

BYLAWS OF COUNTRYSIDE PROPRIETARY

ARTICLE I NAME AND LOCATION

The name of the corporation is COUNTRYSIDE PROPRIETARY; hereinafter referred to as the "Proprietary" or the "Association: the principal office of the Proprietary shall be located at 9401 Lee Highway, Suite 403, Fairfax, Virginia 22031, but meetings of Members and Directors may be held at such places as may be designated by the Board of Directors.

ARTICLE II SEAL

The corporate seal of the Proprietary shall be in circular form and shall bear the name of the Proprietary and the date 1980.

ARTICLE III DEFINITIONS

Section 1. "Association" or "Proprietary" shall mean and refer to COUNTRYSIDE PROPRIETARY; a Virginia non-stock, not-for-profit corporation, its successors and assigns.

Section 2. "Property" shall mean and refer to that certain real property hereinafter described, and such additions thereto as may hereafter be brought within the jurisdiction of the Association, in accordance with the terms of this Declaration.

Section 3. "Common Area" shall mean all real property (Including the Improvements thereto) owned by the Association for the common use and enjoyment of the members of the Association and being initially composed of Parcels I-A and 1-B, Section I.-A CountrySide, and Parcels 1-D and 1-F, Section 1-B, CountrySide.

Section 4. "Lot" shall mean and refer to any plat of land shown upon any recorded subdivision plat of the Property, but with the exception of the Common Area and areas dedicated as public streets, and to any condominium unit created under the Condominium Act of Virginia, as such may be amended from time to time.

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

Section 6. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot which is a part of the Property, 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 FOUR THIRTY SEVEN LAND COMPAN'Y, INC., a Delaware corporation, its successors and assigns, if such successors or assigns should acquire more than one undeveloped Lot from the Declarant for the purpose of development, and the owner of any other property which might be annexed under the provisions hereof; provided, however, that no successor or assignee of the Declarant shall have any rights or obligations of the Declarant hereunder unless such rights and obligations are specifically set forth in the Instrument of succession or assignment or which pass by operation of law. The rights and obligations

set forth herein of the Declarant, as Declarant, shall cease when new living unit construction contemplated by the Development Plan is substantially completed or alter five years have lapsed since the filing of the last Supplementary Declaration.

Section 8. "Dwelling" shall mean and refer to any building or portion of a building situated upon The Property and designed and Intended for use and occupancy as a residence.

Section 9. "Mortgagee", as used herein, means the holder of any recorded mortgage, or the party secured or beneficiary of any recorded deed of trust, encumbering one or more of the lots. "Mortgage" as used herein, shall include deed of trust. "First Mortgage" as used herein, shall mean a mortgage with priority over other mortgages. As used in this Declaration, the term "Mortgagee" shall mean any mortgagee and shall not be limited to institutional mortgages. As used in this Declaration, the term "Institutional mortgagee" or "institutional holder" shall include banks, trust companies, insurance companies, mortgage insurance companies, savings and loans associations, trusts, mutual savings banks, credit unions, pension funds, mortgage Companies, Federal National Mortgage Association ("FNMA"), Federal Home Loan Mortgage Corporation ("FHLMC"), all corporations and any agency or department of the United States Government or of any state or municipal government. As used in this Declaration the terms "holder" and "mortgagee" shall include the parties secured by any deed of trust or any beneficiary thereof.

Whenever In this Declaration any action Is required to be taken by a specified percentage of "each class of the then members" of the Association, then such action shall be required to be taken separately by the specified percentage of the then outstanding members of each class of the Association. Whenever In this Declaration any action is required to be taken by a specified percentage of the "then members" of the Association, then such action shall be required to be taken by the specified percentage of the then outstanding cumulative membership of the Association.

Section 10. "Development Plan" shall mean and refer to the total general scheme of Intended uses of land in the Properties approved by Loudoun County, as illustrated in Exhibit A to the Amended Declaration recorded In Deed Book _____ at Page _____ among the land records of Loudoun County, Virginia, as may be amended from time to time.

Section 11. "Book of Resolutions" shall mean and refer to the document containing the rules and regulations and policies of the Association, as they may from time to time be amended.

Section 12. "Governing Documents" shall mean and refer to the Articles of incorporation of the Proprietary, the Declaration, Supplementary Declarations, the By-Laws of the Proprietary and the Book of Resolutions, as such may be amended from time to time.

Section 13. "Living Unit" shall mean and refer to any portion of a structure situated upon the Property designed and Intended for use and occupancy as a residence by a Single Family.

