

BYLAWS

OF

BEACON HILL COMMUNITY ASSOCIATION, INC.

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BYLAWS
OF
BEACON HILL COMMUNITY ASSOCIATION, INC.

ARTICLE 1
NAME AND LOCATION

The name of the corporation is BEACON HILL COMMUNITY ASSOCIATION, INC., hereinafter referred to as the "Association". The principal office of the corporation shall be located at 13 13 Dolley Madison Boulevard, Suite 300, McLean, Virginia 22101, but meetings of Members and Directors may be held at such places within or outside the Commonwealth of Virginia as may be designated by the Board of Directors.

ARTICLE 2
DEFINITIONS

Unless otherwise defined in these Bylaws, words or phrases defined in Appendix One to the Declaration of Covenants, Conditions, Easements and Restrictions for the Association shall have the same meaning in these Bylaws.

ARTICLE 3
MEETING OF MEMBERS

Section 3.1, Membership. The Association shall have two classes of membership, Class A and Class B, as more fully set forth in the Declaration.

Section 3.2, Annual Meetings. The first annual meeting of the Members shall be held within twelve (12) months from the date of filing of the Articles 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 or such other reasonably similar date as may be selected by the Board of Directors. 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 3.3, 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 forty percent (40%) of all of the votes of the Class A membership.

Section 3.4, Notice of Meetings. Written notice of each meeting of the Members shall be given by, or at the direction of, the Secretary or other officer authorized

to call the meeting, by mailing a copy of such notice, postage prepaid, or hand delivering a copy of such notice (provided that the Secretary or other officer certifies in writing that notice was hand delivered to the Member), at least fourteen (14) days (but not more than sixty (60) days) before any annual or other regularly scheduled meeting of the Association and at least ten (10) days (but not more than sixty (60) days) before any other meeting of the Association. Notice of meetings shall be given 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, except that notice of any meeting to act on an amendment to the Articles of Incorporation, a plan of merger, a proposed sale of assets pursuant to Section 13.1-900 of the Virginia Nonstock Corporation Act, as amended from time to time, or the dissolution of the Association shall be sent no earlier than sixty (60) days and no later than twenty-five (25) days prior to the meeting date. A meeting notice may be waived upon the declaration of an emergency by the person calling the meeting. Each meeting notice shall specify the time, date, place and purposes of the meeting. All meetings of ~~the~~ Members shall be held at places and times convenient to the greatest number of Members.

Section 3.5. Quorum. The presence at the meeting of Members entitled to cast, or of proxies entitled to cast, one-sixth (1/6) 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 Bylaws. 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 3.6. Voting. At every meeting of the Members, each Class A Member shall have the right to cast one (1) vote for each Class A membership held by such Member on each question; provided, that no Member, other than the Declarant, shall have more than ten (10) votes, regardless of the number of memberships held by such Member. Each of the Class B Members shall have the right to cast one (1) vote for each Class B membership held by such Member on each question. The vote of the Members representing fifty-one percent (51%) of the total of the votes of all of the memberships at the meeting, in person or by proxy, calculated as aforesaid, shall be necessary to decide any question brought before such meeting, unless the question is one upon which, by the express provision of law or of the Articles of Incorporation, the Declaration or of these Bylaws, a different vote is required, in which case such express provision shall govern and control. The vote for any membership which is held by more than one person may be exercised by any of the co-holders present at any meeting unless any objection or protest by any other holder of such membership is noted at such meeting. In the event all of the co-holders of any membership who are present at any meeting of the Members are unable to agree on the manner in which the votes for such membership shall be cast on any particular question, then such vote shall not be counted for purposes of deciding that question. In the event any membership is owned by a corporation, then the vote for any such membership shall be cast by a person designated in a certificate signed by the

president or any vice president of such corporation and attested by the Secretary or an assistant secretary of such corporation and filed with the secretary of the Association, prior to or during the meeting. The vote for any membership which is held by a trust or partnership may be exercised by any trustee or partner thereof, as the case may be, and, unless any objection or protest by any other such trustee or partner is noted at such meeting, the Chairman of such meeting shall have no duty to inquire as to the authority of the person casting such vote or votes. No Class A Member shall be eligible to vote, either in person or by proxy, or to be elected to the Board of Directors, who is shown on the books or management accounts of the Association to be more than sixty (60) days delinquent in any payment due the Association. All election materials prepared with Association funds must list candidates in alphabetical order and must not suggest a preference **among** candidates.

