

ARTICLES OF INCORPORATION
OF
STANLEY FOREST HOMEOWNERS ASSOCIATION

We hereby associate to form a non-stock corporation under the provisions of Chapter 10 of Title 13.1 of the Code of Virginia of 1950, as amended, and to that end set forth the following:

ARTICLE I
NAME

The name of the corporation is STANLEY FOREST HOMEOWNERS ASSOCIATION.

ARTICLE II
REGISTERED OFFICE AND AGENT

The post office address of the initial registered office and agent is 10505 Judicial Drive, Fairfax, Virginia 22030, in the City of Fairfax, Commonwealth of Virginia. The initial registered agent is John W. Farrell, who is a resident of Fairfax County, Virginia, and is a member of the Virginia State Bar, and whose business address is the same as that of the registered office.

ARTICLE III
PURPOSE AND POWERS OF THE ASSOCIATION

This Association does not contemplate pecuniary gain or profit to the members thereof, and the specific purposes for which it is formed are to provide for maintenance, preservation and architectural control of the residence Lots and Common Area within that certain tract of property described as:

Stanley Forest Subdivision, as the same is duly dedicated, platted and recorded among the land records of Prince William County, Virginia.

and to provide the health, safety, and welfare of the residents within the above-described property and any additions thereto as may hereafter be brought within the jurisdiction of this Association for this purpose to:

(a) exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in that certain Declaration of Covenants, Conditions and Restrictions, hereinafter called the "Declaration," applicable to the property and recorded or to be recorded in the Office of the Clerk of Court, Prince William County, Virginia, and as the same may be amended from time to time as, therein provided, said Declaration being incorporated herein as set forth at length;

(b) fix, levy, collect and enforce payment by any lawful means, all charges, or assessments, pursuant to the terms of the Declaration; to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Association, including all licenses, taxes or governmental charges levied or imposed against the property of the Association;

(c) acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Association;

(d) borrow money, and with the assent of more than two-thirds (2/3) of each class of members, mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;

(e) dedicate, sell, transfer or mortgage all or any part of the Common Area to any public agency, authority, utility or other entity for such purposes and subject to such conditions as may be agreed to by the members. No such dedication, transfer or mortgage shall be effective unless an instrument has been ratified by vote of two-thirds (2/3) of each class of members agreeing to such dedication, sale, transfer or mortgage; subject, however, to the provisions of Article II, Section 3 of the Declaration.

(f) participate in mergers and consolidations with other non-profit corporations organized for the same purpose or annex additional residential property and Common Area, provided that any such merger, consolidation or annexation shall have the assent of more than two-third (2/3) of each class of members;

(g) have and to exercise any and all powers, rights and privileges which a corporation organized under the Non-Profit Corporation Law of the Commonwealth of Virginia by law may now or hereafter have or exercise.

ARTICLE IV 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 be separated from ownership of any Lot which is subject to assessment by the Association.

ARTICLE V
VOTING RIGHTS

The Association shall have two classes of voting membership:

Class A. Class A members shall be all Owners, with the exception of the Declarant, 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 determine, but in no event shall more than one vote be cast with respect to any Lot.

Class B. The Class B members shall be the Declarant (as defined in the Declaration), and shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

(a) when the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership; or

(b) At the expiration of five (5) years after the date of the Declaration of Covenants, Conditions and Restrictions, provided that if a Tract Declaration is filed annexing additional land pursuant to the Declaration at any time or times prior to expiration of said five (5) year period (as same may have been extended by the filing of any Tract Declaration), such period shall be extended each time until the expiration of three (3) years from the date of filing of the last such Supplemental Declaration.

ARTICLE IV
BOARD OF DIRECTORS

The affairs of this Association shall be managed by a Board of three (3) initial Directors, who need not be members of the Association. The names and addresses of the persons who are to act in the capacity of directors until the selection of their successors are:

<u>NAME</u>	<u>ADDRESS</u>
Curtis F. Peterson	4740 Corridor Place Suite A Beltsville, Maryland 20705
Joel Mostrom	4740 Corridor Place Suite A Beltsville, Maryland 20705
Michael Bingley	4740 Corridor Place Suite A Beltsville, Maryland 20705

ARTICLE VII
DISSOLUTION

The Association may be dissolved with the assent given by a vote of more than seventy-five percent (75%) of each class of members. Upon dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association shall be dedicated to an appropriate public agency to be used for purposes similar to those for which this Association was created. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any non-profit corporation, association, trust or other organization to be devoted to such similar purposes.

