

BYLAWS
FOREST LAKES COMMUNITY ASSOCIATION, INC.

ARTICLE I
APPLICABILITY

These Bylaws provide for the governance of Forest Lakes Community Association, Inc., a Virginia nonstock corporation (the “Association”). Capitalized terms used herein without definitions shall have the meanings specified for such terms in the Articles of Incorporation of the Association (the “Articles of Incorporation”) or in the Declaration of Covenants and Restrictions of Forest Lakes, dated October 4, 1988, made by Forest Lakes Associates, a Virginia general partnership, and recorded in the Clerk’s Office of the Circuit Court of Albemarle County, Virginia, in Deed Book 1018, commencing at page 318, or in the Declaration of Rights, Restrictions, Affirmative Obligations and Conditions Applicable To All Property in Forest Lakes, dated October 4, 1988, made by Forest Lakes Associates, a Virginia general partnership, and recorded in the aforesaid Clerk’s Office in Deed Book 1018, commencing at page 373, as any of the same may hereafter be amended or supplemented from time to time (collectively, the “Covenants”).

ARTICLE II
MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

Section 1. Membership. Forest Lakes Associates, a Virginia general partnership (the “Company”) shall be a Member of the Association, and a creditor who acquired title to the Properties or any portion thereof pursuant to foreclosure or any other proceeding or deed in lieu of foreclosure shall be a Member of the Association. Every Owner and Tenant, unless otherwise specified in the Covenants, shall be a Member of the Association. Every Owner shall be required to submit the names(s) of his Tenant(s) and the duration of their tenancy to the Secretary of the Association. The Association may issue to each Member a membership card which shall expire upon termination of a Tenants Lease or upon sale by an Owner of his property in Forest Lakes. Tenants of Public or Commercial Units and Owners who are exempt from the payment of Assessments shall not be Members of the Association unless otherwise specified herein.

Section 2. Voting Rights. The Association shall have four (4) types of regular voting membership and one (1) type of special voting membership which provides the Company, its successors and assigns, with the power to elect a portion of the Board of Directors:

TYPE “A”: Type “A” Members shall be all Owners, including the Company, its successors and assigns, of Residential Lots and Family Dwelling Units. A Type “A” Member shall be entitled to two (2) votes for each Residential Lot or each Family Dwelling Unit which he owns.

TYPE “B”: Type “B” Members shall be all those Owners, including the Company, its successors and assigns, of platted Public or Commercial Sites and Multiple-Family Tracts. A Type “B” Member shall be entitled to one (1) vote for each One Hundred (\$100.00) Dollars in Annual Assessments paid to the Association. In computing the number of votes to which a Type “B” Member shall be entitled, the amount of the assessment paid shall be rounded to the nearest One Hundred (\$100.00) Dollars.

TYPE “C”: Type “C” Members shall be all those Owners, including the Company, its successors and assigns, of Apartment Tracts and Public or Commercial Units. A Type “C” Member shall be entitled to one (1) Vote for each One Hundred (\$100.00) Dollars in Annual Assessments paid to the Association. In computing the number of votes to which a Type “C” Member shall be entitled, the amount of the Assessment paid shall be rounded to the nearest One Hundred (\$100.00) Dollars.

TYPE “D”: Type “D” Members shall include all those Owners, including the Company, its successors and assigns, of Unsubdivided Lands and platted Development Unit Parcels held and intended for future development by the Company or a third party. A Type “D” Member shall be entitled to one (1) vote for each One Hundred (\$100.00) Dollars of Annual Assessments paid to the Association. In computing the number of votes to which a Type “D” member shall be entitled, the amount of the Assessment paid shall be rounded to the nearest One Hundred (\$100.00) Dollars.

TYPE “E”: The Type “E” Member shall be the Company, its successors and assigns. The Type “E” Member shall be entitled to elect a portion of the Board of Directors as set out in Section 2 of Article III, but will have no votes on other matters.

