

**BY-LAWS
OF
VILLAGE OF WAXPOOL HOMEOWNERS ASSOCIATION, INC.**

**ARTICLE I
NAME AND LOCATION**

The name of the corporation is **VILLAGE OF WAXPOOL HOMEOWNERS ASSOCIATION, INC.** (the "Association"). The principal office of the Association shall be located at 6820 Elm Street, Suite 200, McLean, Virginia 22101. Meetings of Members and Directors may be held at the principal office or such other places within the Commonwealth of Virginia as may be designated by the Board of Directors.

**ARTICLE II
DEFINITIONS**

All words defined in the Declaration of Covenants, Conditions and Restrictions applicable to the Property, which Declaration has been or shall be recorded in the Office of the Clerk of the Circuit Court of Loudoun County, Virginia, shall have the same definitions when used herein.

**ARTICLE III
MEETING OF MEMBERS**

Section 1. Annual Meetings. The first annual meeting of the Members shall be held within six (6) months following the termination of the Class B membership and each subsequent regular annual meeting of the Members shall be held approximately twelve (12) months after the previous annual meeting, at such day and time as shall be set by the Board of Directors.

Section 2. Special Meetings. Special meetings of the Members may be called at any time by the president of the Association, the Board of Directors, or upon written request of Members who are entitled to vote at least one-fourth (1/4) of all of the votes of either class of Members. Only business within the purpose or purposes described in the written notice of special meeting may be conducted at the special meeting of the Members.

Section 3. Notice of Meetings. Written notice of each meeting of the Members shall be given by, or at the direction of, the secretary of the Association or person authorized to call the meeting, by delivering or mailing a copy of such notice, postage prepaid, at least fifteen (15) but no more than sixty (60) 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 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. Waiver of Notice. A Member may waive any notice required by the Articles of Incorporation of the Association, these By-Laws or the Virginia Non-Stock Corporation Act (the "Act") before or after the date and time of the meeting that is the subject of such notice. The waiver shall be in writing, be signed by the Member entitled to such notice and be delivered to the Secretary for inclusion in the minutes or filing with the Association's records. A Member who attends a meeting (a) waives objection to lack of notice or defective notice of the meeting, unless the Member at the beginning of the meeting objects to holding the meeting or transacting business at the meeting, and (b) waives objection to consideration of a particular matter at the meeting that is not within the purpose or purposes described in the meeting notice, unless the Member objects to considering the matter when it is presented.

Section 5. Quorum. The presence at the meeting of Members or their proxies entitled to cast at least ten percent (10%) of the votes of each class of Members 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 the power to adjourn the meeting and to call another meeting without notice other than announcement at the meeting prior to adjournment, and the required quorum at any such subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting.

Section 6. Proxies. At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing, in the form required by law, and filed with the Secretary of the Association. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of its Lot.

Section 7. Action Taken without Meeting. Action required or permitted pursuant to the Act to be taken at a meeting of the Members may be taken without a meeting and without action of the Board if the action is evidenced by written consent describing the action taken, signed by all of the Members entitled to vote on the action and delivered to the Secretary for inclusion in the minutes of the meeting or filing with the Association's records in accordance with Section 13.1-841 of the Act.

ARTICLE IV BOARD OF DIRECTORS; SELECTION; OFFICE

Section 1. Number and Qualification. The affairs of this Association shall be managed by a Board of Directors (the "**Board**") who need not be Members. No Member whose Lot's Assessment (as defined in the Declaration) is more than sixty (60) days past due shall be eligible to be a Director. Any Director whose Lot's Assessment is more than sixty (60) days past due shall be subject to removal by a majority vote of the other Directors. The initial Directors shall be appointed by the Declarant, or its designee. The

initial number of Directors shall be three (3), which number may be increased to as many as five (5) by a majority vote of the Directors so long as there is a Class B membership, or after the termination of the Class B membership may be changed in accordance with the Act.

