

PINEWOOD GREENS HOMEOWNERS ASSOCIATION

BYLAWS OF PINEWOOD GREENS HOMEOWNERS ASSOCIATION

ARTICLE I

NAME AND LOCATION. The name of the corporation is Pinewood Greens Homeowners Association hereinafter referred to as the "Association." The principal office of the corporation shall be located at 1705 Fern Street, Alexandria, Virginia, but meetings of members and directors may be held at such places within the State of Virginia, County of Fairfax, as may be designated by the Board of Directors.

ARTICLE II DEFINITIONS

Section 1. "Association" shall mean and refer to Pinewood Lake Homeowners Association, its successors and assigns.

Section 2. "Properties" shall mean and refer to that certain real property described in the Declaration of Covenants, Conditions and Restrictions, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 3. "Common Area" shall mean all real property owned by the Association for the common use and enjoyment of the members of the Association.

Section 4. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties with the exception of the Common Area.

Section 5. "Member" shall mean and refer to every person or entity who holds a membership in the Association.

Section 6. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any lot which is part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 7. "Declarant" shall mean and refer to Pinewood Greens Associates, its successors and assigns if such successor or assigns should acquire more than one undeveloped Lot from the Declarant for the purpose of development.

Section 8. "Declaration" shall mean and refer to the Declaration of Covenants, Conditions, and Restrictions applicable to the Properties recorded in the Office of the Clerk of Court, Fairfax County, Virginia.

ARTICLE III MEMBERSHIP

Section 1. Membership. Every person or entity who is record owner of a fee of undivided fee interest in any Lot which is subject by covenants of record to assessment by the Association, including contract sellers, shall be a member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. No Owner shall have more than one membership. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment by the Association. Ownership of such Lot shall be the sole qualification or membership.

Section 2. Suspension of Membership. During any period in which a member shall be in default in payment of an annual or special assessment levied by the Association, the voting rights and right to use of the recreational facilities of such member may be suspended by the Board of Directors until such assessment has been paid. Such rights of a member may also be suspended, after notice and hearing, for a period not to exceed thirty (30) days, for violation of any rules and regulations established by the Board of Directors governing the use of the Common Area and facilities.

ARTTICLE IV
PROPERTY RIGHTS: RIGHTS OF ENJOYMENT

SECTION 1. Each member shall be entitled to the use and enjoyment of the Common Area and facilities as provided in the Declaration. Any member may delegate his right of enjoyment of the Common Area and facilities to the members of his family, his tenants or contract purchasers, who reside on the property. Such members shall notify the secretary in writing of the same of any such delegate. The rights and privileges of such delegee are subject to suspension to the same extent as those of the member.

Section 2. Irrespective of the fact that Section I (b) of Article V of the Declaration gives the Association the right to charge reasonable admission and other fees for the use of any recreational facilities situated upon the Common Area this right shall not be exercised as to members for a period of three (3) years from the date of recordation of the Declaration and after this period only upon written approval of two-thirds (2/3) of the entire Class A Membership.

ARTICLE V
BOARD OF DIRECTORS: SELECTION: TERM OF OFFICE

Section 1. Number. The affairs of this Association shall be managed by a Board of five (5) directors, who need not be members of the Association.

Section 2. Election. At the first annual meeting the members shall elect one director for a term of one year, two directors for a term two years and two directors for a term of three years; and at each annual meeting thereafter the members shall elect directors for a term of three years, as the term expires.

Section 3. Removal. Any director may be removed from the Board, with or without cause, by a majority vote of the members of the Association. In the event of death, resignation or removal of a director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

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

ARTICLE VI
MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held monthly without notice, such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the president of the Association, or by any two directors, after not less than three (3) days notice to each director.

Section 3. Quorum. A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

ARTICLE VII
NOMINATIONS AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination for election to the Board of Directors shall be made by a Nomination Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more members of the Association. The Nomination Committee shall be appointed by the Board of Directors prior to each annual meeting of the members, to serve from the close of such annual meeting until the close of the next annual meeting, and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Director as it shall in its discretion determine but not less than the number of vacancies that are to be filled. Such nominations may be made from among members or non-members.

Section 2. Election. Election to the Board of Directors shall be by secret written ballot. At such election the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE VIII
POWERS AND DUTIES OF THE BOARD OF DIRECTORS

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

- (a) adopt and publish rules and regulations governing the use of the Common Area and facilities, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof;
- (b) 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 By-Laws, the Articles of Incorporation, or the Declaration.
- (c) declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors without a valid excuse.
- (d) employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties subject to working under the direct supervision and control of the President.

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 or at any special meeting, when such statement is requested in writing by one-fourth (1/4) 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 herein, and in the Declaration, to:
 - (1) fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period, as hereinafter provided in Article XII, and
 - (2) send written notice of each assessment to every owner subject thereto at least thirty (30) days in advance of each annual assessment period;
- (d) issues, 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 insurance on the property owned by the Association;
- (f) cause all officers or employers having fiscal responsibilities to be bonded as it may deem appropriate;
- (g) cause the Common Area to be maintained, and
- (h) cause the exterior of the dwellings to be maintained;
- (i) prosecute and defend all suits in law and equity in the name of the Association and to employ legal counsel and such other persons as, in the sound discretion of the board, is deemed necessary to prosecute or defend such law or equity suits.