Section 3.7. *Absentee Ballot*. Any unsigned absentee ballot, to be valid, shall be received in a signed, sealed envelope bearing the identification of the Lot on the outside, and shall be opened only at a meeting at which all candidates or their delegates have a reasonable opportunity to be present.

Section 3.8. *Proxies*. At all meetings of Members, each Member may vote in person or by proxy. Every proxy shall be revocable and shall **automatically** cease upon conveyance by the Member of such Member's Lot. No proxy shall be valid after eleven (11) months **from** its date, unless otherwise provided in the proxy. All proxies shall be in writing and shall be filed with the Secretary, in such form as is approved by the Board of Directors, which approval may not be unreasonably withheld, before the appointed time of each meeting. Any written proxy which conforms with the applicable laws of the Commonwealth of Virginia shall be deemed to be satisfactory and approved as to form by the Board of Directors. A directed or a nondirected proxy may be utilized to vote for members of the Board of Directors.

Section 3.9. *Rights of Mortgagees*. Any institutional mortgagee of any Lot who desires notice of the annual and special meetings of the Members shall notify the Secretary to that effect by Registered Mail - Return Receipt Requested. Any such notice shall contain the name and post office address of such institutional mortgagee and the name of the person to whom notice of the annual and special meetings of the Members should be addressed. The Secretary of the Association shall maintain a roster of all institutional mortgagees from whom such notices are received and it shall be the duty of the Secretary to mail or otherwise cause the delivery of a notice of each annual or special meeting of the Members to each such institutional mortgagee in the same manner, and subject to the same requirements and limitations as are otherwise provided in this Article for notice to the Members. Any such institutional mortgagee shall be entitled to designate a representative to attend any annual or special meeting of the Members and such representative may participate in the discussion at any such meeting and may, upon request made to the Chairman in advance of the meeting, address the Members present at any such meeting. Such representative shall have no voting rights at any such meeting.

Such representative shall be entitled to copies of the minutes of all meetings of the Members upon request made in writing to the Secretary.

ARTICLE 4

BOARD OF DIRECTORS; SELECTION; TERM OF OFFICE;

Section 4.1. Number. The affairs of the Association shall be managed by a Board of Directors initially consisting of three (3) natural persons. The names of the initial Directors are set forth in the Articles of Incorporation. Commencing with the first annual meeting of the Association, the Board of Directors shall consist of an uneven number of not less than three (3) nor more than seven (7) Directors who shall be appointed by the Declarant or elected by the Members in accordance with these Bylaws. Prior to expiration of the Declarant's Rights and Obligations Period as provided in the Declaration, the number of Directors shall be determined from time to time by the Declarant; thereafter, the number of Directors shall be determined by a vote of the Members at any annual or special meeting of Members and the number of Directors may be changed by a vote of the Members at any subsequent annual or special meeting of the Members; provided, however, that (a) the limitations of this Section shall continue to apply; and (b) no such change shall operate to curtail or extend the term of any incumbent Director.

