

BYLAWS
OF
STRASBURG STATION OWNERS' ASSOCIATION,

A VIRGINIA NONSTOCK CORPORATION

ARTICLE 1

INTERPRETIVE PROVISIONS

Definitions of terms and other interpretive provisions set forth in Article I of the Declaration of Covenants and Restrictions for Strasburg Station Subdivision (the "Declaration") are equally applicable to these Bylaws and are hereby incorporated herein.

ARTICLE 11

MEETINGS OF THE OWNERS

Section 2.1 - Annual Meetings. The first annual meeting of the Association shall be held not later than the first anniversary of the incorporation of the Association, at such time and at such place as may be fixed by a resolution of the Board of Directors. Subsequent annual meetings of the Association shall be held during the second month proceeding the beginning date of each fiscal year, at such time and place as may be fixed from time to time by resolution of the Board of Directors.

Section 2.2 - Special Meetings. Special meetings of the Association shall be held when sought (i) by resolution of the Board of Directors, (ii) by request of the President of the Association, (iii) by petition(s) signed by Persons who own fee simple estates or interest therein in at least one-fourth (1/4) of the Lots, or (iv) while the Declarant is an Owner, at the request of the Declarant; provided, that such resolution, request or petition(s) must (a) specify the place at which the meeting is to be held, (b) either specify a time at which the meeting is to be held which will prevent the Secretary to comply with Section 2.3 hereof, or else specify that the Secretary will designate the time of the meeting, (c) specify the purpose(s) for which the meeting is to be held, and (d) be delivered to the Secretary. No business other than that stated in such resolution, request or petition shall be transacted as such special meeting.

Section 2.3 - Notice of Association Meetings.

A. Written notice stating the place, hour and day of each annual meeting, and in the case of a special meeting the purpose(s) for which the meeting is called, shall be given to each Owner not less than ten (10) nor more than fifty (50) days before the date of the meeting, either personally or by mail, by the Secretary or an assistant secretary, to each Owner entitled to vote at such meeting. If mailed, such notice should be deemed to be given when deposited in the United States Mail addressed to an Owner at his address as it appears on the records of the Association, with postage thereon prepaid.

B. Notwithstanding the provisions of Section 2.3A above, notice of a meeting to act on an amendment to the Articles of Incorporation, or on a plan of merger or consolidation, shall be given in the manner provided above not less than twenty-five (25) nor more than fifty (50) days before the date of the meeting. Any such notice shall be accompanied by a copy of the proposed amendment or plan of merger or consolidation.

Section 2.4 - Waiver of Notice of Meetings.

A. Whenever notice is required to be given of any meeting of the Association, a waiver thereof in writing signed by a Person entitled to such notice, whether before or after the time stated therein, shall be equivalent to the giving of such notice to that Person.

B. A Person who attends the meeting will be inclusively presumed to have had timely and proper notice of the meeting and to have duly waived notice thereof, unless he attends for the express purpose of objecting to the transaction of any business on the grounds that the meeting was not lawfully called or convened.

Section 2.5 - Action by Owners Without Meeting. An action required or permitted to be taken at a meeting of the Association may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by all of the Owners entitled to vote with respect to the subject matter thereof. Such consent shall have the same force and effect as the unanimous vote of the Owners.

Section 2.6 - Quorum. A quorum shall be deemed to be present throughout any meeting of the Association if persons entitled to cast more than one-third (1/3) of the votes of each class of membership are present, in person or by proxy, at the beginning of such meeting. If a quorum is present, the affirmative vote of the majority of the votes represented at the meeting and entitled to vote on the subject matter, shall be the act of the Association unless the vote of a greater number is required by law or by the Articles of Incorporation, and except that an election of Directors, those receiving the greatest number of votes shall be deemed elected, even though not receiving a majority.

Section 2.7 - Absence of Quorum. In the absence of a quorum at any meeting of the Association, the Owners present in person or by proxy and entitled to vote there at, or, if no owners entitled to vote are present in person or by proxy, any officer authorized to preside or act as secretary at such meeting, may adjourn the meeting from time to time for periods not exceeding twenty (20) days at any one time, until a quorum shall be present. NO notice of the time and place of the adjourned meeting need be given other than by announcement thereof at the time of adjournment and any such adjourned meeting at which a quorum is present, any business may be transacted which might have been transacted at the meeting originally called if a quorum had been present.