Section 2. Appointment of Directors. Prior to the expiration of the Class B membership, the Declarant, or its designee, shall appoint the Directors to serve one year terms, or until their successor is appointed, or until the first annual meeting of Members after the termination of the Class B membership. As long as a Class B membership exists, appointed Directors may be reappointed or replaced by the Declarant at any time, with or without cause, and they need not be members of the Association.

Section 3. Election. At the first annual meeting of Members after the termination of the Class B membership, the Members shall elect one (1) director for a term of one (1) year; one (1) director for a term of two (2) years; and one (1) director for a term of three (3) years; and, as the terms of such directors expire, new directors shall be elected by the Members at each annual meeting thereafter for terms of three (3) years each. Election to the Board of Directors shall be by secret written ballot. At such election the Members or their proxies may cast, with 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.

Section 4. Nomination. Nomination for election to the Board of Directors may be made by a Nominating Committee, if one is formed. Nominations may also be made from the floor at the annual meeting. If a Nominating Committee is created, it shall consist of a Chairperson, who shall be a member of the Board of Directors, and two (2) or more Members of the Association. The Nominating Committee shall be appointed by the Board of Directors sixty (60) to ninety (90) days prior to each annual meeting of the Members, to serve until the close of such annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not fewer than the number of vacancies that are to be filled. Such nominations may be made from among Members or non-Members.

Section 5. Replacement. Prior to the expiration of the Class B membership, the Declarant may replace a Director at any time, with or without cause. Subsequent to the expiration of the Class B membership, any Director may be removed from the Board in accordance with Section 13.1-860 of the Act, with or without cause, by a majority vote of the Members in accordance with Virginia law. In the event of death, resignation or removal of a Director subsequent to the expiration of the Class B membership, that Director's successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of the predecessor.

Section 6. Compensation. No Director shall receive compensation for any service he/she may render to the Association in his/her capacity as a Director. However, any Director may be reimbursed for his/her actual, reasonable expenses incurred in the performance of his/her duties as a Director, as permitted by Virginia law.

Section 7. Action Taken Without a Meeting. The Board shall have the right, in the absence of a meeting, to take any action which they could take at a meeting by obtaining the written approval of all of the Directors in accordance with Virginia law. Any action so taken shall have the same effect as though taken at a meeting of the Board.

Section 8. Indemnification. Each Director, in consideration of his/her services as such, shall be indemnified by the Association to the extent permitted by law against expenses and liabilities reasonably incurred by him/her in connection with the defense of any action, suit or proceeding, civil or criminal, to which he/she may be a party by reason of his/her past or present role in the Association, unless such action was a result of gross neglect or willful misconduct of the Director.

ARTICLE V MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held on a regular basis and at least four (4) times per year without notice and at such place and hour as may be fixed from time to time by resolution of the Board.

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 (2) Directors after not less than three (3) days' notice to each Director.

Section 3. Quorum. A majority of the 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 VI POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall have power to exercise for the Association all powers, duties and authority vested in or delegated to the Association, not reserved to the Members by other provisions of these By-Laws, the Articles of Incorporation or the Declaration.

Section 2. Duties. It shall be the duty of the Board of Directors:

(a) to cause to be kept a complete written record of all of 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 at least one-fourth (1/4) of the Class A Members who are entitled to vote;

(b) to supervise all officers, agents and employees of the Association in the performance of their respective duties;

(c) as more fully provided herein and in the Declaration:

(i) to fix the amount of the Assessments (as defined in the Declaration) against each Lot at least thirty (30) days in advance of the annual assessment period; and

(ii) to send or cause to be sent written notice of each such Assessment to every Owner subject thereto at least thirty (30) days in advance of the annual assessment period;

(d) at the request of a Member or Mortgagee, to issue, or cause an appropriate officer or authorized agent to issue, a certificate setting forth whether any such Assessment has been paid. A reasonable charge may be made by the Board for the issuance of such a certificate. Such certificate shall be conclusive evidence that any Assessment therein stated to have been paid has been paid.