Payment of Special Assessments shall not entitle Members to additional votes.

When any property entitling the Owner to membership as a Type “A”, “B”, “C” and “D” Member of the Association is owned of record in the name of two (2) or more persons or entities, whether fiduciaries, joint tenants, tenants in common, tenants in partnership or in any other manner of joint or common ownership, or if two (2) or more persons or entities have the same fiduciary relationship respecting

the same property, then unless the instrument or order appointing them or creating the tenancy otherwise directs and it or a copy thereof is filed with the Secretary of the Association, their acts with respect to voting shall have the following effect:

- (1) If only one (1) votes, in person or by proxy, his act shall bind all;
- (2) If more than one (1) votes, in person or by proxy, the act of the majority so voting shall bind all;
- (3) If more than one (1) votes, in person or by proxy, but the vote is evenly split on any particular matter, each fraction shall be entitled to its proportionate share of the vote or votes;
- (4) If the instrument or order filed with the Secretary of the Association shows that any such tenancy is held in unequal interest, a majority or even split under subparagraphs (2) and (3) immediately above shall be a majority or even split in interest in the property to which the vote(s) is attributable;
- (5) The principles of this paragraph shall apply, insofar as possible, to execution of proxies, waivers, consents or objections, and for the purpose of ascertaining the presence of a quorum.

Section 3. Suspension of Voting Rights. The Board of Directors may suspend the voting rights of any Member during any period of time when such Member is in default of any obligation under these Bylaws or the Covenants.

ARTICLE III DIRECTORS

Section 1. Governance. The Association shall be governed by a Board of Directors consisting of seven (7) Members who need not be Members of the Association. The term of such Directors is to be determined in accordance with the provisions of the Articles of Incorporation of the Association. There shall be two (2) classes of Directors: Class I Directors shall be elected by the Type “A”, “B”, “C” and “D” Members, and Class II Directors shall be elected by the Type “E” Members.

Section 2. Election of the Board of Directors.

(a) Each member of Type “A”, “B”, “C” and “D” Membership classes shall be entitled to as many votes as equals the total number of votes he is entitled to based on his Ownership of or Tenancy in one (1) or more of the various classifications of property as computed by the formula set out in Section 2 of Article III hereof. Each Member may cast the total number of votes to which he is entitled for each vacancy to be filled by a Class I Director. Cumulative voting shall not be allowed. Members, except the Type “E” Membership, are divided into classes for the purpose of computing voting rights and shall not vote as a class.

(b) The Type “A”, “B”, “C”, and “D” Members shall elect the Class I Director(s), and the Type “E” Member shall elect the Class II Director(s) according to the following formula:

- (1) The number of Class I Directors shall be determined by (A) dividing (i) the number of Residential Lots and Family Dwelling Units owned by Type “A” Members by (ii) the maximum number of Residential Lots and Family Dwelling Units authorized by the Zoning Ordinance of the County of Albemarle as of June 1, 1988 for the Properties as defined in Article I paragraph (t) of the Covenants of Forest Lakes and (B) then multiplying the resulting quotient by the total number of Directors, and (C) rounding the result to the nearest whole number, e.g., $1.49 = 1$, and $1.50 = 2$.
- (2) The number of Class II Directors shall be determined by subtracting the number of Class I Directors from the total number of Directors. The Class II Directors shall be elected by the Type “E” Member.
- (3) For the purposes of this formula, the number of Residential Lots and Family Dwelling Units owned by Type “A” Members and the maximum number of Residential Lots and Family Dwelling Units authorized in the Properties shall be determined by the Board of Directors as of the date on which notice of the meeting of the Members at which the Board of Directors is to be elected is mailed.