ARTICLE IX COMMITTEES

Section 1. The Association shall appoint an Architectural Control Committee which is provided for and whose duties are set out in Article 8 of the Declaration, and a Nominating Committee, as provided in these By-Laws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purposes which may include but are not limited to the following:

(a) A Recreation Committee which shall advise the Board of Directors on all matters pertaining to the recreational program and activities of the Association and shall perform such other functions as the Board in its discretion determines;

(b) A Maintenance Committee which shall advise the Board of Directors on all matters pertaining to the maintenance, repair or improvement of the Properties, and shall perform such other functions as the Board in its discretion determines;

(c) A Publicity Committee which shall inform the members of all activities and functions of the Association, and shall, after consulting with the Board of Directors, make such public releases and announcements as are in the best interest of the Association;

(d) An Audit Committee which shall supervise the annual audit of the Association's books and approve the annual budget and statement of income and expenditures to be presented to the membership at its regular annual meeting, as provided in Article XI, Section 8 (d). The Treasurer shall be an ex-officio member of the Committee.

Section 2. It shall be the duty of each committee to receive complaints from members on any matter involving Association functions, duties, and activities within its field of responsibility. It shall dispose of such complaints as it deems appropriate or refer them to such other committee, director or officer of the Association as is further concerned with the matter presented.

ARTICLE X MEETINGS OF MEMBERS

Section 1. Annual Meeting. The first annual meeting of the members shall be held within one year from the date of incorporation of the Association, and each subsequent regular annual meeting of the members shall be held on the same day of the same month of each year thereafter, at the hour of 8 o'clock P.M. If the day for the annual meeting of the members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

Section 2. Special Meeting. Special meetings of the members may be called at any time by the president or by the Board of Directors, or upon written request of the members who are entitled to vote one-fourth (1/4) of all the votes of the entire membership or who are entitled to vote one-fourth (1/4) of the Class A membership.

Section 3. Notice of Meeting. Written notice of each meeting of the members shall be given by, or at the direction of, the secretary or person authorized to call the meeting by mailing a copy of such notice, postage prepaid, at least 10 days before such meeting to each member entitled to vote thereat, addressed to the member's address last appearing on the books of the Association, or supplied by such member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting and, in the case of a special meeting, the purpose of the meeting.

Section 4. Quorum. The presence at the meeting of members entitled to cast, or of proxies entitled to cast, one-tenth (1/10) of the votes of each class of membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these By-Laws. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

Section 5. Order of Business. The order of business at any regular or special meeting shall be:

1. Greeting and disposal of any unapproved minutes.
2. Reports of officers and committees.
3. New Business.
4. Adjournment.

Section 6. Proxies. At all meetings members, each member may vote in person or by proxy. All proxies shall be in writing filed and with the Secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his Lot.

ARTICLE XI OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Officers. The officers of this Association shall be a president, vice president, secretary and treasurer, who shall at all times be members of the Board of Directors and who shall be elected for one year by the Board of Directors.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the members.

Section 3. Term. The Officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 4. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 5. Resignation and Removal. Any officer may be removed from office 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 its acceptance by the Board of Directors.

Section 6. Vacancies. A vacancy in any office may be filled in the manner prescribed for regular election. The officer elected to such vacancy shall serve for the remainder of the term of the officer he replaces.

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

Section 8. Duties. The duties of the officers include but are not limited to the following:

PRESIDENT

The president shall preside at all meetings of the Board of Directors; shall have general supervision of the affairs of the corporation; shall sign all contracts and other instruments of the corporation; shall make reports to the Board of Directors and Stockholders, and perform all such other duties as are incident to his position, or are properly required by and of him by the Board of Directors. The President shall see that all orders and resolutions of the Board of Directors are carried out; and the president shall sign all necessary mortgages, deeds, and other written instruments and the president is hereby empowered and made an officer for the purpose of instituting any and all legal actions, at law and in equity, and shall have the right to defend the corporation in any suits filed by any individuals, persons or corporation and to acquire such legal counsel and other experts as may be necessary to protect the corporate purpose.

VICE PRESIDENT

In the absence or disability of the president, the vice-president shall exercise all of his functions, and shall exercise and discharge such other duties as may be required of him by the Board of Directors.

SECRETARY

The Secretary shall issue notices of all meetings and shall keep the minutes, and shall have charge of the seal and the corporate books, shall sign all such instruments with the president that require such signatures and shall make such reports and perform such other duties as are incident to his or her office, or as are properly required of him by the Board of Directors.

TREASURER

The Treasurer shall have custody of all funds and securities of the corporation and deposit the same in the name of the corporation in such bank or banks as the directors may elect; the treasurer shall sign all checks, drafts, notes, and orders for the payment of money; and the treasurer shall pay out and dispose of the same under the direction of the president. The treasurer shall, at all reasonable times, exhibit the books and accounts of the corporation to any directors of the corporation upon application to the office of the corporation during normal business hours. The treasurer shall cause an annual audit of the corporation books to be made by a public accountant at the completion of each fiscal year, and shall prepare annual profit and statement of income and expenditures to be presented to the membership at all the regular, annual meetings and shall deliver copies of each to the members.

