

ByLaws
of
Cardinal Glen of Sterling Homeowners Association, Inc.

ARTICLE I – NAME AND LOCATION

The name of the corporation is Cardinal Glen of Sterling Homeowners Association, Inc., herein called the Association. The initial principal office of the Association is located at
..... in Sterling, Virginia 20164, which is the office of the initial Registered Agent of the Association. Other sites may be designated as the principal office by the Board of Directors from time to time, and meetings of Members or directors may be held at such places as may be designated by the Board of Directors from time to time.

ARTICLE II – DEFINITIONS

Section 1. “Association” shall mean and refer to Cardinal Glen of Sterling Homeowners Association, its successors and assigns.

Section 2. “Properties” shall mean and refer to that certain real property described in the separate, recorded Declarations of Covenants, Conditions and Restrictions for Section 1, Section 2, Section 3 and Section 4 of Cardinal Glen in Loudoun County, Virginia.

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 on 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 holding 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. “Declaration” shall mean and refer to each and all of the Declarations of

Covenants, Conditions and Restrictions as made applicable to a particular Lot and to the Common Area of the Properties, for the particular Section of Cardinal Glen as may be appropriate, as recorded or to be recorded in the Office of the Clerk of the Circuit Court of Loudoun County, Virginia.

ARTICLE III – MEMBERSHIP

Section 1. Every person or entity, who is a record owner of a fee or undivided fee interest in any Lot which is subject by appropriate Covenants of record to assessments by the Association, is a Member. 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 a Lot which is subject to assessment by the Association. Ownership of such Lot shall be the sole qualification for membership.

Section 2. The Association shall have one class of voting membership. These Members shall be all Owners, and shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be Members. The vote for 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 and no fractional votes shall be allowed.

Section 3. During any period in which a Member shall be in default in payment of an annual or special assessment levied by the Association, the voting rights of such Member in the Association may 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 Areas and facilities.

Section 4. Each Member shall be entitled to the use and enjoyment of the Common Areas and facilities as provided in the Declaration for such Member's Lot. Any Member may delegate his right of enjoyment of the Common Area and facilities to members of his family, his tenants or contract purchasers, who reside on the property. Such Member shall notify the secretary, in writing, of the name of such delegee. The rights and privileges of such delegee are

subject to suspension or other action to the same extent as those of the Member.

ARTICLE IV – MEETING OF MEMBERS

Section 1. 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 during the same month of each calendar year thereafter, on such date and at such time and such place as may be fixed in the notice of such regular annual meeting. 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 of the Members may be called at any time by the president or by the Board of Directors, or upon written request of one-fourth (1/4) of all Members who are entitled to vote.

Section 3. Written notice of each meeting of the Members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, not fewer than fifteen (15) days nor more than fifty (50) 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, shall also specify the purpose of the meeting.

Section 4. At the meeting of Members, the presence in person or by proxy of not less than twenty five percent (25%) of the Members entitled to vote, shall constitute a quorum for any action except as otherwise provided in the Declarations, the Articles of Incorporation, or in 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. 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 V – BOARD OF DIRECTORS: SELECTION: TERM OF OFFICE

Section 1. The affairs of this Association shall be managed by a Board of no fewer than five (5) Directors and no more than eleven (11) Directors, who shall also be Members of the Association in good standing, except for the initial Board of Directors, which shall be constituted as described in the Articles of Incorporation. Directors, other than the initial Directors, shall be elected by the Members.

Section 2. At the first annual meeting of Members, the Directors shall be divided into three classes as nearly equal in number as possible, and the Members shall elect Directors of one such class for a term of one year; those of the second such class for a term of two years; and those in the third such class for a term of three years. At the next annual meeting and for each annual meeting thereafter, each Director whose term of office is expiring shall be reelected or replaced with a Director whose term of office shall thereafter be three years. This is to establish that an approximate one-third of the Directors are re-elected or replaced at each annual meeting.

Section 3. 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 prior to the expiration of the term, a successor may be appointed by action of a majority of the remaining members of the Board to serve the remainder of the unexpired term.

