

BY-LAWS OF NEWPORT HOMES ASSOCIATION

ARTICLE I

NAME AND LOCATION

The name of the corporation is NEWPORT HOMES ASSOCIATION, hereinafter referred to as the "Association." The principal office of the corporation shall be located at 4084 University Drive, Fairfax, Virginia, but meetings of members and directors may be held at such places within the State of Virginia, County of Prince William, as may be designated by the Board of Directors.

ARTICLE II

DEFINITIONS

- "Association" shall mean and refer to Newport Homes Association, its successors and assigns.
- "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.
- "Common Area" shall mean all real property owned by the Association for the common use and enjoyment of the members of the association.
- "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 and streets dedicated to public use.
- "Member" shall mean and refer to every person or entity who holds a membership in the Association.
- "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.
- "Declarant" shall mean and refer to Wingate Associates, a partnership, its successors and assigns, if such successors or assigns should acquire more than one undeveloped Lot from the Declarant for the purpose of development.
- "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 Prince William 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 And 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 to mortgage said property and to acquire property encumbered by the lien or liens of the deed or deeds of trust securing improvements on said property;
- (d) The right of the Association to suspend the voting rights and right to use of the Common Area and 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 ninety (90) days for any infraction of its published rules and regulations;
- (e) The right of the Association at any time or upon dissolution to dedicate or transfer, 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 have 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.

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 five (5) directors, who need not be members of the Association.

Section 2

Election

At the first annual meeting the members shall elect two directors for a term of one year, two directors for a term of two years and one director for a term of three years; and as the term of such directors expires, new directors shall be elected for terms of three years.

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 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

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 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.

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:
 - (i) To fix the amount of the annual assessments against each Lot at least thirty (30) days in advance of the annual assessment period, as hereinafter provided in Article XII, and
 - (ii) 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 procure 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.

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 these By-Laws. In addition, the Board of Directors may appoint other committees as deemed appropriate in carrying out its purposes, such as:

- (a) 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 and 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 Directors, 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 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 a 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 of 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 its 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 such assessment is made. Each such assessment, together with such 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 Sixty and no/100 Dollars (\$60.00) 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.
- (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 the Consumer Price Index formula 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, with 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, repair or replacement of a capital improvement upon the Common Area, including the necessary fixtures and personal property related thereto. Provided that any 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, with 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 shall be free from assessment until a dwelling has been constructed thereon, and a Use and Occupancy or similar permit issued therefor by appropriate governmental officials. At such time, a lot owned by a Declarant will be assessed at 1/4 of the rate of lots not owned by a Declarant.

Section 6

Quorum for any 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 eight percent (8) per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same, and/or foreclose the lien against the property, and interest, costs and reasonable attorney 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 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, shall extinguish the lien of such assessment as to payments thereof which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments 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 XLII

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 cost.

ARTICLE XIV

CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the words: Newport Homes Association, a Virginia Corporation.

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, the Federal Housing Administration or the Veterans Administration shall have the right to veto amendments while 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 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.