ARTICLE XII ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. By the Declaration each member is deemed to covenant and agree to pay to the Association: 1. annual assessments or charges, and 2. special assessments for capital improvements. The annual and special assessments together with such interest thereon and cost of collection thereof, as hereinafter provided, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with such interest, costs, and reasonable attorney's fees shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due and shall not pass to his successors in title unless expressly assumed by them.

Section 2. Purpose of Assessment. The assessments levied by the Association shall be used exclusively for the purpose of promoting the recreation, health, safety, and welfare of the residents in the Properties and in particular for the improvement and maintenance of the Properties, services and facilities devoted to this purpose and related to the use and enjoyment of the Common Area, and of the homes situated upon the Properties.

Section 3. Basis and Maximum of Annual Assessments. Until January 1, of the year immediately following the conveyance of the first lot to an owner the maximum annual assessment shall be One Hundred Eighty dollars (\$180.00) per lot.

(a) From and after January 1 of the year immediately following the conveyance of the first lot to an owner, the maximum annual assessment may be increased effective January 1 of each year without a vote of the membership in conformance with the rise, if any, of the Consumer Price Index (published by the Department of Labor, Washington, D.C.) for the preceding month of July.

(b) From after January 1 of the year immediately following the conveyance of the first lot to an owner, the maximum annual assessment may be increased above that established by the Consumer Price Index formula by a vote of the members for the next succeeding two (2) years and at the end of each such period of two (2) years, for each succeeding period of two (2) years, provided that any such change shall have the assent of two-thirds (2/3) of the votes of each class of members who are voting in person or by proxy, at a meeting duly called for this purpose, written notice of which shall be sent to all members not less than 30 days nor more than 60 days in advance of the meeting setting forth the purpose of the meeting. The limitation thereof shall not apply to any change in the maximum and basis of the assessments undertaken as an incident to a merger or consolidation in which the Association is authorized to participate under its Article of Incorporation.

(c) After consideration of current maintenance costs and future needs of the Association, the Board of Directors may fix the annual assessment at an amount not in excess of the maximum.

Section 4. Method of Computation When Using the Consumer Price Index. The Consumer Price Index established the United States City Average numerical rating for the month of July, 1970 is 135.7. This will be the base rating. To determine the percentage to be applied to the maximum annual assessment for each subsequent year, divide this base rating into the numerical rating established by the Consumer Price Index for the month of July preceding the proposed assessment year. This adjustment percentage, if in excess of 100 per centum, is multiplied by the original annual assessment to obtain the maximum assessment for the subsequent year.

Section 5. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy in any assessment year, a special assessment applicable to that year only, for the purpose of defraying in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of a described capital improvement upon the Common Area, including the necessary fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of each class of members who are voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be sent to all members not less than 30 days nor more than 60 days in advance of the meeting setting forth the purpose of the meeting.

Section 6. Uniform Rate. Both annual and special assessments must be fixed at a uniform rate for all lots and may be collected on a monthly basis.

Section 7. Quorum for Any Action Authorized Under Sections 3 & 5. At the first meeting called, as provided in Sections 3 and 5 hereof, the presence at the meeting of member or of proxies entitled to cast sixty percent (60%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not forthcoming at any meeting, another meeting may be called, subject to the notice requirement set forth in Sections 3 and 5, and the required quorum at any such subsequent meeting shall be one-half (1/2) of the required quorum at any such preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 8. Date of Commencement of Annual Assessments: Due Dates. The annual assessment provided for herein shall commence as to all Lots on the first day of the month following the conveyance of the Common Area. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors. The Association shall upon demand of a member at any time furnish a certificate in writing, signed by an officer of the Association, setting forth whether the assessments on a specific Lot have been paid. The Association is under no obligation to furnish a certificate to a non-member and cannot do so without the approval of a majority vote of the members of the Board of Directors taken at a meeting of the Board of Directors. A reasonable charge may be made by the Board for the issuance of these certificates. Such certificates shall be conclusive evidence of payment of any assessment therein stated to have been paid.

Section 9. Effect of Non-Payment of Assessments: Remedies of the Association. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of six percent (6%) per annum. The Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property, and if such action becomes necessary, the delinquent homeowner covenants to pay whether or not court action becomes necessary. This interest, costs and 20% attorney fees shall be added to the amount of such assessment. No Owner by waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment or rental of his Lot.

Section 10. Subordination of the Lien to Deed of Trust. The lien of the assessments provided for therein shall be subordinate to the lien of any duly recorded first deed of trust. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot which is subject to any mortgage, pursuant to a decree of foreclosure under such mortgage or any proceeding in lieu of foreclosure thereof, shall extinguish the lien of such assessments as to payments thereof which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

Section 11. Exempt Property. The following property subject to the Declaration shall be exempt from the assessments created therein: (a) all properties dedicated to and accepted by a local public authority; (b) the Common Area; and (c) all properties owned by a charitable or nonprofit organization exempt from taxation by the laws of the State of Virginia. However, no land or improvements devoted to dwelling use shall be exempt from said assessments.