Section 4. No Director shall receive compensation for any service rendered to the Association. However, any Director may be reimbursed for actual expenses incurred in the performance of the duties of Director.

Section 5. The Directors may 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 – NOMINATION AND ELECTION OF DIRECTORS

Section 1. The initial Board of Directors shall be constituted as described in the Articles of Incorporation and shall serve until the first meeting of the Association.

Section 2. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Additional 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 who need not also be Directors. 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.

Section 3. 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 VII – MEETING OF DIRECTORS

Section 1. Regular meetings of the Board of Directors may be held monthly 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 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. 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 VIII – POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. 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) Evaluate the compliance of Members of the Association with the appropriate Declaration and Covenants and to assess penalties for infractions thereof;
- (c) 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 ByLaws, the Declaration, or the Articles of Incorporation;
- (d) 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;
- (e) Appoint and remove officers of the Association;
- (f) Suspend the voting rights of any Member pursuant to Article III, Section 3 hereof; and
- (g) Employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties.

Section 2. 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 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 in the Declaration, to:
 - 1) Prepare the annual budget;
 - 2) Fix the amount of the annual assessments against each Lot at least thirty (30) days in advance of each annual assessment period;
 - 3) Send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period; and
 - 4) Foreclose the lien against any property for which assessments are not paid within thirty (30) days after the due date or to bring an action at law against the Owner personally obligated to pay the same.

- (d) issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;
- (e) Procure and maintain adequate liability and hazard insurance on property owned by the Association;
- (f) Cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;
- (g) Cause the Common Area to be maintained; and,
- (h) Implement and carry out such other actions with respect to the Properties, the Common Area, the Members and others concerned, as may be required or permitted by the Declaration, the Articles of Incorporation, these ByLaws, or any law, rule or regulation of the Commonwealth of Virginia as may be applicable.

ARTICLE IX – OFFICERS AND THEIR DUTIES

Section 1. The officers of this Association shall be a president and vice-president, who shall at all times be members of the Board of Directors, a secretary, a treasurer, and such other officers as the Board may create from time to time by resolution.

Section 2. 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. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless the officer shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 4. 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. 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. Unless otherwise specified in the notice, the acceptance of such resignation shall not be necessary to make it effective.

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

Section 7. 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. 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 the absence, inability or refusal to act by the president, and shall exercise and discharge such other duties as may be required 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 to the Board and to 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 of the Association all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall co-sign, with the president, all checks 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 at the regular annual meeting of the Members, and deliver a copy to each of the Members,

ARTICLE X – COMMITTEES

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

(a) 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;

(b) 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 interest of the Association; and,

(c) 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. The Treasurer shall be an ex officio member of any Audit Committee or other finance committee created by the Board.

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 XI – ASSESSMENTS

Section 1. By accepting a deed for a Lot within the Properties, whether or not expressed in the deed or other conveyance, the Owner thereof is deemed to covenant and agree to pay to the Association the annual assessments or charges and the special assessments, as provided in the Declaration applicable to such Owner's Lot. Such assessments are fixed, established, and collected from time to time as provided in the particular Declaration. The annual assessments and special assessments, together with such interest thereon and costs of collection thereof, 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 such interest, costs and reasonable

attorneys' 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. The personal obligation shall not pass to the owner's successors in title unless expressly assumed by them.

Section 2. The assessments levied by the Association shall be used exclusively for the purpose of promoting the recreation, health, safety and welfare of the residents in the Properties and in particular for the improvement and maintenance of the Properties, services and facilities devoted to this purpose and related to the use and enjoyment of the Common Area, and of the homes situated upon the Lots in the Properties, including snow removal from private roads, if any, maintenance of private roads, if any, common greens, and all other areas owned by the Association.

Section 3. (a) The fiscal year of the Association shall consist of the twelve month period commencing on January 1st of each year and terminating on December 31st of the same year.