Section 3. Quorum of Board of Directors. At all meetings of the Board of Directors a majority of the directors shall constitute a quorum for the transaction of business, and the vote of the majority of the directors present at a meeting in which a quorum is present shall constitute the decision of the Board of Directors. If at any meeting of the Board of Directors there shall be less than a quorum present, those

present may adjourn the meeting to a new date. At any such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

Section 4. Action Without Meeting. Any action by the Board of Directors required or permitted to be taken at any meeting may be taken without a meeting if all of the members of the Board of Directors shall individually or collectively consent in writing to such action. Any such written consent shall be filed with the minutes of the proceedings of the Board of Directors.

Section 5. Tenure. At the first annual meeting, the Members shall elect Directors to serve until the second subsequent Annual Meeting. At each annual meeting thereafter, the Members shall elect Directors as provided herein. Any vacancy occurring in the initial or any subsequent Board of Directors may be filled at any meeting of the Board of Directors by the affirmative vote of a majority of the remaining Directors, though less than a quorum of the Board of Directors, or by a sole remaining Director and, if not previously filled, shall be filled at the next succeeding meeting of the Members of the Association. Any Director elected to fill a vacancy shall serve as such until the expiration of the term of the Director whose position he was elected to fill. Election of Directors by the Board of Directors to fill a vacancy may be conducted by mail ballot if the Board of Directors so determine.

Section 6. Annual Meetings. Annual meetings of the Board of Directors to elect officers shall be held annually immediately following the annual meeting of the Members.

Section 7. Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the President or any two Directors by giving notice thereof as provided in Section 8 of this Article III. Such persons calling a special meeting of the Board of Directors may fix any location as the place for holding such special meeting.

Section 8. Notice. When notice of any meeting of the Board of Directors is required, such notice shall be given at least five days previous to such meeting by written notice delivered personally or sent by mail to each Director at his address as shown on the records of the Association. If mailed, such notice shall be deemed to be delivered when deposited, postage prepaid, in the United States mail in a sealed envelope properly addressed. Any Director may waive notice of any meeting before or after the time of the meeting stated therein and attendance of a Director at any meeting shall constitute a waiver of notice of such meeting except where a Director attends a meeting for the purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board need be

specified in the notice or waiver of notice of such meeting unless specifically required by law, the Articles of Incorporation, these Bylaws or the Covenants.

Section 9. Compensation. Directors of the Association shall not receive any stated salaries for their services, but by resolution of the Board of Directors any director may be reimbursed for his actual expenses incurred in the performance of his duties as director but nothing herein contained shall be construed to preclude any director from serving the Association in any other capacity and receiving compensation therefor.

ARTICLE IV POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall have power to:

(a) adopt and publish rules and regulations governing the use of the Common Areas and Restricted Common Areas and the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction thereof;

(b) suspend the voting rights and right to use the Common Areas and Restricted Common Areas of any Member during any period in which such Member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) days for infraction of published rules and regulations;

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

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

Section 2. Duties. It shall be the duty of the Board of Directors 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 a special meeting when such statement is requested in writing by one-fourth($\frac{1}{4}$) vote of the Members who are entitled to vote;

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

- (1) fix the amounts of all assessments;
- (2) send written notice of all assessments to every Owner subject thereto;
- (3) in the discretion of the Board of Directors, foreclose the lien against any property for which assessments are not paid within thirty (30) days after the due date or to bring an action at law against the owner personally obligated to pay the same; and
- (4) provide for a Board of Architectural Review.

(c) issue, or cause an appropriate office 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;

(d) procure and maintain adequate liability and hazard insurance on property owned or leased by the Association.

(e) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;

(f) cause the Common Areas, Restricted Common Areas, Intended Common Areas, and Intended Restricted Common Areas to be maintained or improved; and

(g) such other duties as are set forth in the Covenants.