ARTICLE XIII BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any member. The Declaration, the Articles of Incorporation and the By-Laws of the Association shall be available for inspection by any member at the principal office of the Association where copies may be purchased at reasonable cost.

ARTICLE XIV
CORPORATE SEAL

The Association shall have a seal in circular form having with in its circumference the words: Pinewood Greens Homeowners Association, Virginia and the word Seal.

ARTICLE XV
AMENDMENTS

Section 1. These By-Laws may be amended, repealed or altered in whole or in part at a regular or special meeting of the members, by a majority vote of a quorum of members present in person or by proxy, except that the Federal Housing Administration or the Veterans Administration shall have the right to veto amendments while there is Class B membership.

Section 2. In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control; and in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

ARTICLE XVI
MISCELLANEOUS

The fiscal year of the Association shall begin on the first day of January and end on the 31st of December of every year, except that the first fiscal year shall begin on the date of incorporation or otherwise be determined by the Board of Directors.

BY-LAW AMENDMENTS

ARTICLE V-SECTION 1

delete: "five (5)"

add: "seven (7)"

ARTICLE V-SECTION 3

delete: "for the unexpired term of his predecessor."

add: "until the next annual meeting."

ARTICLE X-SECTION 1

delete: the word "on" in the third line, and the last sentence.

add: in place of the deleted word "within thirty (30) days of" and in place of the last sentence: "The date of the meeting shall be set forth by the Board of Directors no later than forty-five days prior to the meeting."

BY-LAW AMENDMENTS

On May 20, 1974, at the Annual Membership Meeting, the membership approved the following two amendments:

- I. Amend Article V, Section 1 by deleting "seven (7)" and adding "nine (9)".
- II. Amend Article XVI - Miscellaneous by adding "Notwithstanding any other provisions of these By-Laws, following study by the Finance Committee, the Board of Directors may by unanimous vote at two successive meetings, change the fiscal year to begin on the first day of July and end on the thirtieth day of the following June, and/or change the date of the annual meeting.

BY-LAW AMENDMENTS

On Tuesday, 15 May 1979, at the Annual Membership Meeting, the membership approved the following two By-law Amendments.

I. Amend Article XI, "Officers and their Duties," Section 8, "Duties ... Treasurer," first clause, to wit:

The Treasurer shall have custody of all funds and securities of the corporation and deposit the same in the name of the corporation in such federally or state insured financial institutions or purchase in the name of and for the accounts of the corporation such federal or state instruments in such manner and form and duration as the Board of Directors may from time to time authorize.

II. Amend Article VIII, by adding Section I (e), to wit:

The Board of Directors of the Association is authorized to enter into such agreements and to establish such policies as may from time to time be required of the Board of Directors to assure and obtain compliance within the boundaries of the Association and its properties of any and all state and county regulations pertaining to the licensing, inspection, and control, including but not limited to parking, of all motorized or other types of vehicles (including but not limited to the provisions of the code of Virginia, Section 46.1-6 (Cum. Supp. 1978) and as it may from time to time be amended) and the licensing, inspection, and control of all domestic or other animals (including but not limited to dogs and cats) pursuant to such policies and in cooperation with such officials, who are accordingly authorized to enter upon the grounds and properties of the Association to enforce such, any and all provision of the statutes and regulations of the Commonwealth of Virginia and/or the County of Fairfax (including but not limited to state and local police, animal wardens and health officers) as the Commonwealth of Virginia and/or the County of Fairfax may authorize, and direct.

BY-LAW AMENDMENTS

On Tuesday, May 25, 1982, at the Annual Membership meeting, the membership approved the following By-Law Amendments.

I.A. ARTICLE XI. OFFICERS AND THEIR DUTIES, Section 8, Duties ... TREASURER

Strike the first clause, to wit:

The Treasurer shall have custody of all funds and securities of the corporation and deposit the same in the name of the corporation in such federally or state insured financial institutions or purchase in the name of and for the accounts of the corporation such federal or state instruments in such manner or form and duration as the Board of Directors may from time to time authorize.

Insert in lieu thereof the following language:

The Treasurer shall have custody of all funds--including reserve, sinking, operating or other funds--and securities of the corporation and shall deposit or invest the same in the name of the corporation with such financial intermediaries as may from time to time be authorized by the Board of Directors. Such deposits or investments shall consist of federal or state instruments or an interest solely therein or be otherwise insured or guaranteed by an agency of the United States or the Commonwealth of Virginia as to principal and interest.

RATIONALE: This change would permit PGHOA to take advantage of increased interest rates offered by money market mutual funds and other similar types of financial intermediaries, so long as the obligations held by the entity are insured or guaranteed by the United States or the Commonwealth of Virginia.

At present PGHOA is able only to invest in certificates of deposit offered by federally, insured savings and loan associations or commercial banks or to buy federal or state instruments directly. The certificates of deposit offered by the banks and savings and loan associations are not as attractive as many federal securities in their yield. Direct purchase by the Association, which is presently permissible, is both cumbersome and often possesses minimum purchase requirements and maturities that, individually per security, are in excess of what the Association could reasonably acquire. Some federal

securities, for example, have minimum purchase requirements of \$10 million but would be available to the Association through participation in a money market mutual fund. By enabling PGHOA to purchase an interest in these guaranteed or insured securities by the Securities and Exchange Commission, the Association can avail itself of these higher interest rates without any derogation of its protection as payment of principle and interest.