Section 4.2. The Declarant's & presentation on Board of Directors. For so long as the Declarant controls a majority of votes in the Association, the Declarant shall appoint all members of the Board of Directors who shall serve until replaced as provided herein. Notwithstanding the foregoing, prior to the lapse of all Class B memberships, the Declarant may elect from time to time, in the Declarant's sole discretion, to allow a vacancy on the Board of Directors to be filled by a vote of the Members at an annual meeting of the Association. At the first annual meeting of the Association after lapse of all of the Class B memberships as provided for in the Articles of Incorporation and the Declaration, or, if sooner, at the first annual meeting of the Association after expiration of ten (10) years following the date of the initial recordation of the Declaration, the non-Declarant Owners shall elect a majority of the members of the Board of Directors. The Declarant's right to appoint members to the Board of Directors, not otherwise elected by the non-Declarant Owners, shall continue so long as the Declarant's Rights and Obligations are in effect. Except as expressly set forth in this Section, nothing herein shall otherwise be construed as limiting the Declarant's right to vote on any matter as a Class A Member of the Association after lapse of the Class B memberships and the Declarant shall continue to retain all other rights reserved to the Declarant in the Governing Documents, notwithstanding the lapse or surrender of the Class B Memberships.

Section 4.3. Term of Office. members of the Board of Directors appointed by the Declarant, who shall serve until removed and/or replaced by the Declarant or until replaced by a Director elected by the non-Declarant Owners as

provided herein, the term of office of each member of the Board of Directors shall be two (2) years. In the alternative, the Members may resolve at any annual or special meeting following the expiration of the Declarant's Rights and Obligations Period, to establish the term of office for all Directors to be one (1) year, or to establish staggered terms for the Directors of from one (1) to three (3) years. Any change in the number of Directors or term of office of Directors shall not act to extend or curtail the term of office of any incumbent Director. Directors shall hold office until their successors have been elected and hold their first regular meeting.

Section 4.4, Removal. Except with respect to Directors appointed by the Declarant, any Director may be removed from the Board, with or without cause, by a majority vote of all the Members of the Association, and, in the event of the death, resignation or removal of a Director, a successor shall be selected by the remaining members of the Board who shall serve for the unexpired term of such Director's predecessor. Members of the Board of Directors appointed by the Declarant shall serve at the pleasure of and may be removed and/or replaced, with or without cause, by the Declarant.

Section 4.5, Compensation. No Director shall receive compensation for any service rendered to the Association. However, any Director may be reimbursed for actual expenses incurred in the performance of such Director's duties.

Section 4.6, 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 and by filing such approval with the minutes of the proceedings of the Board of Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

ARTICLE 5

NOMINATION AND ELECTION OF DIRECTORS

Section 5.1, Nomination. Nomination for election to the Board of Directors, commencing with the first annual meeting of Members at which non-Declarant Owners are entitled to elect members of the Board of Directors, may be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee, if any, 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, if any, may be appointed by the Board of Directors prior to each annual meeting of the Members and such appointment may be announced at each annual meeting. The Nominating Committee, if any, may 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 5.2. 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. A directed or a nondirected proxy may be utilized to vote for members of the Board of Directors. All election materials prepared with funds of the Association shall list candidates in alphabetical order and shall not suggest a preference among candidates. The persons receiving the largest number of votes shall be elected. Votes shall not be counted until after the time allotted by the Association for voting has ended. Cumulative voting is not permitted.

ARTICLE 6 MEETINGS OF DIRECTORS

Section 6.1. Notice of Meetings. All regular and special meetings of the Board of Directors or any committee created by the Board of Directors shall be held, to the extent feasible, upon regularly scheduled and established dates or periods. The Board shall make good faith efforts to notify Members of such meetings by newsletter, electronic bulletin board, e-mail, or by other means calculated to give reasonable notice of meetings. To the extent required by applicable law, notice of meetings of the Board of Directors (including the time, date and place of such meetings) shall be given to any Member who requests to be notified of Board meetings on a regular basis, provided that the Member makes such request in writing to the Board at least once per calendar year. Notice, reasonable under the circumstances, of special or emergency meetings shall be given to Members contemporaneously with the notice of such meetings provided to the Board.

Section 6.2. Agenda Materials. To the extent required by applicable law, unless otherwise exempt due to a closed session of the Board pursuant to Section 6.3 below, at least one copy of all agenda packets and materials **furnished** to members of the Board for a Board meeting shall be made available for inspection, by the Members of the Association at the same time such documents are furnished to members of the Board.