Section 2.8 - Votes.

A. Each Owner shall have one (1) vote in the Association for each Lot, except that the Declarant (so long as there are two (2) classes of members as provided in Section 2 of Article IV of the Articles of Incorporation) shall have three (3) votes in the Association for each Lot owned by it. Should the Association be an Owner, however, the Association shall not cast a vote with respect to any Lot it owns.

B, Since an Owner may be more than one Person, if only one of such Persons is present at a meeting of the Association, that Person shall be entitled to cast the Owner's votes. If more than one of such Persons is present, the vote(s) appertaining to that Owner shall be cast only in accordance with their unanimous agreement, and such agreement shall be conclusively presumed if any one of them purports to cast the vote(s) appertaining to that Owner without protest being made forthwith by any of the others to the person presiding over the meeting.

C. Since a "Person" need not be a natural person, any officer or any director of any entity which, alone or together with others, constitutes an Owner, may, on behalf of that entity, attend meetings of the Association and participate in the voting.

D. The vote(s) appertaining to an Owner may be cast pursuant to a proxy or proxies duly executed by or on behalf of the Owner, or in cases where the Owner is more than one Person, by or on behalf of all such Persons. No proxy shall be valid after eleven (11) months from its date unless otherwise provided in the proxy. No proxy shall be revocable except when the revocation is brought to the attention of the person presiding over the meeting.

E. Notwithstanding anything to the contrary in this Section, if the right of an Owner is suspended pursuant to Section 4.3 hereof, the vote appertaining to that Owner's Lot shall not be cast or counted for any purpose.

Section 2.9 - Manner of Voting. Voting by Owners shall be by voice vote unless an Owner present at the meeting, in person or by proxy, demands a vote by written ballots indicating the name of the Owner voting, number of votes appertaining to him, and the name Of

the proxy of such ballot if cast by proxy. In each election for Directors, every Owner entitled to vote in such election shall have the right to cumulate his votes, in person or by proxy, by giving one candidate as many votes as the number of Directors to be elected at the time multiplied by the number of his votes, or by distributing such votes on the same principle among any number of such candidates.

Section 2.10 - Order of Business. At each meeting of the Association, the President, or in his absence the Vice President, shall act as chairman of the meeting. The Secretary, or in his absence such person as may be appointed by the chairman, shall act as secretary of the meeting. So far as is consistent with the purposes of the meeting, the order of business shall be as follows:

- (A) Call to Order.
- (B) Presentation of Proof of Due Calling of the Meeting.
- (C) Roll Call and Presentation and Examination of Proxies.
- (D) Reading of Minutes of Previous Meeting or Meetings.
- (E) Reports of Officers and Committees.
- (F) The Appointment of Inspectors of Votes, if any Votes are to be Taken Other Than by Voice Vote.
- (G) If the Annual Meeting, the Election of Directors.
- (H) Unfinished Business.
- (I) New Business.
- (J) Old Business,
- (K) Adjournment.

ARTICLE 111

DIRECTORS AND OFFICERS

Section 3.1 - Number and Selection of Directors. The business and affairs of the Association shall be managed by a Board comprised of no less than one (1) and no more than five (5) directors initially and after the directors are selected in accordance with Section 2 of Article V of the Articles of Incorporation the number of directors shall be no less than three (3) and no more than five (5).

Section 3.2 - Vacancies in Board of Directors. Except as provided in Section 3.3 hereof, and in Section 4 of Article V of the Articles of Incorporation, any vacancy occurring in the Board

of Directors by reason of death, resignation, increase in the number of Directors or otherwise, may be filled by the vote of the majority of the remaining Director(s), even if the remaining Director(s) comprise less than a quorum of the Board,

Section 3.3 - Removal of Directors. At a meeting of the Association called expressly for that purpose, any Director(s), other than Directors appointed by the Declarant, may be removed with or without cause, by a majority vote, and the successor shall thereupon be elected by such majority to fill the vacancy or vacancies thereby created. No Director may be removed, however, if a sufficient number of votes is cast against his removal which, if then cumulatively voted at an election of all Directors, would be sufficient to elect him.