I.B. ARTICLE XI, OFFICERS AND THEIR DUTIES

Strike the second clause, to wit:

The Treasurer shall sign all checks, drafts, notes, and orders for the payment of money; and the Treasurer shall pay out and dispose of the same under the direction of the President.

Add new fifth para under Section 8:

SHARED DUTIES

All checks, drafts, notes and orders for the payment of money in the name of the Association shall be co-signed by any two of the officers of the Association (President, Vice President, Treasurer, Secretary).

RATIONALE: To alleviate the problem of getting the Treasurer's signature on Association checks and to permit the smooth functioning of the Association during any absence of the Treasurer.

BY-LAW AMENDMENTS

On Tuesday, May 25, 1982, at the Annual Membership meeting, the membership approved the following By-Law Amendments to formalize three existing capital improvement funds. The amendments are considered essential to satisfy the IRS rulings concerning capital improvement funds.

Add the following:

I. A. ARTICLE XII, Section 12, Road and Sidewalk Repair Fund

(a) A special and permanent Road and Sidewalk Repair Fund shall be established to permit the Association to discharge its responsibilities with respect to future repair and replacement of streets, curbs and gutters, and sidewalks as set forth in Article VIII, Section 2 (g) of these By-laws. The fund shall be established by the deposit of funds into an account separate from that of any utilized for general operating funds. An initial deposit of \$76,353.00 shall be made to establish the fund. This sum represents the amount previously funded for this purpose. Subsequent deposits into the fund shall be made as outlined in paragraph (b) of this Section.

(b) The Treasurer shall cause to be deposited into this fund a fixed percent of all assessments received by the Association in accordance with the schedule shown below. Such deposits shall be made within 30 days following the close of the quarter in which the assessments were received.

SCHEDULE

1982 - 3rd & 4th quarters -- 13.5%

1983 and thereafter - As determined by the Board of Directors prior to establishing the Budget for that year and each subsequent year but in no year less than 10% of the assessments collected.

The Board of Directors may deposit into the fund additional amounts when determined that the fund is not adequate to meet anticipated requirements.

(c) The Treasurer shall have custody of these funds and shall deposit or invest them in the name of the corporation. The funds shall be invested or deposited in such manner as to meet liquidity and growth requirements to satisfy outlays from this fund. Investments shall be restricted to the provisions of Article XI, Section 8 of these By-laws.

(d) Funds may be withdrawn only for the express purpose of making major street, curb and gutter, or sidewalk repairs. Major repairs are those costing more than six (6) times the current annual assessment upon a single lot for single repair activity. The grouping of a number of small repairs over an extended period of time does not constitute authority for withdrawal of monies from this fund regardless of the total cost of that group of repairs. A statement as to cost from a qualified contractor, designated by the Board of Directors, shall substantiate the legitimacy of the withdrawal. The President or the Treasurer shall have the power to make the withdrawal.

I B. Add the following:

ARTICLE XII, Section 13, Swimming Pool Repair Fund

(a) A special and permanent Swimming Pool Repair Fund shall be established to permit the Association to discharge its responsibilities with respect to future repair and maintenance of the Association's swimming pool as set forth in Article VIII, Section 2 (g), of the By-Laws. The fund shall be established by the deposit of funds into an account separate from that of any utilized for general operating funds. An initial deposit of \$10,993.50 shall be made to establish the fund. This amount represents that previously funded for this purpose. Subsequent deposits into the fund shall be made as outlined in paragraph (b) of this Section.

(b) The Treasurer shall cause to be deposited into this fund a fixed percent of all assessments received by the Association in accordance with the schedule shown below. Such deposits shall be made within 30 days following the close of the quarter in which the assessments are received.

SCHEDULE

1982 -- 3rd and 4th quarters -- 4%

1983 and thereafter -- As determined by the Board of Directors prior to establishing the Budget for the following year but in no case less than 3% of the assessments collected.

The Board of Directors may deposit into the fund additional amounts when determined that the fund is not adequate to meet anticipated requirements.

(c) The Treasurer shall have custody of these funds and shall deposit or invest them in the name of the corporation. The funds shall be invested or deposited in such manner as to meet liquidity and growth requirements to satisfy outlays from this fund. Investments shall be restricted to the provisions of Article XI, Section 8 of these By-laws.

(d) Funds may be withdrawn only for the express purpose of making major swimming pool repairs. Major repairs are those costing more than three (3) times the current annual assessment upon a single lot for a single repair activity. The grouping of a number of small repairs over an extended period of time does not constitute authority for withdrawal of monies from this fund regardless of the total cost of that group of repairs. A statement as to cost from a qualified contractor, designated by the Board of Directors, shall substantiate the legitimacy of the withdrawal. The President or the Treasurer shall have the power to make the withdrawal.