Section 3. Annual Statements. The President, Treasurer, or such other Officer as may have custody of the funds of the Association shall annually, within ninety (90) days after the close of the fiscal year of the Association, prepare and execute under oath a general itemized statement showing the actual assets and liabilities of the Association at the close of such fiscal year, and a statement of revenues, costs and expenses. It shall be necessary to set out in the statement the name of any creditor of the Association; provided however, that this requirement shall be construed to apply only to creditors of more than One Thousand and no/100 (\$1,000.00) Dollars. Such Officer shall furnish to each Member of the Association who may make a request therefore in writing, a copy of such statement, within thirty (30) days after receipt of such request. Such copy may be furnished to the Member either in person or by mail. Any holder of a first mortgage on a lot(s) or unit(s) shall

be entitled upon written request, to a financial statement for the immediately preceding fiscal year.

Section 4. Annual Budget. The Board of Directors shall prepare and make available to all Members, at least sixty (60) days prior to the first day of the following fiscal year, a budget outlining anticipated receipts and expenses for the following fiscal year. The financial books of the Association shall be available for inspection by all Members at all reasonable times.

ARTICLE V MEETINGS

Section 1. Quorum Required for Any Action Authorized at Regular or Special Meetings of the Association. The quorum required for any action which is subject to a vote of the Members at an open meeting of the Association shall be as follows:

(a) The first time a meeting of the Members of the Association is called to vote on (i) an increase in the Maximum Regular Annual Assessment greater than that provided for by subparagraph (o) of Section 3 of Article V of the Declaration of Covenants and Restrictions of Forest Lakes, (ii) a Special Assessment as provided for by Section 4 of Article V of the Declaration of Covenants and Restrictions of Forest Lakes, (iii) the gift or sale of any parcel of land and improvements thereon, designated as a Common Area or Restricted Common Area as provided for by subparagraph (f) of Section 4 of Article IV of the Declaration of Covenants and Restrictions of Forest Lakes, (iv) an Amendment to the Declaration of Covenants and Restrictions of Forest Lakes as provided for by Section 2 of Article VIII of the Declaration of Covenants and Restrictions of Forest Lakes, (v) an Amendment to these Bylaws as provided for by Section 1 of Article VIII hereof, or (vi) the termination of the Declaration of Covenants and Restrictions of Forest Lakes as provided in Section 1 of Article VIII of the Declaration of Covenants and Restrictions of Forest Lakes, the presence at the meeting of Members or proxies entitled to cast thirty percent (30%) of the total vote of the Membership required for such action shall constitute a quorum.

(b) The first time a meeting of the Members of the Association is called to vote on any action proposed to be taken by the Association, other than that described in subparagraph (a) above, the presence at the meeting of Members or proxies entitled to cast fifteen percent (15%) of the total vote of the Membership required for such action shall constitute a quorum.

If the required quorum is not present at any meeting described in

subparagraphs (a) or (b) above, with the exception of any meeting called to vote on the termination of the Declaration of Covenants and Restrictions of Forest Lakes described in subparagraph (a(vi)) above, another meeting or meetings may be called subject to the giving of proper notice and the required quorum at such subsequent meeting or meetings shall be one-half (1/2) of the required quorum at the preceding meeting.

Unless otherwise provided, any reference hereafter to “votes cast at a duly called meeting” shall be construed to be subject to the quorum requirements established by this Article V, Section 1, and any other requirements for such “duly called meeting” which may be established herein. For the purpose of this section, “proper notice” shall be deemed to be given when given each Member not less than thirty (30) days prior to the date of the meeting at which any proposed action is to be considered.

Section 2. Proxies. All Members of the Association may vote and transact business at any meeting of the Association by proxy authorized in writing.

Section 3. Ballots by Mail. When desired by the Board of Directors, there shall be sent with the notices of regular or special meetings of the Association, a statement of certain motions to be introduced for vote of the Members and a ballot on which each Member may vote for or against each such motion. Each ballot which is presented at such meeting shall be counted in calculating the quorum requirements set out in Section 1 of this Article V; providing, however, such ballots shall not be counted in determining whether a quorum is present to vote upon motions not appearing on ballots.

Section 4. Annual Meetings. The annual meeting of the Association shall be held on such date during the month of January each year as shall be fixed by the Board of Directors.