ARTICLE VIII
DURATION

The corporation shall exist perpetually.

ARTICLE IX
AMENDMENTS

Amendment of these Articles shall require the assent of more than seventy-five percent (75%) of the entire membership.

ARTICLE X
FHA/VA APPROVAL

As long as there is a Class B membership, the following actions will require the prior approval of the Federal Housing Administration or the Veterans Administration: annexation of additional properties, mergers and consolidations, mortgaging of Common Area, dedication of Common Area, dissolution and amendment of these Articles.

IN WITNESS WHEREOF, for the purpose of forming this corporation under the laws of the Commonwealth of Virginia, I, the undersigned, constituting the incorporator of this Association, have executed these Articles of Incorporation this 11th day of January, 1987.



JOHN W. FARRELL

INFORMATION BROCHURE

Stanley Forest Homeowners Association, located in Prince William County, Virginia, is being developed by Curtis F. Peterson, Inc. and will consist of 40 lots initially and common area passing in fee simple title, with the common area being owned by the Stanley Forest Homeowners Association for the private use and enjoyment of the Owners and their families.

1. Organizational Structure of Stanley Forest Homeowners Association.

The affairs of the Association will be conducted on a day-to-day basis by the officers of the Association, elected by and acting under the authority of, a Board of Directors elected by the Owners. The Association has nine (9) Directors as well as a President, Vice President, a Secretary, and a Treasurer. At the first annual meeting of Owners, all nine of the directorships will be filled. There will be three directors elected for a period of one (1) year, three directors elected for a period of two (2) years, and three directors elected for a period of three (3) years. Thereafter, there shall be three directors elected for a period of three (3) years at every annual meeting.

2. Membership and Voting Rights.

The membership of the Association is composed of two types of members, Class A and Class B. Class A members shall be all owners of record, and shall be entitled to cast one vote for each lot owned in the subdivision. Class B members shall be the developer and shall be entitled to cast three votes per lot owned.

The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

(a) when the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership; or

(b) at the expiration of five (5) years after the date of the Declaration of Covenants, Conditions and Restrictions, provided that if a Tract Declaration is filed annexing additional land pursuant to the Declaration at any time or times prior to expiration of said five (5) year period (as same may have been extended by the filing of any Tract Declaration), such period shall be extended each time until the expiration of three (3) years from the date of filing of the last such Supplemental Declaration.

3. Merger or Dissolution of the Association.

The Association may participate in mergers and consolidations with other non-profit corporations organized for the same purpose or annex additional residential property and common area only upon the affirmative vote of more than two-thirds (2/3) of each class of members and may dissolve only upon the affirmative vote of more than seventy-five percent (75%) of the votes of each class of members.

4. Assessments.

Each owner is liable for an assessment levied annually against his unit by the Board of Directors, for the purpose of maintaining the common areas. The initial annual assessment is \$100.00, which figure can be increased or decreased by the Board of Directors in accordance with regulations found in the Declaration.

Each owner is automatically liable for each assessment levied against his unit and may not waive or avoid such obligation. Each assessment is enforced in the same manner as provided by the laws of the Commonwealth of Virginia for the foreclosure of mortgages.

5. Common Area.

The Association is responsible for maintaining the Common Area. The Association may provide other services to the members if its Board of Directors elects for it to do so.

The Common Area consists of all of the land within the Association which is not a part of the fee simple lots.

6. Exterior Maintenance.

The dwellings and their front, rear and side yards lying within each unit are owned in fee simple by the individual owners, each of whom is individually responsible for maintaining such dwelling and yard.

This Brochure is intended to provide general information concerning the Association. It is not intended as a statement of the existing Declaration of Covenants, Conditions and Restrictions. Any specific questions should be addressed by an attorney of your choice after review of the Declaration, Bylaws and Articles of Incorporation for the Association.

BYLAWS
OF
STANLEY FOREST HOMEOWNERS ASSOCIATION

ARTICLE I

NAME AND LOCATION

The name of the corporation is STANLEY FOREST HOMEOWNERS ASSOCIATION, hereinafter referred to as the "Association". The principal office of the corporation shall be located at such place as may be designated by the Board of Directors, and meetings of members and directors may be held at such places within the Commonwealth of Virginia, County of Prince William, as may be designated by the Board of Directors.

ARTICLE II

Section 1. "Association" shall mean and refer to the STANLEY FOREST HOMEOWNERS ASSOCIATION, its successors and assigns.