Section 3.4 - Resignation of Director or Officers. Any Director or officer may resign at anytime by giving written notice to the Board of Directors or to the President or Secretary. Unless otherwise specified in such written notice, such resignation shall taken effect upon the receipt thereof, and the acceptance of such resignation shall not be necessary to make it effective.

Except for Directors appointed by the Declarant and officers elected or appoint by such Directors, if any Director or officer was an Owner at the time he became such a Director or officer, he shall be deemed to have resigned at such time as he ceases to be an Owner.

Section 3.5 - Meetings of Directors. The first meeting of each newly elected Board of Directors shall be held immediately after the annual meeting of the Association, and no notice Of such meeting shall be necessary to the newly elected Directors in order legally to constitute a meeting, provided a quorum shall be present, or the newly elected Board may convene at such time and place as shall be fixed by the consent in writing of all of the Directors. Thereafter, the Board of Directors shall meet regularly without notice at such intervals, times and places as may be fixed from time to time by resolutions of the Board. Special meetings of the Board shall be held when called by the President or by a majority of the Directors with at least three (3) days notice to the remainder of the Board, or not less than twenty-four (24) hours after notice has been received by the remainder of the Board, whichever period is shorter. However, notice of a special meeting may be waived by any Director in writing or by attending the meeting, unless he attends for the express purpose of objecting to the transaction of any business on the grounds that the meeting was not lawfully called or convened.

Section 3.6 - Quorum of Directors. A majority of the Board of Directors constitutes a quorum for the transaction of business. The act of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

Section 3.7 - Actions of the Board Not Requiring Approval. Subject to any limitations created by law, the Declaration, the Articles of Incorporation, or Section 3.8 hereof, the Board of Directors shall have the power, by and pursuant to its resolutions and without the approval of any Owner or Mortgagees, to:

A. Exercise all rights, powers and authority conferred on the Association or on the Board by Section 13.1-204.11 of the Code of Virginia or other law, by the Declaration, by the Articles of Incorporation, or by other provisions of these Bylaws;

B. DO or cause to be done all acts and things which the Association may do;

C. Employ and dismiss managing agents, independent contractors, employees and such other persons as the Board may determine, and to fix their respective duties and rates of compensation;

D. Reimburse all reasonable costs incurred by any person(s) in obtaining proxies for any given purpose, provided that purpose was achieved;

E. Adopt and amend the rules and regulations governing the upkeep, use and enjoyment of the Common Area, and the occupancy and upkeep of the Lots;

F. Require fidelity bonds in such amounts as the Board may fix from time to time of persons handling funds of the Association; and

G. Grant easements to public utility companies over and through the Property or any portion(s) thereof which have been made subject to such uses under Section 4 of Article III in the Declaration.

Section 3.8 - Actions of the Board Requiring Approval.

A. If (and only if) approved in each case by a majority of the votes cast at an annual or special meeting of the Association at which a quorum is present, the Board of Directors shall have power, by or pursuant to its resolutions, to:

(1) Borrow on behalf of the Association no more than One Thousand Dollars (\$1 000.00) in any fiscal year;

(2) Cause liens to be placed on Property of the Association other than the Common Area to secure the debts of the Association; and

(3) Levy a special assessment which would cause the total of such assessments levied in that fiscal year to exceed One Hundred Dollars (\$100.00) in the case of any Lot.

B. If (and only if) approved in each case as specified in Subsection A above and by the holder(s) of the indebtedness secured by at least two-thirds (2/3) of the Mortgages on the Lots, the Board of Directors shall have power, by or pursuant to its resolutions, to:

(1) Cause liens to be placed on the Common Area to secure the payment of debts of the Association;

(2) Dedicate, convey or otherwise transfer the Common Area or any portion(s) thereof or estate or interest therein except as is contemplated in Subsection A hereof; and

(3) Use hazard insurance proceeds for losses to any property owned by the Association for other than the repair, replacement or reconstruction of said property.