Section 6.3. Open Meetings.

(a) All meetings of the Board of Directors shall be open to all Members and shall be held at places and times convenient to the greatest number of Members, except that such meetings may be held in closed session for the following purposes, provided the Board complies with applicable **provisions** of the Property Owners' Association Act (§55-508 **et seq.** of the Code of Virginia (1950), as amended):

- (i) To consider personnel matters;
- (ii) To consult with legal counsel;

(iii) To discuss and consider contract; potential or pending litigation and matters involving violations of the Governing Documents for which a Member, his/her family members, tenants, guests or other invitees are responsible; or

(iv) To discuss and consider the personal liability of Members upon the affirmative vote in open meeting to assemble in closed session.

(b) Closed sessions shall be held upon an affirmative vote in an open meeting to assemble in closed session. The motion shall state specifically the purpose for the closed session. Reference to the motion and the stated purpose for the closed session shall be included in the minutes. The Board of Directors shall **restrict** the consideration of matters during the closed portions of meetings only to those purposes specifically exempted and stated in the motion. No contract, motion or other action adopted, passed or agreed to in closed session shall become effective unless **the** Board of Directors, following the closed session, reconvenes in open meeting and takes a vote on such contract, motion or other action which shall have its substance reasonably identified in the open meeting. The requirements of this section shall not require the disclosure of information in violation of law.

(c) To the extent allowed under applicable law, any Member may make an audio recording of any portion of a Board meeting required to be open. The Board of Directors conducting the meeting may adopt rules governing the placement and use of equipment necessary for recording a meeting to prevent interference with the proceedings.

(d) To the extent required by applicable law, voting by secret or written ballot in an open meeting is prohibited except for the election of officers of the Association.

Section 6.4. Quorum. A majority of the number of Directors shall constitute a quorum for the transaction of business. If any meeting of the Board of Directors cannot be held because a quorum is not present, a majority of the Directors present at such meeting may adjourn the meeting to a time not less than five (5) nor more than thirty (30) days from the date of the original meeting. At the reconvened meeting, if a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice. 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.

Section 6.5. Rights of Mortgagees. Any institutional mortgagee of any Lot who desires notice of the regular and special meetings of the Board of Directors shall notify the Secretary to that effect by Registered Mail-Return Receipt Requested. Any such notice shall contain the name and post office address of such institutional mortgagee and the name of the person to whom notice of the regular and special meetings of the Board of Directors should be addressed. The Secretary of the **Association** shall maintain a

roster of all institutional mortgagees from whom such notices are received and it shall be the duty of the Secretary to mail or otherwise cause the delivery of a notice of each regular or special meeting of the Board of Directors to each such institutional mortgagee, in the same manner, and subject to the same requirements and limitations, as are otherwise provided in this Article for notice to the members of the Board of Directors. Any such institutional mortgagee shall be entitled to designate a representative to attend any regular or special meeting of the Board of Directors and **such** representatives may participate in the discussion at any such meeting and may, upon request made to the Chairman in advance of the meeting, address the members of the Board of Directors present at any such meeting. Such representative shall have no voting rights at any such meeting. Such representative shall be entitled to copies of the minutes of all meetings of the Board of Directors upon request made in writing to the Secretary.

Section 6.6, Fidelity Insurance. The Board of Directors shall require that all officers, Directors and employees of the Association **regularly handling** or otherwise responsible for the funds of the Association shall furnish **adequate** fidelity insurance or equivalent coverage against acts of dishonesty. The premiums on such insurance shall be paid by the Association,

ARTICLE 7

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 7. I. Powers. The Board of Directors shall have power to:

(a) Adopt and publish rules governing the 'use of the Community Property and any facilities situated thereon, and the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction thereof;

(b) Subject to applicable law, suspend an Owner's voting rights and an Owner's right to use the Community Property and/or any facilities situated thereon for (i) any period during which any Assessment against such Owner's Lot remains unpaid for more than sixty (60) days (or such other time period provided by **applicable** law), and (ii) for a period not to exceed sixty (60) days for any infraction of the Governing Documents, provided that such Owner is given reasonable notice of the violation and an opportunity for a hearing;

(c) Exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these Bylaws, the Articles of Incorporation, or the **Declaration**;

(d) Declare the office of a member of the Board of Directors to be vacant in the event such Director shall be absent **from three (3)** consecutive regular meetings of the Board of Directors; and

(e) Employ a manager, an independent **contractor**, or such other employees as they deem necessary, and to prescribe their duties.

