

BYLAWS

KINGS FORD - A CONDOMINIUM

BY-LAWS
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DECLARATION OF RESTRICTIVE COVENANTS
RIVER WALK PARCEL M-1

THIS DECLARATION, Made this 21st day of January, 1988 by River Walk Development, Inc., a Delaware corporation (together with its successors and assigns hereinafter referred to as the "Declarant").

The following shall henceforth be covenants running with the land, which land is identified as parcel M-1 on the plat entitled "Subdivision Plat of River Walk, Phase 1", recorded in the Clerk's Office of the Circuit Court of the City of Chesapeake, Virginia in Map Book 90 at pages 26 and 26 A-E (the "Property"), and also shown on the plat entitled "Exhibit of Parcel M-1 as shown on Subdivision Plat of River Walk, Phase 1", dated December 28, 1987 and attached hereto as Exhibit A, and by this reference made a part hereof (the "Plat").

1. No building or other structure, exclusive of sidewalks, curbs, paved streets and gutters, shall be constructed within 25' of River Walk Parkway as shown by the 25' Building Setback Line depicted on the Plat. Anything to the contrary herein notwithstanding, Declarant may erect and maintain a fence within 25' of River Walk Parkway as set forth in paragraph 2 below.

2. Declarant may erect and maintain a fence within the 25' Buffer Easement area depicted on the Plat. Declarant may landscape the 25' Buffer Easement and in connection therewith may, without limitation, plant trees, shrubs, flowers, and grass anywhere within said Buffer Easement. Any trees, shrubs or hedges planted by Declarant within the Buffer Easement area shall be owned and maintained by the Declarant. The Declarant or the River Walk Community Association shall be responsible for the maintenance of that portion of the Buffer Easement between and including both sides of the fence to be erected or buffer hedge to be planted therein and River Walk Parkway. The purchaser of Parcel M-1 from the Declarant, (and said purchaser's successors and assigns) shall be responsible for the maintenance of the balance of the Buffer Easement.

3. Ingress and egress to and from River Walk Parkway shall be prohibited across that certain area of land designated "1' No Ingress-Egress Easement" on the Plat, except for maintenance purposes as set forth herein.

4. The use of the area depicted on the Plat as the "Existing Hardwood Preserve, 1.282 acres" shall be restricted as provided in Section 9.21 of the Declaration of Protective Covenants, Conditions, Restrictions, Easements, Charges and Liens, River Walk Community Association, recorded in the aforesaid Clerk's Office in Deed Book 2360 at page 21, as the same may be amended from time to time (hereinafter referred to as "the Restrictions").

5. The area labeled as "Existing Drainage and Utility Easement" on the Plat has been dedicated to the City of Chesapeake as shown on the aforementioned subdivision plat recorded in Map Book 90, at page 26.

6. No improvements may be constructed on the Property unless the plans therefore have been submitted in advance to Declarant in such detail as Declarant may require. Declarant, in its sole discretion, shall have the absolute right to approve, disapprove or require modifications to such plans. Declarant shall notify the party submitting such plans of its decision within forty-five (45) days of the receipt of such plans by Declarant. Declarant may, but need not, transfer the responsibility for the review of plans to the Architectural Standards Committee of the Association, in which case the Architectural Standards Committee shall exercise such powers as are described in Article VII of the Restrictions.

7. The Property is subject to the covenants, restrictions and easements contained in the following sections of the Restrictions (in the event of a conflict, terms defined herein shall govern over the same terms as defined in the Restrictions):

(a) Section 9.1, Advertising and Signs, except that "Declarant" shall be substituted in place of "Developer".

(b) Section 9.4, Garbage and Refuse Disposal.

(c) Section 9.5, No Above Surface Utilities Without Approval, except that Declarant or the Architectural Standards Committee may grant such approvals.

(d) Section 9.9, Television and Radio Antennae.