I C. Add the following:

ARTICLE XII, Section 14, Community Center Repair and Maintenance Fund

(a) A special and permanent Community Center Repair and Maintenance Fund shall be established to permit the Association to discharge its responsibilities with respect to future repair and maintenance of the Association's Community Center building as set forth in Article VIII, Section 2(g) of these By-laws. The fund shall be established by the deposit of funds into an account separate from that of any utilized for general operating funds. An initial deposit of \$5,395.00 shall be made to establish the fund. Subsequent deposits into the fund shall be made as outlined in paragraph (b) of this Section.

(b) The Treasurer shall cause to be deposited into this fund a fixed percent of all assessments received by the Association in accordance with the schedule shown below. Such deposits shall be made within 30 days following the end of the quarter in which the assessments were received.

SCHEDULE

1982 -- 3rd and 4th quarters -- 11%

1983 and thereafter -- As determined by the Board of Directors prior to establishing the Budget for that year and each subsequent year but in no year less than 1% of the assessments collected.

The Board of Directors may deposit into the fund additional amounts when determined that the fund is not adequate to meet anticipated requirements.

(c) The Treasurer shall have custody of these funds and shall deposit or invest them in the name of the corporation. The funds shall be invested or deposited in such manner as to meet liquidity and growth requirements to satisfy outlays from this fund. Investments shall be restricted to the provisions of Article, XI, Section 8 of these By-Laws.

(d) Funds may be withdrawn only for the express purpose of making major Community Center repairs. Major repairs are those costing more than two (2) times the current annual assessment upon a single lot for a single repair activity. The grouping of a number of small repairs over an extended period of time does not constitute authority for withdrawal of monies from this fund regardless of the total cost of that group of repairs. A statement as to cost from a qualified contractor, designated by the Board of Directors, shall constitute the legitimacy of the withdrawal. The President or the Treasurer shall have the power to make the withdrawal.

BY-LAW AMENDMENTS

On Tuesday, May 25, 1982 at the Annual Membership Meeting, the membership approved the following By-Law Amendments.

ARTICLE V. BOARD OF DIRECTORS: SELECTION; TERM OF OFFICE

Delete the present Section 2. Term, and substitute the following:

Section 2. Term. At each annual meeting of the membership, directors shall be elected to fill those positions on the Board which are vacant or whose terms have expired. The terms shall be arranged in staggered fashion with one third (1/3) of the Board positions (terms) expiring each year. The term of a position shall be three (3) years. In the event that a Board position has been vacated, a successor shall be elected to fill the remainder of the unexpired term. Candidates receiving the most votes at each election will be elected to the longest terms.

RATIONALE: This amendment is intended to provide a greater degree of continuity on the Board of Directors.

Amend Article XVII Architectural Enforcement to read:

The Association, in accordance with Article III of the Articles of Incorporation of Pinewood Greens Homeowners Association and Article VIII of the Declaration of Covenants, Conditions and Restrictions, is tasked with the requirement of maintaining Architectural Control of the residence lots and common areas. If, as a last resort, in the execution of this task it becomes necessary to use legal means to obtain compliance, the attorney fees and legal costs that result will be added to, and become due and payable as a part of the quarterly assessment for that lot, except in so far as the Court may rule against the Association.

BY-LAW AMENDMENTS

On May 18, 1989, at the Annual Membership Meeting, the membership amended the By-Laws of Pinewood Greens HOA by adding the changes to the below listed sections. These By-Laws provide that our sinking funds can be used to effect repairs that exceed certain minimum amounts. This change will reduce the minimum in order to allow for more flexibility.

CHANGE: ARTICLE XII. Section 12, Road and Sidewalk Fund. Paragraph (d) line two, from six (6) to four (4).

CHANGE: ARTICLE XII, Section 13, Swimming Pool Repair Fund. Paragraph (d) line two, from three (3) to two (2).

CHANGE: ARTICLE XII, Section 14, Community Center Repair Fund. Paragraph (d) line two, from two (2) to one (1).

BY-LAW AMENDMENTS

On May 17, 1990, at the Annual Membership Meeting, the membership amended the By-Laws of Pinewood Greens HOA by adding the changes to the below listed sections.

1. RATIONALE: The amendments are considered essential to satisfy current IRS code concerning maintenance of sinking funds. The current PGHOA Bylaws require deposits of assessments to the sinking funds within 30 days following the close of the quarter in which the assessments were received. Such a deposit schedule will not be possible to follow, as it can create a cash flow deficit in the first three quarters of the calendar year due to seasonal costs such as the pool and delinquent account payments. It is therefore proposed that the schedule be amended to allow all deposits to be made at the end of the calendar year. This does not reduce the amount deposited into these accounts on an annual basis, but does adjust the timing of those deposits.

Article XII, Section 12b. Road and Sidewalk Repair Fund

Strike the first clause, to wit:

b. The Treasurer shall cause to be deposited into this fund a fixed percentage of all assessments received by the Association in accordance with the schedule shown below. Such deposits shall be made within 30 days following the close of the quarter in which the assessments were received.

Article XII, Section 13b. Swimming Pool Repair Fund

Strike the first clause, to wit:

b. The Treasurer shall cause to be deposited into this fund a fixed percentage of all assessments received by the Association in accordance with the schedule shown below. Such deposits shall be made within 30 days following close of the quarter in which the assessments were received.