Section 3.9 - Duties of the Board of Directors. It shall be the duty of the Board of Directors, on behalf of the Association, to:

A. Cause to be kept a complete record of the proceedings and resolutions of the Board,

B. Prepare the budget of the Association for the forthcoming fiscal year for presentation at the annual meeting of the Association;

C. Levy and cause to be collected assessments against the Lots in accordance with Article VI of the Declaration;

D. Cause the books and records required to be kept by the Treasurer to be audited whenever resolution of the Association shall so direct;

E. Maintain fire and extended coverage insurance on insurable property of the Association on a current replacement cost basis in an amount not less than one hundred percent (100%) of the insurable value; and

F. Maintain such insurance as may be required pursuant to the Declaration and/or the Association Documents.

Section 3.10 - Appointment and Term of Officers. The officers of the Association shall include a President, Vice President and Secretary who shall be members of the Board of Directors, the Treasurer, the members of any committees appointed by the Board, and such other officers having such titles and duties as the Board may from time to time determine by resolution. All officers shall be appointed by the Board and serve at the pleasure of the Board. The offices of President, Vice President and Secretary shall be held by different persons, but those persons or any other persons may hold any number of other offices.

Section 3.11 - Residency of Officers. No officer of the Association need be a resident of the Property, but if any officer is such a resident at the time of his appointment to office, he shall be deemed to have resigned that office at such time he ceases to be such a resident.

Section 3.12 - Committees. The Board of Directors may create and abolish from time to time such committees (including without limitation an Architectural Control Committee) as the Board may deem appropriate to aid in the administration of the affairs of the Association. Such committees shall have the powers and duties fixed by resolution of the Board of Directors from time to time. The Board of Directors shall appoint the chairmen of each committee and may either appoint the members thereof or leave such appointment to the committee chairmen. The chairmen and other members of the committee are officers within the meaning of these Bylaws.

Section 3.13 - Duties of Officers.

A. President. It shall be the duty of the President to preside at the meetings of the Association and the Board of Directors; see to the execution of the resolutions of the Association and the Board, and to report to each of any failure of any of its resolutions to be executed; and to appoint a secretary pro tem at any meeting at which the Secretary is absent; and, subject to resolutions of the Board of Directors, to manage and control the affairs of the Association as its chief executive officer.

B. Vice President. It shall be the duty of the Vice President to act in the place and stead of the President in the event of his absence or failure or inability to act.

C. Secretary. It shall be the duty of the Secretary to keep the minutes and record the resolutions at all meetings of the Association and of the Board of Directors; to keep a current record of the names and mailing addresses of all Persons who constitute Owners, identifying the Lot(s) in which each such Person has an interest, and to provide a copy of such record, as amended from time to time, to the Treasurer, to give all notices required by these Bylaws to be given to Owners and Directors; to give to each Owner notice of each assessment against his Lot(s) as soon as practicable after the assessment is made; to give notice and a copy of the rules and regulations and any amendment thereof, to each Owner as soon as practicable after the adoption thereof; to make it possible for any Owner to inspect and copy, at reasonable times and by appointment, the records of the Association (other than records in the custody of the Treasurer) and of the Board; to give notice to each Owner of any dedication, conveyance and transfer by the Association of any property or of any easement or other estate or interest therein, and to give on behalf of the Board of Directors or any Architectural Control Committee any notices required by the Declaration.

D, Treasurer. It shall be the duty of the Treasurer to receive and deposit in appropriate insured accounts with financial institutions, all income of the Association; to disburse the funds of the Association only in accordance with the resolutions of the Board of Directors; to keep orderly books showing the income and expenditures of the Association, and to make it possible for any Owner to inspect and copy the same at reasonable times and by

appointment; and to prepare and deliver to the President, or Vice President, the certificates required by the Declaration as to the payment of assessments.

E. All Officers. It shall be the duty of each officer (including the foregoing Officers) to perform such duties as are normally associated with each office in parliamentary organizations, except to the extent (if any) inconsistent with these Bylaws and the other Association Documents; and each officer shall perform such other duties as are assigned to his office by law or resolution of the Association or of the Board of Directors.