Section 14. "Multi-Family Rental Structure" shall mean and refer to a structure owned by a single entity with two or more Living Units under one roof.

Section 15. "Neighborhood District" shall mean and refer to a portion of the Properties which is a coherent and defined geographic area, within which the Owners and Occupants by virtue of provisions contained in the Governing Documents, may share the enjoyment of certain services or rights of us which are not enjoyed by all Members.

Section 16. "Notice" shall mean and refer to written notice delivered personally or mailed to the last known address of the Intended recipient.

Section 17. "Occupant" shall mean and refer to an occupant of a Living Unit who is the Owner or contract purchaser or leasee or sublessee who holds a written lease having an Initial term of at least twelve (12) months.

Section 18. "Participating Builder" shall mean and refer to a person or entity which acquires a portion of the Property for the purpose of improving such portion In accordance with the Development Plan for resale to Owners.

Section 19. "Quorum of Member." shall mean and refer to the representation by presence or proxy at Members who hold fifty percent of the outstanding votes of each voting class.

Section 20. "Quorum of Owners" shall mean and refer to the representation by presence or proxy of Members who hold fifty (50) percent respectively of the outstanding Class A and Class D votes and the representation by presence or proxy at the Class C member so long as it shall exist.

Section 21. "Registered Notice" shall mean and refer to any Notice which has been signed for by a recipient or has been certified by the U.S. Postal Service or other entity as having been delivered to the address of the intended recipient. Failure by refusal of an intended recipient to acknowledge such Notice shall nevertheless constitute receipt when such refusal is witnessed by two other people.

Section 22. "Single Family" shall mean and refer to a single housekeeping unit which Includes not more than three. adults who are legally unrelated.

Section 23. "Supplementary Declaration" shall mean and refer to any declaration of covenants, conditions and restrictions which maybe recorded by the Declarant, which extends the provisions of the Declaration for CountrySide Proprietary to a section of the Property or which contains such complementary provisions for such section as are deemed appropriate by the Declarant and as are herein required.

ARTICLE IV 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 Proprietary 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 PM. 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 Directors, or upon written request of the Owners who hold one-tenth of the outstanding Class A votes.

Section 3. Proxies. 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 after one year.

Section 4. Method of Voting. Elections or questions to be submitted to all or any part of the Membership may be decided at a meeting or by ballot vote, by mail or at polling places designated by the Board. The Board shall determine the method of voting by resolution and give notice thereof as provided herein.

ARTICLE V NOTICE

Notice for meetings or ballot poll where action by Class A, Class D and Class C members is required or for meetings to amend the Articles of Incorporation shall be provided to members at least thirty (30) days and no more than fifty (50) days prior to such meeting or ballot poll. Notice of all other meetings of Members shall be provided to Members at least fifteen (15) days before such meeting.

Notice of meetings or ballot polls shall specify the place, day and hour. In the case of a special meeting, the Notice shall state the purpose of the meeting. In the case of the ballot poll, the Notice shall include the matter(s) to be voted upon.

**ARTICLE VI
BOARD OF DIRECTORS**

Section 1. Number. The affairs of the Proprietary shall be managed by a Board of up to nine (9) Directors. Until the annual meeting in 1982, the Board shall consist of three (3) Directors appointed by the Declarant. Thereafter, as long as the Declarant has rights as Declarant, the Board of Directors shall consist of Appointed and Elected Directors. Thereafter all Directors shall be elected.

Section 2. Composition and Term.

Appointed Directors. Appointed Directors shall be appointed by the Declarant and shall serve, one (1) year terms. They may be reappointed. They need not be members of the Proprietary. The Declarant may appoint up to five (5) Directors until such time as Class C membership expires. Thereafter until its rights as Declarant cease, the Declarant shall appoint two (2) Directors.

Elected Directors. Elected Directors shall be Owners who are elected in conjunction with annual meetings of the Proprietary, from and by Class A and Class D members.

The term for Elected Directors shall be one year.

Elected Directors seats shall be established by the Board as follows:

(a) Sixty (60) days prior to the 1982 and subsequent annual meetings, One Seat for a Director to be elected At Large in accordance with the following formula:

NUMBER OF CLASS A AND CLASS D MEMBERS	TOTAL NUMBER OF ELECTED SEATS ON THE BOARD
1 to 500	1
501 to 1,000	2
1,001 to 1,500	3
1,501 to 2,000	4

When total Class A and Class D membership is 2,001, or upon termination of the Declarant's rights as Declarant, whichever is earlier, the Elected seats On the Board will be increased to seven (7) and will be apportioned into the seven (7) Neighborhood Districts as further defined In the Declaration for CountrySide Proprietary. Thereafter Elected Directors shall at all times be elected from and by the Class A and Class D members of the Neighborhood which they represent.