Article XII, Section 14b. Community Center Repair and Maintenance Fund

Strike the first clause, to wit:

b. The Treasurer shall cause to be deposited into this fund a fixed percentage of all assessments received by the Association in accordance with the schedule shown below. Such deposits shall be made within 30 days

following the close of the quarter in which the assessments were received.

Insert in lieu thereof the following language:

b. The Treasurer shall cause to be deposited into this fund a fixed percentage of all assessments received by the Association in accordance with the schedule shown below. Such deposits shall be made prior to the end of the calendar year in which the assessments were received.

Insert in Lieu thereof the following language

b. The Treasurer shall cause to be deposited into this fund a fixed percentage of all assessments received by the Association in accordance with the schedule shown below. Such deposits shall be made Prior to the end of the calendar year in which the assessments were received.

Insert in lieu thereof the following language:

b. The Treasurer shall cause to be deposited into this fund a fixed percentage of all assessments received by the Association in accordance with the schedule shown below. Such deposits shall be made prior to the end of the calendar year in which the assessments were received.

II. RATIONALE: The amendment will enable the Association to recover legal fees when, as a last resort it becomes necessary to use legal means to obtain compliance with the Declaration of Covenants, Conditions, and Restrictions of this Association. This amendment incorporates the wording of the recent Virginia Property Owners Association Act state law.

Deleting Article XVII, of the Bylaws Architectural Enforcement:

The Association, in accordance with Article III of the Articles of Incorporation of Pinewood Greens Homeowners Association and Article VIII of the Declaration of Covenants, Conditions and Restrictions, is tasked with the requirement of maintaining Architectural Control of the residence lots and common areas. If as a last resort, in execution of this task it becomes necessary to use legal means to obtain compliance, the attorney fees and legal costs that result will be added to, and become due and payable as a part of the quarterly assessment for that lot, except in so far as the court may rule against the Association.

Insert in lieu thereof the following language:
Article VII, Architectural Enforcement:

The Association, in accordance with Article VIII of the Declaration of Covenants, Conditions and Restrictions is tasked with the requirement of maintaining the Architectural Control of the residence lots and common areas. In any proceeding brought by the Association arising out of any alleged default or lack of compliance in the performance of his obligations under the Declaration or pursuant to the Code of Virginia, the Association shall be entitled to recover reasonable attorney's fees and costs expended in the matter, if the Association is the prevailing party.

III. RATIONALE: This amendment will reflect the current and correct address and name of our Association. The current business address of Pinewood Greens is 2731 Hyson Lane, Falls Church, Virginia. The name of our Association was inadvertently listed as Pinewood Lake in the original By-Laws: This amendment corrects this error.

Article I

Strike the first clause, to wit:

NAME AND LOCATION. The name of the corporation is Pinewood Greens Homeowners Association, hereinafter referred to as the "Association." The principal office of the corporation shall be located at 1705 Fern Street, Alexandria, Virginia, but meetings of members and directors may be held at such places within the State of Virginia, County of Fairfax, as may be designated by the Board of Directors.

Article II, Section 1. DEFINITIONS

Strike the first clause, to wit:

Section 1. "Association" shall mean and refer to Pinewood Lake Association, its successors and assigns.

Insert in lieu thereof the following language:

NAME AND LOCATION. The name of the corporation is Pinewood Greens Homeowners Association, hereinafter referred to as the "Association." The principal office of the corporation shall be located at 2731 Hyson Lane, Falls Church, Virginia, but meetings of members and directors may be held at such places within the State of Virginia, County of Fairfax as may be designated by the Board of Directors.

Insert in lieu there-of the following language.:

Section 1. "Association" shall mean and refer to Pinewood Greens Homeowners Association, its successors and assigns.

AMENDMENTS TO BY-LAWS
OF
PINEWOOD GREENS HOMEOWNERS ASSOCIATION

These Amendments to By-Laws of PINEWOOD GREENS HOMEOWNERS ASSOCIATION are made this 12 day of May, 1994 by the PINEWOOD GREENS HOMEOWNERS ASSOCIATION (hereinafter, the "Association")

WHEREAS, the By-laws (hereinafter the "By-Laws") of PINEWOOD GREENS HOMEOWNERS ASSOCIATION provide that they may be amended at a regular or special meeting of the members, by a majority vote of a quorum of members present in person or by proxy, and

WHEREAS, the Board of Directors of the Association proposed certain amendment to the By-Laws which are set forth below, by Resolution adopted at a meeting of the Board of Directors on March 22, 1994 and

WHEREAS, on May 12, 1994 at a regular meeting of the members, a majority of the members present in person or by proxy, voted to approve said amendments,

NOW, THEREFORE, pursuant to and in compliance with the provisions of the By-Laws of Pinewood Greens Homeowners Association are hereby amended as follows:

1. Delete Article X (Meeting of Members) Section I and By-Law Amendment 3 and insert in lieu thereof the following:

The annual meeting of the members shall be held within 30 days of March 15 at a place, day, and hour approved by the Board of Directors. The date of the meeting shall be set by the Board of Directors no later than forty-five (45) days prior to the meeting. Notice of the meeting shall be provided to the members in accordance with Article X, Section 3 below.