Section 2. "Properties" shall mean and refer to that certain real property described in the Declaration of Covenants, Conditions and Restrictions, and such additions thereto as may be hereafter 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, and all areas within the easements for public street purposes, easement for pedestrian and vehicular traffic, and easement for private street purposes.

Section 4. "Lot" shall mean and refer to any lot or plot of ground shown upon any recorded subdivision map of the properties, with the exception of the Common Area and areas dedicated as public streets.

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

ARTICLE III

MEMBERSHIP

Section 1. Membership. Every person or entity who is a record owner of a fee or undivided fee interest in any residential lot in Stanley Forest Subdivision or any property annexed thereto, including contract sellers, which lot is subject by any covenants of record to assessments by the Association, shall be a member of the Association. Each member shall be entitled to one vote, subject to the provisions of Article V of the Articles of Incorporation as to the vote of Class B members, and any member owning more than one lot shall be entitled to one vote for each lot owned. In the event that the ownership in the said subdivision is held in more than one name, any joint owner present shall have the right to exercise the membership vote for the respective lot. The foregoing is not intended to include persons or entities who hold an interest in said lot 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 assessment by the Association. Ownership of such lot shall be the sole qualification for membership.

Section 2. Suspension of Membership. During any period in which a member shall be in default in the payment of any annual or special assessment levied by the Association, or any installment thereof, the voting rights of such membership shall be suspended by the Board of Directors until such assessment or installment has been paid. Such rights of a member may also be suspended, after notice and hearing, for a period not to exceed sixty (60) days, for violation of any rules and regulations established by the Board of Directors governing the use of the Common Area and facilities.

ARTICLE IV

PROPERTY RIGHTS - RIGHT OF ENJOYMENT

Section 1. Each member may be entitled to the use and enjoyment of the Common Area and facilities in accordance with rules and regulations adopted by the membership. Any member may delegate his rights of enjoyment of the Common Area and facilities to the members of his family, his tenants or contract purchasers, who reside on the property. Such member shall notify the secretary in writing of the name of such delegee. The rights and privileges of such delegee are subject to suspension to the same extent as those of the member.

ARTICLE V

BOARD OF DIRECTORS

Section 1. Number. The affairs of the Association shall be managed initially by a Board of three (3) directors, who shall be members of the Association or the delegee of a member, until

the _____ Annual Meeting. Thereafter the Association shall have nine (9) directors.

Section 2. Election. The Board of Directors elected at the _____ Annual Meeting shall be elected for staggered terms, as follows: three (3) directors for terms of three (3) years each; three (3) directors for terms of two (2) years each; and three (3) directors for terms of one (1) year each. Thereafter, at subsequent annual meetings, three (3) directors shall be elected for terms of three (3) years each.

Section 3. Removal. Any director may be removed from the Board, with or without cause, by a majority vote of the members of the Association. In the event of death, resignation or removal of a director, the Nominating Committee shall advise the membership of the vacancy and shall solicit from homeowners as many nominations as it deems necessary, but not less than the number of vacancies to be filled. These nominees and those of the Nominating Committee shall be presented to the Board of Directors as soon as possible, and not later than two (2) months after the vacancy occurs. Any new appointment shall be made by the Board for the unexpired term and shall be made as soon as practicable.

Section 4. Compensation. No director shall receive compensation for any service he may render to the Association as a director. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 5. Action Taken Without a Meeting. The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all 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 within ten (10) days following the annual meeting of the members of the Association, without notice, at such place within the State of Virginia, as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then the 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, the Vice President, any two directors, or any Member having a 5% of the Membership vote of the Association, after not less than five (5) days written notice to each director.

Section 3. Quorum. A majority of the number of director fixed by these Bylaws in Article V, Section 1, shall constitute a quorum for the transaction of business, except that, for purposes of filling vacancies on the Board of Directors, a quorum shall consist of a majority of the number of directors then serving, but not less than one-third of the number fixed by these Bylaws. 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 six (6) members. Three (3) shall be appointed by the President of the Board of Directors prior to each Annual Meeting. Two (2) shall be elected by the membership at the Annual Meeting and (1) shall be appointed by the President of the new Board of Directors. These six (6) members shall serve from the close of such Annual Meeting until the close of the next 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 their delegates.