Section 5. Place of Meetings. Meetings of the Association shall be held at the principal office of the Association or at such other suitable place as may be designated by the Board of Directors.

Section 6. Special Meetings. Special meetings of the Members may be called by the President or a majority of the Directors, and by the Secretary upon demand of Members as required by law.

Section 7. Notice of Meetings. Written notice stating the place, day and hour of each meeting of Members, and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be given not less than fourteen (14) days before the date of the meeting (except when a different time is required by law)

either personally or by mail, telegraph, teletype, telecopy or other form of wire or wireless communication or by private courier, to each Member of record entitled to vote at such meeting. If mailed, such notice shall be deemed to be effective when deposited in the United States mail with postage thereon prepaid, addressed to the Member at his or her address as it appears on the Associations current record of Members. If given in any other manner, such notice shall be deemed to be effective when given personally or sent by telegraph, teletype, telecopy or other form of wireless communication or given to a private courier to be delivered.

If a meeting is adjourned to a different date, time or place, notice need not be given if the new date, time or place is announced at the meeting before adjournment. However, if a new record date for an adjournment is fixed, notice of the adjourned meeting shall be given to persons who are Members as of the new record date unless a court provides otherwise.

Section 8. Record Dates. The record date for determining Members entitled to demand a special meeting is the date the first Member signs the demand that the meeting be held.

Except as is provided in the preceding paragraph, the Board of Directors may fix, in advance, a record date to make a determination of Members entitled to notice of, or to vote at, any meeting of Members, such date to be not more than seventy (70) days before the meeting or action requiring a determination of Members. If no such date is set for any meeting, then, except as provided in the preceding paragraph, the record date shall be the close of business on the day before the date on which the first notice of the meeting is mailed. If notice is given in any other manner, then the record date shall be the close of business on the day before the date on which the first notice of the meeting is given.

When determination of Members entitled to notice of or to vote at any meeting of Members has been made, such determination shall be effective for any adjournment of the meeting unless the Board of Directors fixes a new record date, which it shall do if the meeting is adjourned to a date more than one hundred twenty (120) days after the date fixed for the original meeting.

ARTICLE VI OFFICERS

Section 1. Officers. The officers of the Association shall be a President, one or more Vice Presidents (the number thereof to be determined by the Board of Directors), a Secretary and a Treasurer. The Board of Directors may elect such other officers, including one or more Assistant Secretaries and one or more Assistant

Treasurers, as it shall deem desirable, such officers to have the authority and perform the duties prescribed from time to time by the Board of Directors. Any two or more offices may be held by the same person, except the offices of President and Secretary. The President shall be a Director of the Association. Other officers may be, but need not be, Directors of the Association.

Section 2. Election, Term of Office and Vacancies. The officers of the Association shall be elected annually by the Board of Directors following each annual meeting of the Members. A vacancy in any office arising because of death, resignation, removal or otherwise may be filled by the Board of Directors for the unexpired portion of the term.

Section 3. Removal. Any officer may be removed by the Board of Directors whenever, in its judgment, the best interest of the Association will be served thereby.

Section 4. Powers and Duties. The officers of the Association shall each have such powers and duties as generally pertain to their respective offices, as well as such powers and duties as may from time to time be specifically conferred or imposed by the Board of Directors, except as otherwise determined by the Board of Directors. The President shall be chief executive officer of the Association.

Section 5. Resignation. Any officer may resign at any time by giving written notice to the Board of Directors, the President or the Secretary. Such resignation shall take effect on the date of the 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.

ARTICLE VII COMMITTEES

Section 1. Committees of Directors. The Board of Directors, by resolution adopted by a majority of the directors in office, may designate one or more committees, each of which shall consist of two or more directors, which committees, to the extent provided in the resolution, shall have and exercise the authority of the Board of Directors in the management of the affairs of the Association; provided, however, that a committee may not (i) approve or recommend to Members action that is required by law to be approved by Members; (ii) fill vacancies on the Board of Directors or on any of its committees; (iii) amend the Articles of Incorporation; (iv) adopt, amend or repeal these Bylaws or the Covenants; or (v) approve a plan of merger not requiring member approval.