ARTICLE VII **OFFICERS AND THEIR DUTIES**

Section 1. Enumeration of Officers. The officers of the Association shall be a president, who shall at all times be a member of the Board of Directors, a vice president, a secretary, and a treasurer and such other officers as the Board may elect from time to time.

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 such officer shall sooner resign, be removed or otherwise be disqualified or unable 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 with or without cause by vote of a simple majority of the Board. Any officer may resign at any time by giving written notice to the Board, the President or the Secretary. Such resignation shall be effective on the date of receipt of such notice or at any later date and time specified therein, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

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

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 this Article.

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

(a) President: The President shall preside at all meetings of the Board of Directors, see that orders and resolutions of the Board are carried out, and sign all contracts, leases, mortgages, promissory notes, deeds and other written instruments on behalf of the Association;

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

(c) Secretary: 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 to all papers requiring said seal, serve notice of meetings of the Board and of the Members, keep appropriate current records showing the Members, together with their addresses, and perform such other duties as required by the Board;

(d) Treasurer: The Treasurer shall cause the receipt and deposit, in appropriate bank accounts, all monies of the Association and cause the disbursement of such funds as directed by resolution of the Board of Directors; shall cause all checks of the Association to be signed, the keeping of proper books of account, cause an audit of the Association books to be made by a public accountant if so required by a Mortgagee, and cause the preparation of an annual budget and statement of income and expenditures to be presented to the Members at their regular annual meeting.

Section 9. Delegation. The officers may delegate any of their duties to an agent hired for that purpose.

ARTICLE VIII **COMMITTEES**

The Board of Directors shall appoint an Architectural Review Board as provided in the Declaration and may appoint a Nominating Committee as provided in these By-Laws. In addition, the Board of Directors may appoint other committees as it deems appropriate in carrying out its responsibilities. 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 IX
BOOKS AND RECORDS

The books, records and papers of the Association shall be subject to inspection by any Member or Mortgagee at the principal office of the Association during reasonable business hours. Copies may be purchased at a reasonable cost.

ARTICLE X
CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the name of the Association.

ARTICLE XI
AMENDMENTS

These By-Laws may be amended at a duly noticed regular or special meeting of the Members where a quorum is present by a majority vote of Members entitled to vote and voting at the meeting in person or by proxy.

ARTICLE XII
SPECIAL AMENDMENTS

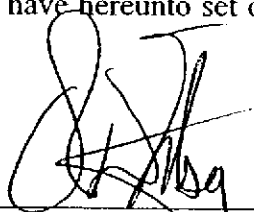
Notwithstanding anything herein to the contrary, the Declarant may unilaterally amend these By-Laws for any reason prior to the conveyance of a Lot to an Owner other than the Declarant, and thereafter may make any amendment required by any of the federal mortgage agencies, such as the Veterans Administration, Federal Housing Administration, Fannie Mae or Freddie Mac, or by Loudoun County, Virginia, as a condition of the approval of these By-Laws, and shall give written notice of any such amendments to the Members.

ARTICLE XIII
MISCELLANEOUS

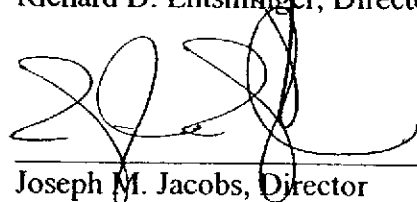
Section 1. Fiscal Year. The fiscal year of the Association shall begin on January 1 and end on December 31 of every year, except that the first fiscal year shall begin on the date of incorporation of the Association. The dates fixing the fiscal year may be adjusted at the discretion of the Board.

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

IN WITNESS WHEREOF, we, being all of the initial Directors of Village of Waxpool Homeowners Association, Inc. have hereunto set our hands this 30th day of August, 2004.



