to non-profit organizations,
 2. require such organizations must give preference to members of the Association with regard to membership and use of facilities,
 3. prohibit assignment and subleasing, and
 4. require approval by the Association of proposed uses, which must in accordance with these By-Laws and the Declaration,
 5. be consistent with the then existing ordinances of the County,
 6. be consistent with the open space designation thereof.

Section 2. Delegation of Use. Any member may delegate, in accordance with the By-Laws, his right of enjoyment to the Common Area and facilities to the members of his family, his tenants, or contract purchasers who reside on the member's Lot.

ARTICLE V
BOARD OF DIRECTORS: SELECTION: TERM OF OFFICE

Section 1. Number. the affairs of this Association shall be managed by a Board of Directors, who need not be members of the Association. The initial Board of Directors shall consist of three (3) members. At such time as there are three hundred (300) Class A members of the Association, the Board of Directors shall be increased to five (5) members at the next annual meeting. At such time as there are six hundred (600) Class A members of the Association, the Board of Directors shall be increased to seven (7) members.

Section 2. Election. At each annual meeting the member shall elect all directors for a term of one year.

Section 3. Removal. Any directors 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 reasonable 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 at least quarterly without notice, at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that 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 three (3) days' notice to each director.

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
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 a Chairman, who shall be a member of the Board of Directors, and two or more members of the Association. The Nominating Committee shall be appointed by the Board of Directors, and two or more members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each 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 non-members.

Section 2. Election. Election to the Board of Directors shall be by secret written 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 the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

**ARTICLE VIII
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, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof;
- b. Suspend the voting rights and right to use of the recreational facilities of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) days for infraction of published rules and regulations;
- c. 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 By-Laws, the Articles of Incorporation, or the Declaration;
- d. 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
- e. To employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties.
- f. To do all other things allowed by law not inconsistent with these Articles, the Declaration, or other provisions of the By-Laws.

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

- 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 and in the Declaration:
 - 1. to fix the amount of the annual assessments against each Lot at least thirty (30) days in advance of 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 to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. Such certificate shall be conclusive evidence of any assessment therein stated to have been paid;
- e. To produce 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; and
- g. To cause the Common Area to be maintained in accordance with standards adopted by the Board.

ARTICLE IX COMMITTEES

Section 1. The Association shall appoint an Architectural Control Committee as provided in the Declaration and a Nominating Committee as provided in the By-Laws. In addition, the Board of Directors may appoint other committees as deemed appropriate in carrying out its purposes, such as:

- a. Recreation Committee which shall advise the Board of Directors on all matters pertaining to the recreational program and activities of the Association and shall perform such other functions as the Board, in its discretion, determines;
- b. A Maintenance Committee which shall advise the Board of Directors on all matters pertaining to the maintenance, repair, or improvement of the Properties and shall perform such other functions as the Board, in its discretion, determines;
- c. A Publicity Committee which shall inform the members of all activities and functions of the Association and shall, after consulting with the Board of Directors, make such public releases and announcements as are in the best interests of the Association; and
- d. An Audit Committee which shall supervise the annual audit of the Association's books and approve the annual budget and statement of income and expenditures to be presented to the membership at its regular annual meeting as provided in Article XI, Section 8(d). The Treasurer shall be an ex officio Member of the Committee.

Section 2. It shall be the duty of each committee to receive complaints from members on any matter involving Association functions, duties, and activities within its field of responsibility. It shall dispose of such complaints as it deems appropriate or refer them to such other committee, director or officer of the Association as is further concerned with the matter presented.