The creation of, delegation of authority to, or action by a committee does not

alone constitute compliance by a director with the standards of conduct required of a director.

Section 2. Committee Meetings; Miscellaneous. The provisions of these Bylaws which govern meetings, action without meetings, notice and waiver of notice, and quorum and voting requirements of the Board of Directors shall apply to committees of directors and their members as well.

ARTICLE VIII MISCELLANEOUS

Section 1. Amendments. All proposed Amendments to these Bylaws shall be submitted to a vote of the Members at a duly called meeting of the Association subject to the quorum requirements established by Article V. Section 1, and any such proposed amendment shall be deemed approved if two-thirds (2/3) of the votes cast at such meeting vote in favor of such proposed amendment. Notice shall be given each Member at least fourteen (14) days prior to the date of the meeting at which such proposed amendment is to be considered.

So long as the Company is a Type “E” Member, no Amendment of these Bylaws shall be made without the written consent of the Company.

Section 2. Notices. Any notice required to be sent to any Member under the provisions of these Bylaws or the Covenants shall be deemed to have been properly sent, and notice thereby given, when delivered personally or sent by mail, with the proper postage affixed, to the address appearing on the Associations Membership list. Notice to one (1) of two (2) or more co-owners or co-tenants shall constitute notice to all co-owners. It shall be the obligation of every Member to immediately notify the Secretary of the Association in writing of any change of address. Any person who becomes a Member following the first day in the calendar month in which said notice is delivered or mailed shall be deemed to have been given notice if notice was given to his predecessor in title.

Section 3. Authorized Action. All actions which the Association is allowed to take under this instrument shall be authorized actions of the Association if approved by the Board of Directors of the Association in the manner provided for herein.

Section 4. Management and Contract Rights of Association. The Company may enter into a contract with a management company or manager for the purposes of providing all elements of the operation, care, supervision, maintenance, and management of the property. However, no such contract shall be binding upon the

Association except through express adoption or ratification of the terms and conditions of such contract. Any contract or lease entered into by the Company or by the Association while the Type “E” Member elects a majority of the Directors of the Association shall contain a provision allowing the Association to terminate such contract without justification or penalty after the Type “E” Member no longer elects a majority of the Directors of the Association.

Section 5. Rights of Noteholders. Any institutional holder of a first mortgage on a Unit, Lot, Tract, Site or Parcel will, upon request, be entitled to (a) inspect the books and records of the Association during normal business hours, (b) receive an annual audited financial statement of the Association within ninety (90) days following the end of its fiscal year, (c) receive written notice of all meetings of the Association and the right to designate a representative to attend all such meetings, (d) receive written notice of any condemnation or casualty loss that affects either a material portion of the project or the unit securing its mortgage, (e) receive written notice of any sixty-day delinquency in the payment of assessments or charges owed by the owner of any unit on which it holds the mortgage, (f) receive written notice of a lapse, cancellation, or material modification of any insurance policy of fidelity bond maintained by the Owners Association, (g) receive written notice of any proposed action that requires the consent of a specified percentage of mortgage holders, and (h) be furnished with a copy of the master insurance policy.

Section 6. Corporate Seal. The corporate seal of the Association shall be circular and shall have inscribed thereon, within and around its circumference, “FOREST LAKES COMMUNITY ASSOCIATION, INC.” In the center shall be the word “SEAL”.

DOCUMENT NO.: GCM1002.BYL
CLIENT NAME: FOREST LAKES
CLIENT NO.: 369225-0002
ORIGINATED: 10-19-88
DRAFT DATE: 12-7-88
DRAFT NO.: 11
OPERATOR: Virginia

RETURN TO: ANNE HEDGES

PLEASE CHECK ONE:

DRAFT _____

FINAL _____