Richard D. Entsminger, Director



Joseph M. Jacobs, Director



John M. Clarke, Director

31st THIS INDEMNITY AGREEMENT ("**Indemnity Agreement**") is entered into as of the day of January, 2005, between **VILLAGE OF WAXPOOL HOMEOWNERS ASSOCIATION, INC.**, a Virginia non-stock corporation formed pursuant to the Virginia Property Owners Association Act (hereinafter referred to as "**Indemnitor**"), and for purposes of indexing, the Grantor, and the **LOUDOUN COUNTY SANITATION AUTHORITY**, a body corporate and politic (hereinafter referred to as the "**Authority**") and for purposes of indexing, the Grantee.

RECITALS:

A. By Deed of Subdivision, Dedication, Easement, Conveyance and Vacation recorded contemporaneously herewith (the "**Deed of Subdivision**"), the Authority acquired a certain parcel of land known and described as Parcel D, The Village of Waxpool, Section 1 (the "**Property**").

B. A portion of the Property (i.e., an area containing 11,658 square feet of land, more or less) is intended to be used by the Authority for the construction, installation, maintenance and operation of a sanitary sewer pump station (the "**Pump Station**"), together with accessory uses and facilities within the Property, including but not limited to access roads, utilities, fences and such other facilities as may be deemed necessary by the Authority from time to time, in able to provide the Authority with the unrestricted right to construct and use the Pump Station.

C. The Property is subject to an Open Space Conservation Easement for the benefit of the Board of Supervisors of Loudoun County, Virginia (the "**County**"), and subject to a Sidewalk/Trail Easement for the joint benefit of the County and the Indemnitor (collectively, the "**Easements**").

D. It was a condition of the Authority's willingness to accept title and ownership of the Property subject to the Easements that Indemnitor indemnify and hold it harmless from any and all claims arising from the grant and or use of the Easements (the "**Indemnified Claims**"), and that Indemnitor maintain adequate insurance to protect the Authority from any damages and/or injuries arising from the use of the Easement.

E. The Indemnitor has agreed that it will indemnify and hold the Authority harmless from the Indemnified Claims and maintain insurance covering the Indemnified Claims upon the terms and conditions hereinafter set forth.

INDEMNITY:

NOW THEREFORE, in consideration of the facts reflected by the foregoing recitations, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Indemnitor hereby covenants and agrees, for the benefit of the Authority, as follows:

1. This Indemnity Agreement is expressly subject to the terms and conditions of the Deed of Subdivision.

Box
99

2. Indemnitor agrees that it shall indemnify and hold the Authority harmless from and against any and all Indemnified Claims, which indemnity shall include any costs or expenses incurred by the Authority in the defense of any such Indemnified Claims, further including, without limitation, reasonable attorney's fees.

3. The payments required by this Indemnity Agreement shall be made within thirty (30) days following receipt of written demand for payment, and, if not paid within such time period, shall bear interest on the applicable amount at an annual interest rate equal to the then applicable judgment rate of interest in the Commonwealth of Virginia.

4. Indemnitor agrees that it obtain comprehensive general liability insurance in an amount not less than One Million Dollars (\$1,000,000.00) and shall provide proof of such insurance coverage to the Authority on an annual basis by the first day of March of each calendar year.

5. With the exception of any access easement road, fencing surrounding the Pump Station, or other facilities or structures which are exclusive accessory to the Pump Station, the Association shall be responsible for maintenance of all trails and other facilities located within the Property, unless the Authority expressly assumes such responsibility, in writing, provided that the Authority shall have the sole responsibility and right of access to any area contained within the fencing surrounding the Pump Station.

6. This Indemnity Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia.

7. The representations, warranties, covenants and conditions set forth herein shall be binding upon the successors and assigns of the Indemnitor and shall inure to the benefit of the Authority and its successors and assigns in title to the Property.