At no time shall any one Neighborhood have more than two (2) elected members of the Board of Directors.

Section 3. Method of Nomination. Candidates for election shall file a petition of candidacy, signed by not less than ten (10) Members from the Neighborhood of the candidate, with the Elections Committee at least sixty (60) days before the annual meeting. The Elections Committee shall provide all members with a ballot containing the names of all bona fide candidates with the notice at the annual meeting.

Section 4. Method of Election. Election shall be by secret written ballot at the annual meeting or delivered to the chairman of the Elections Committee or his designees prior to the start of the annual meeting. The Members may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Articles of Incorporation. Cumulative voting is not permitted. Those persons receiving the largest number of votes shall be elected.

Section 5. Resignation and Removal. The unexcused absence of an Elected Director from three (3) consecutive regular meetings of the Board shall be deemed a resignation. Any Elected Director may be removed from the Board, with or without cause, by a majority vote of the Members of the Proprietary.

Section 6. Vacancies. In the event of death, resignation, or removal of an Elected Director his successor shall be selected by the remaining Elected Directors and shall serve for the unexpired term of his predecessor.

Section 7. Powers. The Board of Directors shall have all powers for the conduct of the affairs of the Proprietary which are enabled by law, the Declaration, and the Articles of Incorporation which are not specifically reserved to Members or the Declarant.

Section 8. Duties. Without limiting the generality of its powers, it shall be the duty of the Board to:

(a) exercise its powers in accordance with the Governing Documents and, specifically, with the Management Standards to be adopted by the Board of Directors;

(b) cause to be kept a complete record of all its corporate affairs including the Book of Resolutions, make such records available for inspection by any Member, his agent or Institutional Lender who has an interest in the Property and present an annual statement thereof to the Members and First Mortgagee;

(c) adopt and follow procedures for adoption and publication of board resolutions to be included in the Book of Resolutions, including the provision for hearing and notice to members for resolutions on rules, the annual budget and other matters affecting the rights of Members;

(d) adopt and publish rules and regulations including fees, if any, governing the use of the Common Area and facilities and the personal conduct of the Members and their guests thereon, and to include these in the Book of Resolutions;

(e) establish architectural and design review standards for the Properties in accordance with the Book of Resolutions procedures;

(f) supervise all officers, agents, and employees of the Proprietary and see that their duties are properly performed;

(g) designate depositories for Proprietary funds, designate those officers, agents and/or employees who shall have authority to withdraw funds from such account on behalf of the Proprietary, and cause such persons to be bonded, as it may deem appropriate;

(h) send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of the due date of the annual assessment or first installment thereof;

(i) appoint such committees as prescribed in Article VIII; and

(j) exercise their powers and duties in good faith, with a view to the interests of the Proprietary and to this end adopt appropriate guidelines for action on matters where a potential conflict of interest may exist.

ARTICLE VII OFFICERS

Section 1. Enumeration of Officers. The officers of this Proprietary 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 of Directors 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 Proprietary shall be elected annually by the Board of Directors 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. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time 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 5. Vacancies. 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 5. Multiple Offices. The offices of president and secretary may not be held by the same person.

Section 7. Duties. The duties of the officers are as follows:

(a) President. The president shall preside at all meetings of the Board of Directors and of the Proprietary; see that orders and resolutions of the Board are carried out; sign all mortgages, leases, deeds and other written instruments and co-sign all promissory notes and contracts as the Board may approve from time to time,

(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 so act, and exercise and discharge such duties as may be required of him by the Board.

(c) Secretary. The secretary shall cause the minutes to be kept of all meetings and proceedings of the Board and of the members; cause the Book of Resolutions so be maintained; serve as custodian of Proprietary files and records, keep the corporate seal of the Proprietary and affix It on all papers requiring said seal; cause notice to be served to members and Institutional Lenders as required In the Governing Documents; cause a roster to be maintained of the names of all Members of the Proprietary together with their addresses, as registered by such Members, cause a roster to be maintained of aft First Mortgagees, together with the properties in which each has an Interest and annually send a copy of such roster to the Lead Lender; and perform such other duties as required by the Board.