(b) Each year, on or before the first day of the fiscal year of the Association, the Board of Directors of the Association shall adopt a budget for the Association, containing an estimate of the total amount which it considers necessary to pay the cost of maintaining the common areas, the real estate taxes levied against the Association; the cost of wages, materials, insurance premiums, services, supplies and other expenses which will be incurred during the ensuing fiscal year for the administration, operation, maintenance and repair of the Common Area. The budget may also include:

(i) Any amount necessary to discharge any lien or encumbrance levied against the Association property, or any portion thereof; and

(ii) Such reasonable amounts as the Board of Directors considers necessary to provide working funds for the Association, a general operating reserve and reserves for contingencies and replacements.

(c) The total amount of the funds estimated to be required under the budget adopted by the Board for the ensuing fiscal period shall be assessed against each Lot Owner equally as provided in the Declaration. Increases from year to year in the amounts of regular assessments shall be established by the Board of Directors according to the Declaration.

(d) The failure or delay of the Board to prepare or adopt the annual budget for any fiscal

year shall not constitute a waiver or release in any manner of a Lot Owner's obligation to pay the allocable share of Association expenses, whenever the same shall be determined. In the absence of the annual budget or an adjusted budget, each Owner of a Lot shall continue to pay the annual assessment most recently existing in the manner most recently established for such payment, until the new annual or adjusted budget shall be adopted.

(e) In addition to the regular, annual assessment as described, 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 capital improvement upon the Common Area, including any necessary fixtures and personal property related thereto. The adoption of any special assessment shall be undertaken in accordance with the Declaration.

Section 4. Both the annual and any special assessments must be fixed at uniform rate for all Lots, and may be collected on a monthly, quarterly, or other periodic basis established by the Board of Directors.

Section 5. The initial annual assessments of this Association shall be such as are already in existence at the time of the adoption of these ByLaws. Thereafter, the Board of Directors shall fix the amount of each annual assessment against each Lot in accordance with the Declaration. The due dates shall also 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 assessments on a specified Lot have been paid. A reasonable charge may be made by the Board of Directors for the issuance of such certificate. Such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid.

Section 6. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the highest lawful rate permitted, and the Association may bring an action at law against the Owner personally obligated to pay the same. In such action at law, the Association shall be entitled to interest, costs and reasonable attorneys' fees in addition to the delinquent assessment. No Owner may waive or otherwise escape liability for the assessments

by non-use of the Common Area or by abandonment of the Lot.

Section 7. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage or deed of trust, but shall have such priority as is determined by the law of the Commonwealth of Virginia. A sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot which is subject to any first mortgage or deed of trust, pursuant to a decree of foreclosure under such mortgage or deed of trust, or any proceeding in lieu of foreclosure shall extinguish the lien of such assessments having priority junior to the first mortgage or deed of trust. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof, nor relieve the prior Owner of personal liability already attached.

Section 8. The Common Areas and all the properties dedicated to and accepted by a local public authority shall be exempt from the assessments created herein.

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 ByLaws 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 XIII – CORPORATE SEAL

The Association may adopt a corporate seal in such form and having such wording to denote the same as the seal of this Association, as the Board of Directors shall determine.

ARTICLE XIV – AMENDMENTS

Section 1. These By-Laws may be amended, at a regular or special meeting of the Members at which a quorum exists, by a vote of a majority of Members present in person or by proxy.

Section 2. In the case of any conflict between or among the Declaration, the Articles of

Incorporation and these ByLaws, the Declaration shall control the Articles of Incorporation and the Articles of Incorporation shall control these ByLaws; 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 initial directors of the Cardinal Glen of Sterling Homeowners Association, Inc., have hereunto set our hands this day of 20..... , attesting that the foregoing ByLaws are duly adopted at this date.

.....
Robert K. Bassett

.....
James Babcock

.....
Thomas Fauvell

.....
Lawrence DeWaard

.....
William Bogard

.....
Matthew Bressler

.....
Wilma Sutherland

.....
Thomas Wible

.....
Beverly Van Roekel

.....
Mary Kipps

.....
Sandra Martin