Section 7.2. Duties. It shall be the duty of the Board of Directors to:

(a) Cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members, or at any special meeting when such statement is requested in writing by **one-sixth (1/6)** of the Class A Members who are entitled to vote;

(b) Supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;

(c) As more fully provided in the Declaration, to:

(i) fix the amount of the Assessments against each Lot;

(ii) send written notice of each **Annual** and Local Area Assessment to every Owner subject thereto prior to the commencement date of the new Annual and Local Area Assessments; and

(iii) foreclose the lien against **any** property for which Assessments are not paid when due or bring an action at law against the Owner personally obligated to pay the same;

(d) Issue, or cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any Assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an Assessment has been paid, such **certificate** shall be conclusive evidence of such payment;

(e) Procure and maintain adequate liability and hazard insurance on property owned by the Association;

(f) Cause all officers or employees having **fiscal** responsibilities to be bonded, as it may deem appropriate;

(g) Cause the Community Property to be maintained and maintain any other property which is the responsibility of the Association pursuant to the Declaration; and

(h) Otherwise perform or cause to be **performed** the **functions** and obligations of the Board and the Association as provided for in the Declaration, Articles of Incorporation and these Bylaws, including collection of Assessments.

Section 7.3. Management Agent. Directors may employ for the Association a management agent or manager (the "Management Agent") at a rate of compensation established by the Board of Directors to perform such duties and services as the Board of Directors shall from time to time authorize in writing. Any management agreement entered into by the Association shall provide, among other things, that such agreement may be terminated for cause by either party upon thirty (30) days written notice thereof to the other party: The term of any such management agreement shall not exceed one year; provided, however, that the term of any such management agreement may be renewable by mutual agreement of the parties for successive one (1)-year periods,

ARTICLE 8

OFFICERS AND THEIR DUTIES

Section 8.1. Enumeratzon 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, and a Treasurer, and such other officers as the Board may from time to time by resolution create, all of which officers are to be elected by the Board of Directors.

Section 8.2. 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; provided that the initial Board of Directors shall elect the first group of officers at its first organizational meeting.

Section 8.3. Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year or until their successors are duly elected and qualified, unless they shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 8.4. 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 8.5. 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 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 8.6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer replaced.

Section 8.7. Multiple Offices. The offices of Secretary and Treasurer may be held by the same person and the offices of Vice President and Assistant Secretary may be held by the same person, but in no event shall the same officer execute, acknowledge or verify any instrument in more than one capacity, if such instrument is required by law, the Declaration, the Articles of Incorporation or these Bylaws to be executed, acknowledged or verified by two (2) or more officers. No **person** shall simultaneously hold more than one (1) of any of the other offices except in the case of special offices created pursuant to Section 8.4 of this Article and except as otherwise provided in this Section 8.7.

Section 8.8. Duties. The duties of the officers are as follows (any of which may be assigned, in whole or in part, by the Board of Directors to the Management Agent):

President

(a) 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.

Vice President

(b) The Vice President shall act in the place and stead of the President in the event of the President's absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required by the Board.

Secretary

(c) 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 Association together with their addresses, and shall perform such other duties as required by the Board.

Treasurer

(d) The Treasurer shall receive and deposit in appropriate bank accounts all moneys 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's 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 Board, and deliver copies thereof to the Members.

Section 8.9. Compensation. No officer shall receive compensation for any service rendered to the Association. However, any officer may be reimbursed for actual expenses incurred in the performance of such officer's duties.