The rationale for this change is that May (the time of the year established in the By-laws for our annual meeting) is an extremely busy month. In addition to all the preparation required for the annual meeting, significant effort is necessary for annual architectural inspections, lawn maintenance work and opening of the pool. Moving the annual meeting to March will spread this peak workload over a more extended period of time. This will reduce overtime requirements and permit the office staff and the Board to concentrate on maintenance and pool opening issues.

2. Add the following: Article IX Assessments Section 12. Excess Assessments

All excess membership assessments remaining at the end of the fiscal year shall be deferred to subsequent fiscal year funding to minimize increases in yearly homeowner assessments.

The IRS has recently audited several homeowners associations in California, resulting in the issuance of proposed tax assessments of many thousands of dollars. The basis of these actions dealt with the deferral of excess membership assessments to avoid their becoming taxable. Passage of this proposed By-law amendment will formalize the policy utilized by the Board of Directors for many years. It will also assure that our fiscal policy is in compliance with current IRS regulations while minimizing our taxes, and is recommended by our auditor.

Resolution to Establish Reserve Fund for Office Equipment

The Pinewood Green Homeowners Association Board of Directors resolves as follows:

- (A) A permanent Office Equipment Reserve Fund shall be established to discharge the financial responsibility with respect to the future replacement or refurbishing of office equipment. The office equipment currently includes two computers, two printers, a copier, a fax machine and an answering machine. Future replacement or refurbishing shall include, but will not be limited to, existing office equipment.
- (B) The Treasurer shall cause to be deposited into the Office Furniture and Equipment Reserve Fund a minimum of \$1,000.00 per year. Such deposit shall be made prior to the end of the calendar year in which the assessments were received. The Board of Directors may deposit into the Fund additional amounts when it is determined that the Fund is not adequate to meet anticipated requirements.
- (C) The Treasurer shall have custody of these Funds and shall deposit or invest them in the name of the corporation. These Funds shall be invested or deposited in such manner as to meet liquidity and growth requirements to satisfy outlays from this Fund.
- (D) Funds may be withdrawn only for the express purpose of purchasing or refurbishing office equipment. The withdrawal requires a majority vote of the Board of Directors.

Adopted this 30th day of September, 1998.

Proposed Resolution to Establish Playground Repair and Replacement Reserve Fund

1. It is recommended that the Board of Directors adopt a resolution to establish a Playground Repair and Replacement Reserve fund. This action is to be considered at the Board of Directors meeting on February 26, 1997.
2. Purpose: The purpose of this resolution is to establish a Playground Repair and Replacement Reserve Fund. There are three playgrounds on Pinewood Greens common property: on Hogan Court, to the rear of January Court (east side), and to the rear of Middlecoff Place (east side). Life expectancy of the wooden playgrounds on Hogan Court and January Court is approximately 10 years. The Playground Repair and Replacement Reserve Fund will require that we set aside funds on an annual basis for the replacement of and major repairs to this equipment, since such costs cannot be afforded in a single budget year. The procedures currently followed for established reserve fund will apply to the Playground Repair and Replacement Reserve Fund. They are as follows:
 - 3 . Playground Repair and Replacement Reserve Fund: Procedures
 - (a) A permanent Playground Repair and Replacement Reserve Fund shall be established to discharge the responsibilities with respect to future repair and replacement of playgrounds. The fund shall be established by the deposit of funds into an account separate from that of any utilized for general operating funds. An initial deposit of \$1,512 shall be made to establish the fund. Subsequent deposits into the fund shall be made as outlined in the deposit schedule which is attached.
 - (b) The Treasurer shall cause to be deposited into this fund a portion of all assessments in accordance with the deposit schedule shown in the attachment. Such deposits shall be made prior to the end of the calendar year in which the assessments were received. The Board of Directors may deposit into the fund additional amounts when determined that the fund is not adequate to meet anticipated requirements.
 - (c) The Treasurer shall have custody of these funds and shall deposit or invest them in the name of the corporation. These funds shall be invested or deposited in such manner as to meet liquidity and growth requirements to satisfy outlays from this fund.
 - (d) Funds may be withdrawn only for the express purpose of making major playground repairs or replacement. Major repairs are those costing more than two (2) times the current annual assessment upon a single lot for a single repair or replacement activity. The grouping of a number of small repairs over an extended period of time does not constitute authority for withdrawal of monies from this fund regardless of the total cost of that group of repairs. A statement as to cost from a qualified contractor, designated by the Board of Directors, shall substantiate the legitimacy of this withdrawal. The withdrawal requires a majority vote of the Board of Directors.
 - (e) Maintenance or repair costs which do not qualify under (d) above shall be drawn from Budget Item 6466, Playground Maintenance.
4. Other Considerations: The Board of Directors has previously approved the conducting of a study to provide a Condition Assessment and Reserve Fund Plan. Once a contract is awarded and the reserve study is completed it is anticipated that the report will include specific recommendations related to the expected repair/replacement costs associated with our playgrounds. It is further anticipated that the Board of Directors would then utilize the study cost figures in place of the deposit schedule outlined in the attachment.