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

ARTICLE VII

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, the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof:

b) 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 Bylaws, or the Articles of Incorporation.

c) 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

d) To employ 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 members representing at least one-fourth (1/4) of the votes of record;

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:

1) To fix the amount of annual assessment against each lot at least thirty (30) days in advance of each 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 cause an appropriate officer to issue, upon demand by person, a certificate setting forth whether any assessment has been paid. A reasonable charge may be made by the Board of Directors 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;

g) To cause the Common Area to be maintained; and

h) To enforce compliance with all provisions of the Declaration of Covenants, Conditions and Restrictions.

ARTICLE IX

COMMITTEES

Section 1. Standing Committees. Standing Committees of the Association shall insure (1) Budget Committee, (2) Maintenance

Committee, (3) Architectural Committee, and (4) Community Relations Committee. Membership on each Standing Committee shall include at least one Board member and may include members from among the general membership of the Association. Members of the community shall be appointed by and shall serve at the discretion of the President. A quorum for any Standing Committee shall consist of a majority of its members. Recommendation on matters will be made to the Board of Directors for approval, except that the Board may, in its discretion, grant approval to Standing Committees to act on matters not involving policy or expenditure of funds. The President shall be an ex officio member of all Standing Committees.

a) Budget Committee. Duties of the Budget Committee shall include, but not be limited to, ongoing financial oversight of all budgetary matters, general and long term; and the detailed preparation of the budget for the following year.

b) Maintenance Committee. Duties of the Maintenance Committee shall include, but not be limited to, oversight and coordination of all general maintenance of common areas, such as repairs and lighting, and shall include review of all related expenditures.

c) Architectural Committee. Duties of the Architectural Committee shall include, but not be limited to, preservation of the architectural integrity of the community as detailed in the Covenants; and implementation of the Master Plan for plantings in the common areas of the community, and all other duties as contained in Article VIII of the Declaration of Covenants, Conditions and Restrictions.

d) Community Relations Committee. Duties of the Community Relations Committee shall include, but not be limited to, oversight of the general areas of community relations, especially in regard to the use of common areas; and the welcoming of new residents.

Section 2. Subcommittees. Subcommittees of these Standing Committees may be formed at the discretion of the President or the Standing Committees, and the membership shall be from the general membership of the Association. A quorum for any subcommittee shall consist of a majority of its members. Recommendations of subcommittees shall be made to the Board of Directors through the parent Standing Committee.

Section 3. Ad Hoc Committees. The President shall have the right to appoint such Ad Hoc Committees as he may deem necessary to carry out the purposes of the Association. Membership of such Ad Hoc Committees shall be drawn from the Board membership or from the general membership of the Association.

ARTICLE X
MEETINGS OF MEMBERS

Section 1. Annual Meetings. The first annual meeting of the members of the Association shall be held within one year from the date of incorporation of the Association, and thereafter on the fourth Monday in the month of January, at a time to be designated by the Board of Directors. If the day for the annual meeting of the members is a legal holiday, the meeting may 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, the Vice President, the Board of Directors, or upon written request of at least 5% of the total vote of the membership entitled to vote.

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, not less than ten (10) 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 of 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 (25%) of the votes shall constitute a quorum for any action, except as otherwise provided in the Articles of Incorporation, the Declaration of Covenants, Conditions and Restrictions, these Bylaws, or the Statutes of the Commonwealth of Virginia. 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 announcements at the meeting, until a quorum as aforesaid shall be present or 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, a Treasurer, and such other officers as the Board may from time to time appoint.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following the 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 year, or until his successor shall be duly elected or appointed.

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 by the Board with or without cause. 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 by the Board of Directors. The officer elected to such vacancy shall serve the remainder of the term of the officer he replaces.

Section 7. Multiple Offices. The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

Section 8. Duties. The duties of the officers are as follows:

President

a) The President shall be the chief executive officer of the Association, 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 written contracts and instruments on behalf of the Association, and shall co-sign all checks and promissory notes with the Treasurer.

Vice-President

b) 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.

Secretary

c) The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board of Directors 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 perform such other duties as required by the Board.

Treasurer

d) 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 co-sign with the President all checks of the Association; keep proper books of account; cause an annual certified audit of the Association books to be made by a certified public accountant at the completion of each fiscal year if requested to do so by the Board of Directors of a majority of the combined membership; and 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. By acquiring title to any lot each member is deemed to covenant and agree to pay to the Association annual assessments or charges and special assessments for capital improvements, which assessments shall include an adequate reserve fund for maintenance, repairs and replacement of those common elements of the common properties owned by the Association that must be replaced on a periodic basis, together with such interest thereon and costs of collection thereof, as hereinafter provided, all of which shall be a charge on the land and shall be a continuing lien upon the property against each such assessment is made until paid. 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 improvement and maintenance of the Properties, 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 \$_____ 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 each year not more than five percent (5%) above the maximum assessment for the previous year.