ARTICLE 9

LIABILITY AND INDEMNIFICATION OF OFFICERS AND DIRECTORS

To the fullest extent permitted in Section 13.1-876 of the Virginia Nonstock Corporation Act, as amended from time to time, the Association shall indemnify every officer and Director of the Association against any and all expenses, including counsel fees, reasonably incurred by or imposed upon an officer or Director in connection with any action, suit or other proceeding (including the settlement of any such suit or proceeding if approved by the then Board of Directors of the Association) to which such officer or Director may be made a party by reason of being or having been an officer or Director of the Association, whether or not such person is an officer or Director at the time such expenses are incurred. The officers and Directors of the Association shall not be liable to the Members of the Association for any mistake of judgment, negligence, or otherwise, except to the extent provided in Sections 13.1-870.1 and 13.1-870.2 of the Virginia Nonstock Corporation Act, as amended from time to time. The officers and Directors of the Association shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Association and the Association shall indemnify and forever hold each such officer and Director free and harmless against any and all liability to others on account of any such contract or commitment. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any officer or Director of the Association or former officer or Director of the Association may be entitled,

ARTICLE 10

COMMITTEES

The Board of Directors may appoint a Covenants Committee, a Design Review Committee, and Local Area Committees as provided in the Declaration, and a Nominating Committee, as provided in these Bylaws. In addition, the Board of Directors may appoint other committees as deemed appropriate in carrying out its purposes. All committees appointed by the Board of Directors shall hold meetings in accordance with Sections Section 6.1 and 6.3 of these Bylaws.

ARTICLE 11

BOOKS AND RECORDS/FISCAL MANAGEMENT

Section 11.1. Fiscal Year. The fiscal year of the Association shall begin on the first day of January every year, except for the first fiscal year of the Association which shall begin on the date of recordation of the Declaration. The commencement date of the

fiscal year herein established shall be subject to change by the **Board** of Directors should the practice of the Association subsequently dictate.

Section 11.2. Principal office - Change of Same. The principal office of the Association shall be as set forth in the Articles of Incorporation of the Association. The Board of Directors, by appropriate resolution, shall have the authority to change the location of the principal office of the Association from time to time.

Section 11.3. Books and Accounts. The books and accounts of the Association shall be kept under the direction of the Treasurer in accordance with generally accepted accounting practices, consistently applied. The same shall include books with detailed accounts, in chronological order, of receipts and of the expenditures and other transactions of the Association and its administration and shall specify the maintenance and repair expenses of the Community Property and facilities, services required or provided with respect to the same and any other expenses incurred by the Association. The amount of any Assessment or portion of any Assessment, required for payment of any capital expenditure or reserves of the Association shall be credited upon the books of the Association to the "Paid-in-Surplus" account as a **capital** contribution by the Members.

Section 11.4. Auditing. At the close of each fiscal year and at the election of the Board of Directors, the books and records of the Association may be audited by an independent Public Accountant whose report shall be prepared in accordance with generally accepted auditing standards, consistently applied. **Based** upon such report, if any, the Association shall furnish the Members and any **mortgagee** requesting the same with an annual financial statement, including the income and disbursements of the Association, within one hundred twenty (120) days following the end of each fiscal year.

Section 11.5. Access to Association Records.

(a) Subject to the provisions of Section 1 1.5(b) below, all books and records kept by or on behalf of the Association, including, **but** not limited to, the Association's membership list and addresses and aggregate salary information of employees of the Association, shall be available for examination and copying by Members in good standing and their duly authorized agents or attorneys and to the institutional holder of any **first** mortgage on any Lot and its duly authorized agents or attorneys; provided, however, that examination and copying **is** for a proper purpose related to the requesting party's membership in the Association **or** interest in a Lot and is not to be used for purposes of pecuniary gain or commercial **solicitation**. This right of examination shall exist without reference to the duration of membership and may be exercised (i) only during reasonable business hours or at a mutually convenient time and location and (ii) upon five (5) days' written notice reasonably identifying the purpose for the request and the specific books and records of the Association requested.