8. All notices, demands and requests under this Agreement shall be in writing and shall be deemed to have been given if (i) served personally, (ii) sent by overnight delivery service, or (iii) sent by United States Registered or Certified Mail, return receipt requested, postage prepaid, addressed to the addresses set forth below or such other addresses as either party may designate by notice to the other:

if to Indemnitor:

Waxpool Village Homeowners Association, Inc.
6820 Elm Street
Suite 201
McLean, Virginia 22101
Attention: President

with a copy to:

Koger Management Group, Inc.
3554 Chain Bridge Road
Suite 400
Fairfax, Virginia 22030

Attention: Mr. Douglas Courtney

if to the Authority:

Loudoun County Sanitation Authority
880 Harrison Street, S.E.
Leesburg, Virginia 20177
Attention: Mr. Dale Hammes

with a copy to:

Stanley Franklin, Esquire
McGuire, Woods, Battle & Boothe
1750 Tysons Boulevard, Suite 1800
McLean, Virginia 22102-3892

Notices, demands and requests which shall be served in the manner aforesaid shall be deemed to have been received for all purposes hereunder at the time such notice, demand or request shall have been personally served or on the 3rd business day after the same shall have been mailed by United States Registered or Certified mail as aforesaid, in any post office or branch post office of the United States Government or on the date of receipt or refused delivery if delivered by overnight delivery service or by personal service, as set forth in the records of such overnight delivery service or courier.

9. All pronouns used herein, whether used in the masculine, feminine or neuter gender, shall include all other genders. The singular shall include the plural and vice versa unless the context requires otherwise.

10. If any provision of this Indemnity Agreement, or the application thereof to any person or circumstance, shall to any extent be invalid or unenforceable, the remainder of the provisions hereof, or the application thereof to other persons or circumstances, shall not be affected thereby, and each provision hereof shall be valid and enforceable to the fullest extent permitted by law.

11. This Indemnity Agreement constitutes the sole agreement among the parties with respect to the obligations of indemnity and insurance, and supersedes and cancels any prior agreements, representations, warranties or communications, whether oral or written, between the parties relating to such topics. No amendment or modification of this Agreement shall be effective unless approved in writing.

12. If payments due hereunder are not paid when due, each Indemnitor promises to pay all costs of collection, including reasonable attorney' fees, whether or not suit is filed hereon. Such costs shall include, but not be limited to, all costs and expenses incurred in connection with attorney's fees incurred in defending any claim, counterclaim or crossclaim related to the indebtedness evidenced by this Indemnity Agreement, as well as attorney's fees incurred by the party seeking enforcement in bankruptcy and/or on appeal.

IN WITNESS WHEREOF, each party has executed this Agreement, under seal, the day and year first above written.

VILLAGE OF WAXPOOL HOMEOWNERS
ASSOCIATION, INC.

By: [Signature] (SEAL)
Name: Bill Entsminger
Title: President

COMMONWEALTH OF VIRGINIA
CITY/COUNTY OF Fairfax, to wit:

The foregoing instrument was acknowledged before me this 31st day of January 2005
VILLAGE OF WAXPOOL HOMEOWNERS ASSOCIATION, INC.

My Commission Expires:
3-31-08

[Signature: Claude M. B. Thomas]
Notary Public

RESOLUTION 01-1
Passed March 1, 2005

WHEREAS, the Bylaws of the Village of Waxpool Homeowners Association grant to the Board of Directors the power to manage the business and affairs of the Association; and

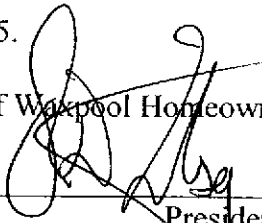
WHEREAS, the Virginia Property Owners Association Act requires the Board of Directors to formally adopt and publish a written resolution as such; and

NOW, THEREFORE, BE IT RESOLVED THAT:

The Village of Waxpool Homeowners Association Board of Directors hereby adopts the Village of Waxpool Community Association Handbook, further defining architectural guidelines and procedures.

BE IT RESOLVED this 1st day of March, 2005.

Village of Waxpool Homeowners Association

By: 

President

I hereby certify that the foregoing Resolution was duly adopted at a regular meeting of the Board of Directors of the Village of Waxpool Homeowners Association, this 1st day of March, 2005.



Secretary