ARTICLE X MEETINGS OF MEMBERS

Section 1. Annual Meetings. The first annual meeting of the members shall be held within one (1) 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 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 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 or by the Board of Director, or upon written request of the members who are entitled to vote one-fourth (1/4) of all 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, at least by mailing a copy of such notice, postage prepaid, at least 15 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 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, one-fourth (1/4) 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. 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 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, 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 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 in the manner prescribed for regular election. 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:

- a. President. 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.
- b. Vice President. 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.
- c. Secretary. 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.
- d. Treasurer. 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 this 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. the Declarant, for each Lot owned within the above-mentioned properties, hereby covenants, and each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in any such deed or other conveyance, is deemed to covenant and agree to pay to the Association:

- a. Annual assessments or charges, and
- b. Special assessments for capital improvements, such assessments to be fixed, established and collected from time to time as hereinafter provided. The annual and special assessments, together with such interest thereon and costs of collections thereof, as hereinafter provided, shall be a charge on the land and shall be a continuing lien upon the property against which each 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 payment of taxes and improvements and maintenance of 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 One Hundred and no/100 Dollars (\$100.00) 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 effective January 1 of each year without a vote of the membership in conformance with the rise, if any, of the Consumer Price Index for the Washington D.C. standard metropolitan area (published by the Department of Labor, Washington, D.C.) for the year ending the preceding July 1; provided, however, that any increase in an annual assessment as provided hereinabove shall not exceed five percent (5%) of the preceding annual assessment.
- 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 that established by subparagraph (a) above by a vote of the members for the next succeeding three (3) years and thereafter for each succeeding period of three (3) years, provided that any such change shall have the assent of two-thirds (2/3) of the votes 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 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. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, 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 (including costs of engineering, planning, and developing same), repair or replacement of a capital improvement upon the Common Area, including the necessary fixtures and personal property related thereto, provided that an such assessment shall have the assent of two-thirds (2/3) of the votes 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.

Section 5. Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all Lots not owned by a Declarant. Any Lots owned by a Declarant will be assessed at one-fourth (1/4) of the rate of lots not owned by a Declarant so long as the Declarant has Class B membership status.

Section 6. Quorum for and Action Authorized Under Sections 3 and 4. At the first meeting called, as provided in Sections 3 and 4 hereof, the presence at the meeting of members or proxies entitled to cast sixty percent (60%) of all the votes shall constitute a quorum. If the required quorum is not forthcoming at any meeting, another meeting may be called subject to the notice requirements set forth in Sections 3 and 4, and the required quorum at any such subsequent meeting shall be one-half (1/2) of required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 7. Date of Commencement of Annual Assessments Due Dates. The annual assessments provided for herein shall commence as to all Lots, except as provided, on the first day of the month following the conveyance of the first Lot to an Owner. 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 furnish a certificate in writing signed by an officer of the Association setting forth whether the assessment on a specified Lot has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. Such certificates shall be conclusive evidence of payment of any assessment therein stated to have been paid.

Section 8. 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 bear interest from the date of delinquency at the rate of six percent (6%) against the Owner personally obligated to pay the same, and/or foreclose the lien against the property, and interest, costs and reasonable attorney's fees of any such action shall be added to the amount of such assessment. 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 9. Subordination of the lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any bona fide first trust or mortgage. Sale or transfer of any bona fide first 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 sale 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. No sale or transfer shall relieve such Lot from liability for any assessments that thereafter become due or from the lien thereof.

Section 10. Exempt Property. The following property subject to this Declaration shall be exempt from the assessments created herein: (a) all properties dedicated to and accepted by a local public authority; (b) the Common Area; (c) all properties owned by charitable or other organizations exempt from taxation by the laws of the State of Virginia. However, no land or improvements devoted to dwelling use shall be exempt from said assessments.

**ARTICLE XIII
BOOKS AND RECORDS**

The books, record, 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 cost.

**ARTICLE XIV
CORPORATE SEAL**

The Association shall have a seal in circular form having within its circumference the words: Chantilly Highlands Homes Association, a Virginia non-stock corporations.

**ARTICLE XV
AMENDMENTS**

These By-Laws may be amended, at a regular or special meeting of the members, by a vote of the majority of a quorum of members present in person or by proxy, except that if the Lots have been approved for FHA or VA financing, and upon the insurance or guarantee by FHA or VA of a mortgage or deed of trust on the properties, the Federal Housing Administration or the Veterans Administration shall have the right to veto amendments while there is a Class B membership.