(b) Books and records kept by or on behalf of an Association may be withheld from inspection or copying to the extent that they **concern**:

- (i) Personnel matters or a person's medical records;
- (ii) Communications with legal counsel or attorney work product;
- (iii) Transactions currently in or under negotiation;
- (iv) Pending or probably litigation;
- (v) Matters involving **administrative** or other formal proceedings for enforcement of the Association documents or rules and regulations promulgated pursuant thereto;
- (vi) Disclosure of information in violation of law;
- (vii) Meeting minutes or other records of an executive session of the board of directors held in accordance with Section 6.3(b) of these Bylaws;
- (viii) Documentation, correspondence or management or Board reports compiled for or on behalf of the Association or the Board by its agents or committees for consideration by the Board; or
- (ix) Individual Member files, other than those of the requesting Member, including any individual Member's files kept by or on behalf of the Association.

(c) The Association may impose and **collect** a charge, reflecting the actual costs of materials and labor, prior to providing copies of any books and records under this Section 11.5.

ARTICLE 12 **ASSESSMENTS**

Each Member is obligated to pay to the Association Assessments levied by the Association pursuant to the Governing Documents. Assessments are secured by a continuing lien upon the property against which the Assessment is made in accordance with the requirements of applicable law.

ARTICLE 13
CORPORATE SEAL

The Association may have a seal in circular form having within its circumference the words: BEACON HILL COMMUNITY ASSOCIATION, INC., a Virginia corporation.

ARTICLE 14
AMENDMENTS

These Bylaws 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, and by the Declarant for so long as the Declarant's Rights and Obligations are in effect.

ARTICLE 15
INTERPRETATION/MISCELLANEOUS

Section 15.1. ~~Conflict~~ Bylaws are subordinate and subject to all provisions of the Declaration and to the provisions of the Articles of Incorporation of the Association. In the event of any conflict between these Bylaws and the Declaration, the provisions of the Declaration shall control; and in the event of any conflict between these Bylaws and the Articles of Incorporation of the Association, the provisions of the Articles of Incorporation shall control.

Section 15.2. ~~Notices~~ another type of notice is hereinelsewhere specifically provided for, any and all notices called for in these Bylaws shall be given in writing.

Section 15.3. ~~Severability~~ In the event any provision or provisions of these Bylaws shall be determined to be invalid, void or unenforceable, such determination shall not render invalid, void or unenforceable any other provisions hereof which can be given effect.

Section 15.4. ~~Waiver~~ No restriction, condition, **obligation** or provisions of these Bylaws shall be deemed to have been abrogated or waived by reason of any failure or failures to enforce the same.

Section 15.5. ~~Captions~~ The captions contained in these Bylaws are for convenience only and are not a part of these Bylaws and are not intended in any way to limit or enlarge the terms and provisions of these Bylaws or to aid in the construction thereof.

Section 15.6. Gender, etc. Whenever in these Bylaws' the context so requires, the singular number shall include the plural and the converse, and the use of any gender shall be deemed to include all genders.

IN WITNESS WHEREOF, we, being all of the Directors of BEACON HILL COMMUNITY ASSOCIATION, INC., have hereunto set our hands this 14th day of December, 1999.

WITNESS:

Diana Foster

[Signature]
Larry A. Goldstein, Director

Diana Foster

[Signature]
Melissa Firetti, Director

Diana Foster

[Signature]
Lawrence A. Ochsman, Director


CERTIFICATION

I, the undersigned, do hereby certify:

THAT I am the duly elected and acting Secretary of BEACON HILL COMMUNITY ASSOCIATION, INC., a Virginia nonstock corporation, and,

THAT the foregoing Bylaws constitute the original Bylaws of said Association, as duly adopted at a meeting of the Board of Directors hereof, held on the 14th day of December, 1999.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Association this 14th day of December, 1999.



Melissa Firetti
Secretary

[CORPORATE SEAL]