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 five percent (5%) by a vote of two-thirds (2/3) 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 (60) days in advance of the meeting setting forth the purpose of the meeting.

c) After consideration of the 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. Rate of Assessment. The annual assessment shall be fixed at a uniform rate for all Lots and may be collected on a quarterly basis.

Section 5. Quorum for any Action Authorized under Section 3. At the first meeting called, as provided in Section 3 hereof, the presence at the meeting of members or proxies entitled to cast sixty percent (60%) of all the votes of each class of membership 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 Section 3, and the required quorum at any such subsequent meeting shall be one-half (1/2) of the required quorum at the proceeding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 6. Date of Commencement of Annual Assessments: Due Dates. The full annual assessments provided for herein shall commence as to all recorded Lots within a Section on the first day of the month following the conveyance of the Common Area within that Section. The Common Area will be conveyed to the Association prior to the conveyance of any Lot within that Section.

Class B members shall be assessed for each Lot owned at a rate equal to 25% of the rate charged to Class A members assessments and said assessments shall commence on the same date that the first full assessment is due for a Class A member.

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 by a first mortgagee or other part, furnish a certificate in writing signed by an officer of the Association, setting forth whether the assessments on a specified Lot have been paid, and notifying the first mortgagee or other requesting party of any default in the performance by a Member of any obligation under this Declaration, which is not cured within sixty (60) days. A reasonable charge may be made by the Board of Directors for the issuance of those certificates. Such certificates shall be conclusive evidence of payment of any assessment therein stated to have been paid.

Section 7. 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's fees of any such action shall be added to the amount of such assessment, all in accordance with the procedures set forth in the Code of Virginia, as amended. 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 8. Subordination of the Lien to Mortgagees. The lien of the assessment provided for herein shall be subordinate to the lien of any first and/or second 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 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 provided that such assessments cannot be satisfied from the proceeds of such sale or transfer. No sale or transfer shall relieve such lot from liability for any assessments thereafter becoming due or from the lien thereof.

ARTICLE XIII

BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable hours, be subject to inspection by any Member, or the first mortgagee on any Lot owned by a Member, at the principal office of the Association. Copies of the restrictive covenants, the Article of Incorporation, the Bylaws of the Association, and the Minutes of the Board of Directors may be purchased from the Secretary of the Association at a reasonable cost.

ARTICLE XIV

SEAL

The Association shall have a seal in circular form having within its circumference the words: STANLEY FOREST HOMEOWNERS ASSOCIATION.

ARTICLE XV

LIABILITY, INDEMNIFICATION AND
INSURANCE OF DIRECTORS

Section 1. No Director or Officer shall be liable for transacting business for the simultaneous benefit of the Association and himself, whether directly or through an entity in which such director or officer is involved, provided that at least three-quarters (3/4) of the Board of Directors of the Association approves the transaction(s) following full disclosure of said Director or Officer.

Section 2. The Association shall grant indemnify to its Directors, Officers, employees or agents, and may insure any such party upon approval of the Board of Directors, in accordance with Section 13.1-205.1, Code of Virginia, as amended, and with other applicable statutes.

ARTICLE XVI

AMENDMENTS

Section 1. These Bylaws may be amended by the Board of Directors; alternately, they may be amended at a regular or special meeting of the members, by a vote of a majority of a quorum of members present in person or by proxy, except such provisions hereof as shall require approval of a greater percentage of membership, as specified herein as in the Articles of Incorporation, or the Declaration of Covenants, Conditions and Restrictions, provided that, not later than 21 days prior to the meeting at which the proposed amendments are to be considered, the proposed Bylaws amendments are submitted in writing to the Board of Directors, which shall cause such proposed amendments to be published in the call for the general meeting. As long as there is a Class B membership, the following actions will require the prior approval of the Federal Housing Administration and/or the Veterans Administration: Annexation of additional properties, mergers and consolidations, mortgaging of Common Area, dedication of Common Area, and dissolving and/or amending the By-Laws.

ARTICLE XVII

MISCELLANEOUS

Section 1. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall

control; and in the case of any conflict between the restrictive covenants and these Bylaws, the restrictive covenants shall control.

Section 2. Invalidation of any one or more of these Bylaws by judgment or court order shall not affect any remaining provisions, which shall remain in full force and effect.