Section 3.14 - Committees. The Board of Directors may create and abolish from time to time such committees as the Board may deem appropriate to aid in the administration of the affairs of the Association. Such committees shall have the powers and duties fixed by resolution of the Board from time to time. The Board shall appoint the chairmen of each committee, and either appoint the other members thereof or leave such appointment to the chairmen thereof.

Section 3.15 - Actions by Directors or Committee Without Meeting. Any action required or permitted to be taken in a meeting of the Directors or of a committee may be taken without a meeting if a consent in writing, setting forth the action taken, shall be signed either before or after such action by all of the Directors, or all of the members of the committee, as the case may be. Such consent shall have the same force and effect as a unanimous vote.

Section 3.16 - Conflicts of Interest

A. No contract or other transaction between the Association and one or more of its Directors or officers or in which one or more of its Directors or officers are interested, and no contract or other transaction between the Association and any other corporation, partnership, joint venture, trust or other entity in which one or more of its Directors or officers are directors or officers, or are interested, shall be either void or voidable because of such relationship or interest or because such Director(s) is present at the meeting of the Board of Directors which authorizes, approves or ratifies such contract or transaction or because his or their votes are counted for such purpose, provided that the material facts as to his or their relationship or interest are disclosed or known; (i) to the Board of Directors which authorizes, approves or ratifies the contract or transaction by a vote sufficient for the purpose without counting the votes of such interested Director(s), or (ii) to the Owners entitled to vote and they authorize, approve or ratify such contract or transaction by vote or written consent.

B. No contract or other contract described in Subsection A of this Section shall be void or voidable despite failure to comply with parts (i) or (ii) of Subsection A, provided that such contract or transaction was fair and reasonable to the Association in view of all of the facts known to any Director or other officer at the time such contract or transaction was entered into on behalf of the Association.

Section 3.17 - Indemnification of Directors, Officers: Employees and Agents; Insurance.

A. The Association shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, arbitratve or investigative (other than an action by or in the right of the Association) by reason of the fact that he is or was a Director, officer, employee or agent of the Association, or is or was serving at the request of the Association as a Director, officer, employee or agent of another corporation, partnership, joint venture or other entity, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit, or proceeding if he acted in good faith and in the manner he reasonably believed to be in or not opposed to the best interests of the Association, and, with respect to any criminal action or proceeding, had not reasonable cause to believe his conduct was unlawful.

B, The Association shall have power to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Association to produce a judgment in its favor by reason of the fact that he is or was a Director, officer, employee or agent of the Association, or is or was serving at the request of the Association as a Director, officer, employee or agent of another corporation, partnership, joint venture, trust or other entity against expenses, including attorneys' fees, actually and reasonably incurred by him in connection with defense or settlement Of such action or suit (if he acted in good faith and in the manner he reasonably believed to be in or not opposed to the best interests of the Association) and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his duty to the Association unless and only to the extent that the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability, but in view of all circumstances of the case, this person is fairly and reasonably entitled to indemnity of such expense that such court shall deem proper.

C. To the extent that a Director, officer, employee or agent of the Association has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Subsection A (or B), or in defense of any claim, issue or matter therein, he shall be indemnified by the Association against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith.

D. Any indemnification under Subsections A and B (unless ordered by a court) shall be made by the Association only as authorized in a specific case upon a determination that mdenmification of the Director, officer, employee or agent is proper in the circumstances because he has meet the applicable standards of conduct set forth in Subsections A and B. Such determination shall be made (i) by the Board of Directors by a majority vote of a quorum consistmg Of Directors who were not parties to such action, suit or proceeding, or (ii) if such a

quorum is not obtainable, or, even if obtainable a quorum of disinterested Directors so directs, by independent legal counsel in a written opinion, or (iii) by the Owners.

E. Expenses (including attorneys' fees) incurred in defending an action, suit or proceeding, whether civil, criminal, administrative, arbitratative or investigative, may be paid by the Association in advance of the final disposition of such action, suit or proceeding as authorized in a manner provided in Subsection D upon receipt of an undertaking by or on behalf of the Directory officer, employee or agent to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the Association as authorized in this Section.