**ARTICLE XVI
MISCELLANEOUS**

Section 1. The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

Section 2. In the 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. IN WITNESS WHEREOF, we being all of the Directors of the CHANTILLY HIGHLANDS HOMES ASSOCIATION, have hereunto set our hands this 26th day of May, 1978. signed..

AMENDMENT OF THE BYLAWS OF CHANTILLY HIGHLANDS HOMES ASSOCIATION

BE IT RESOLVED THAT:

The bylaws of Chantilly Highlands Homes Association be amended by deleting Sections 5 and 7 of Article II; Article III; Section 1(e) of Article IV; Sections 1 and 2 of Article V; and Sections 1, r and 5 of Article XII, and substituting the following provisions in lieu thereof:

**ARTICLE II
DEFINITIONS**

Section 5. "member" shall mean and refer to those persons entitled to membership, as provided in the Declaration.

Section 7. "Declarant" shall mean and refer to Centex Homes of Washington, D.C., Inc., and its successors and assigns, if such successors or assigns should acquire more than one undeveloped lot of purpose of development.

**ARTICLE III
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. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessments by the Association. Ownership of such Lots will be the sole qualification for membership.

**ARTICLE IV
PROPERTY RIGHTS: RIGHTS OF ENJOYMENT**

Section 1. Members Easements of Enjoyment. (e) The right of the Association, at any time and consistent with the then existing zoning ordinances of Fairfax County, consistent with its designation as "open space," or upon dissolution, to dedicate or transfer all or any part of the Common Area to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the member, provided that any such dedication or transfer shall have the assent of two-thirds (2/3) of each class of the entire membership, 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 meeting setting forth the purpose of the meeting. And upon such assent and in accordance therewith, the offices of the Association shall execute the necessary documents.

ARTICLE V BOARD OF DIRECTORS: SELECTION: TERM OF OFFICE

Section 1. Number. the affairs of this Association shall be managed by a board of Directors, who need not be members of the Association. the initial board of Directors shall consist of three (3) members. the board shall determine the initial number of board members, however, upon cessation of Class B membership as more fully defined in the Declaration, the members of the Association shall determine the number of Board members, provided, however, that in either case the number of directors shall be increased at least to a number equal to the ratio of one (1) director to every fifty (5) Class A members of the Association until there is a maximum of nine (9) directors.

Section 2. Term of Office. The Board of Directors shall be divided into three (3) classes of membership as near equal in number as possible, with the term of office of one class expiring each year. At the first annual meeting of members, directors of the first class shall be elected for three (3) years, the members of the second class shall be elected for two (2) years and the members of the third class shall be elected for one (1) year. thereafter, at each annual meeting of the members, the successors to the class of directors whose term shall then expire shall be elected for a term of three (3) years. When the aggregate number of directors is changed, any increase or decrease shall be so apportioned among the classes so as to make all classes as nearly equal in number as may be possible. no decrease in the aggregate number of directors shall shorten the term of any incumbent director.

ARTICLE XII ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. As provided in the Declaration, each member is obligated to pay to the Association:

- a. Annual assessments or charges, and
- b. special assessments for capital improvements, such assessments to be fixed, established and collected from time to time as hereinafter provided. The annual and special assessments, together with such interest thereon and costs of collections thereof, as hereinafter provided, shall be a charge on the land and shall be a continuing lien upon the property against which each 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 the successors in title unless expressly assumed by them.

Section 4. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, 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 (including costs of engineering, planning, organizing and developing), or reconstruction repair or replacement of a capital improvement upon the Common Area, including the fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes 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 (6) days in advance of the meeting setting forth the purpose of the meeting.

Section 5. Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all Lots not owned by Declarant. Any Lots owned by Declarant may be assessed at one-fourth (1/4) of the rate of Lots not owned by Declarant so long that Declarant shall pay for any deficiency in the

Association's operation budget at the end of a year in which Declarant has such reduced rate of assessment.