(d) Treasurer. The treasurer shall cause all monies of the Proprietary to be deposited In appropriate accounts and disbursed therefrom within the limits of the annual budget or as directed by resolution of the Board of Directors; co-sign any promissory notes and contracts; keep proper books of account; cause an annual audit of the Proprietary books to be made by a certified public accountant at the completion of each full fiscal year; be the chief officer responsible for annual preparation of the budget, the Income statement and the balance sheet statement to be presented to the Board and to the membership at its regular annual meeting; annually submit the audited financial statements and association budget to all First Mortgagees. At all times the Treasurer shaft be bonded in an amount at least equal to the annual budget of the Proprietary.

ARTICLE VIII COMMITTEES

Section 1. Elections Committee. The Board of Directors shall appoint an Elections Committee no later than seventy-five (75) days prior to the annual meeting date. The Committee shall consist of a chairman who may not be Director, and at least four Members, none of whom shall be candidates for office. It shall be the duty of the Committee to provide supervision of the nomination and election of Directors in accordance with procedures adopted by the Board and placed In the Book of Resolutions.

Section 2. Neighborhood Advisory Councils. Within thirty (30) days following the first election of an Elected Director, and annually thereafter within thirty (30) days after the annual meeting of Members of the Proprietary, the Board shall convene a meeting of the Members in each Neighborhood in which there are a minimum of one hundred (100) Class A and/or Class D Members for the purpose of electing a Neighborhood Advisory Council for each Neighborhood.

(a) Each Neighborhood Advisory Council shall consist of five (5) Members elected by the Neighborhood, all of whom shall serve for a term of one (1) year;

(b) Each Council shall elect its own Chairman from among its five (5) Members;

(c) The first meeting of each Council shall be held within forty-five (45) days after the election of its members. Each Council shall meet at least twice each year at the call of its Chairman.

(d) It shall be the duty of each Neighborhood Advisory Council to:

(1) Propose to the Board of Directors an annual budget and assessment rate for maintaining and operating the Common Areas to be supported by the Neighborhood District Assessments and for any other services which may be the responsibility of the Neighborhood.

(2) Propose for adoption by the Board of Directors rules of operation and conduct related to the Common Areas within the Neighborhood and guidelines for design review.

(3) Advise and assist the Board in administration of such Proprietary duties within the Neighborhood as may be assigned by the Board.

(4) As vacancies occur, nominate one (1) Owner of a Lot within the Neighborhood to serve on the Design Review committee,

(5) Act as the designated representative of the Design Review Committee with regard to Design Review within Neighborhood, as more specifically set forth -and detailed In the Declaration.

It is understood that all actions of the Neighborhood Advisory Council are advisory in nature, and not binding upon Board of Directors or the Members thereof.

ARTICLE IX MEETINGS OF THE BOARD OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board shall be held without notice at such place and hour may be fixed from time to time by resolution of such Board.

Section 2. Special Meetings. Special meetings of the Board shall be held when called by the president of the Proprietary, by its chairman or by any two members of the Board, after not less than three (3) days notice to each member such Board.

Section 3. Quorum. A majority of the members of the Board shall constitute a quorum for the transaction of business, except in no event shall a quorum be less than three members.

Section 4. Executive Sessions. All meetings of the Board shall be open to observers, except the president

or chairman may call the Board into executive session on matters of personnel or for hearings on infractions of published rules and regulations. Any action taken by the Board in executive session shall be recorded in the minutes of such Board.

Section 5. Action Taken Without A Meeting. The members of the Board 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 members of the Board. Any action so approved shall have the same effect as though taken at a meeting of the Board.

ARTICLE X INDEMNIFICATION

Each officer, trustee and board member of the Proprietary, in consideration of his services as such, shall be indemnified by the Proprietary to the extent permitted by law against expenses and liabilities reasonably incurred by him in connection with the defense of any action, suit or proceeding, civil or criminal, to which he may be a party by reason of his past or present role in the Proprietary except to the extent such liability, damage or injury is covered by any type of insurance. The foregoing right of indemnification shall not be exclusive of any other rights to which the person may be entitled by law, or agreement, or vote of the Members or otherwise.

ARTICLE XI FISCAL YEAR

The fiscal year of the Proprietary shall begin on the first day of January and end on the last day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

ARTICLE XII AMENDMENT

Section 1. Method. These By-Laws may be amended at any regular or special meeting of the Members, by a two-thirds ($\frac{2}{3}$) vote of a quorum of Members, providing the proposed amendments have been submitted to the Board of Directors in writing at least thirty (30) days prior to such meeting. Any proposed amendments shall be included in the notice of such meeting.

Amendments **shall become effective** upon adoption.