F. The Association shall have power to make any other and further indemnity, including criminal proceedings, to any person referred to in this Section that may be authorized by any Bylaw made by the Owners or any resolution adopted, before or after the event, by the Owners, except an indemnity against his gross negligence or willful misconduct. Each such indemnity may continue as to a person who has ceased to have the capacity referred to above and may inure to the benefit of the heirs, executors and administrators of such person.

G. The Association shall have the power to purchase and maintain insurance on behalf of any person Who is or was a Director, officer, employee or agent of the Association, or is or was serving at the request of the Association as a Director, officer, employee or agent of another corporation, partnership, joint venture, company, trust or other entity against any liability asserted against him and incurred by him in any such capacity or arising out of the status Of such, whether or not the Association would have the power to indemnify him against such liability under the provisions of this Section.

H. For the purposes of this Section, reference to the "Association" include all constituent corporations absorbed in a consolidation or merger as well as a resulting or surviving corporation, so that any person who is or was a director, officer, employee or agent of such a constituent corporation or is or was serving at the request of such constituent corporation as a directors officer, employee or agent of another corporation, partnership, joint venture, company; trust or other entity shall stand in the same position under the provisions of this Section with respect to the resulting or surviving corporation as he would if he had served the resulting or surviving corporation in the same capacity.

Section 3.18 - Compensation of Directors and Officers. No salary or other compensation shall be paid to any Director or officer of the Association for serving as such, but this shall not preclude the payment of salary or other compensation for the performance by such Director or officer of other services to the Association.

ARTICLE IV

MISCELLANEOUS

Section 4.1 - Fiscal Year. The first fiscal year of the Association shall begin on the date of its incorporation and end on the last day of June. Each subsequent fiscal year shall commence on July 1 and end on June 30.

Section 4.2 - Books and Records. The Association shall keep complete books and records of account and shall keep minutes of the proceedings of the meetings of the Association, the Board of Directors and committees having any of the authorities of the Board of Directors; and shall keep at its registered office or principal office in this State a record of the names and addresses of its members entitled to vote. All books and records of the Association may be inspected by an Owner, or his agent or attorney, for any proper purpose at any reasonable time. The record of the names of the persons entitled to vote shall be prima facie evidence of the right to vote. Whenever any Owner conveys a Lot to a new Owner, it is the responsibility of the new Owner to notify the Secretary of the Association of the conveyance. Any books, records and minutes may be in written form or in any other form capable of being converted into written form within a reasonable time.

Section 4.3 - Extraordinary Charges and Suspension or Rights. The Board of Directors, or committee created by the Board of Directors for this purpose, shall constitute a tribunal having the power to impose extraordinary charges and suspend the rights to vote in the Association and to use and enjoy the Common Area in the case of Owners found by the tribunal to be responsible (personally or under the provisions of the Declaration) for any violation of any provision of the Declaration or an Association Document. No such remedy shall be imposed until and unless each of the persons constituting the Owner charged for such violation has been given (i) notice of the nature of the alleged violation and the provision allegedly violated, and (ii) an opportunity to appear before the tribunal for the purpose of speaking, asking or answering questions relating to the charge. Any person appearing before the tribunal shall have the right to be represented by counsel. The tribunal may deliberate privately but shall either announce its decision in the presence of the accused or give the accused notice thereof. A decision adverse to the accused shall require a two-thirds (2/3) majority vote of the whole membership of the tribunal. Extraordinary charges hereunder may not exceed Fifty Dollars (\$50.00) for each violation, or Fifty Dollars (\$50.00) per diem for each violation of a continuing nature, NO fine may be imposed for failure to pay an assessment.

Section 4.4 - Method of Amendment. The Bylaws may be amended at any meeting of the Association provided that the proposed amendment has been inserted in the notice of the meeting or that all of the Owners are present in person or by proxy. These Bylaws may also be amended at any meeting of the Board of Directors provided that the proposed amendment has been

inserted in the notice of the meeting and provided that at least two-thirds (2/3) of the total number of Directors shall be present at such meeting.

I, the initial Director of the Association, have adopted these Bylaws on this day _____

of 1999, as evidenced by my signature hereto.

Alan Toothman, Initial Director