(e) Section 9.10, Trees and Other Natural Features, except that "Declarant" shall be substituted in place of "Developer", and the Declarant or the Architectural

Standards Committee may grant permission for the removal of trees from the Property.

8. The transferee of title to the Property shall be liable for an assessment, payable to the Association, for the maintenance of River Walk Parkway and the maintenance of landscaping on the Buffer Easement as provided in paragraph 2 above. Such assessment shall be in the amount of Two Dollars (\$2.00) per month per dwelling unit constructed on the Property. Payments pursuant to such assessment shall commence upon the earlier of (a) recordation of a Declaration of Condominium pertaining to the Property or (b) the occupancy of the first dwelling unit located on the Property. The Assessment may increase at the same rate as the annual increase in the Federal Consumer Price Index for Urban Areas, with the calendar year 1988 being utilized as the base year.

9. No transferee of title to the Property or any portion thereof may apply to the City of Chesapeake for a change in the zoning classification or the River Walk Master Land Use Plan pertaining to the Property for a period of twenty (20) years from the date of the recordation of this Declaration. The only use currently permitted on the Property is multi-family residential.

10. Any easements reserved herein by the Declarant or depicted on the Plat may be dedicated by the Declarant to the City of Chesapeake without joinder of any transferee of title to the Property (or a portion thereof) or their mortgage lender.

Although Parcel M-1 is not within the property covered by the Restrictions, this Declaration subjects parcel M-1 to the Restrictions for the limited purposes set forth herein. The above covenants and easements shall run with the land and shall inure to the benefit of the Declarant, the Association, and all property owners within the River Walk Development. This Declaration may be vacated by an instrument signed by owners of seventy-five percent (75%) of the property covered by the Restrictions.

WITNESS the following signature and seal, thereunto duly authorized.

RIVER WALK DEVELOPMENT
INC., a Delaware
corporation

By _____
Lyle G. Wermers,
attorney in fact
pursuant to Power of
Attorney of River Walk
Development Inc.,
recorded in the Clerk's
Office of the Circuit
Court of the City of
Chesapeake, Virginia in
Deed Book 2360, at
page 17.

COMMONWEALTH OF VIRGINIA
AT LARGE

The foregoing instrument was acknowledged before me in
_____, Virginia, this _____ day of _____,
1988, by Lyle G. Wermers, on behalf of River Walk Develop-
ment, Inc., a Delaware corporation.

Notary Public

My commission expires:

BY-LAWS
OF
KINGS FORD - A CONDOMINIUM
(Chesapeake, Virginia)

ARTICLE I

Plan of Unit Ownership

Section 1. Unit Ownership. The property described in the Declaration of Condominium for Kings Ford - A Condominium is located in the City of Chesapeake, Commonwealth of Virginia (hereinafter called the "Property"), has been submitted to the provisions of the Condominium Act of the Commonwealth of Virginia, Title 55, Chapter 4.2, 1950 Code of Virginia, as amended, (the "Act"), by the Declarant, The Franciscus Company, Inc., and shall hereafter be known as "Kings Ford - A Condominium" (the "Condominium").

Section 2. Application of By-Laws. The provisions of these By-Laws are applicable to the Condominium and to the use and occupancy thereof. All present and future owners, mortgagees, lessées and occupants of Condominium Units (the "Units") and their employees, and any other person who shall come upon or use the facilities of the Property in any manner, are subject to these By-Laws, the Declaration and the Rules and Regulations. The acceptance of a deed of conveyance to a Unit, the entering into of a lease with respect to a Unit, the occupancy of a Unit or the voluntary entry upon the Property as a licensee shall conclusively establish the acceptance and ratification of these By-Laws, the Rules and Regulations and the provisions of the Declaration, as they may be amended from time to time, by the person so acquiring, leasing, or occupying a Unit or voluntarily entering upon the Property and shall constitute and evidence an agreement by such person to comply with the same.

Section 3. Office. The office of the Condominium shall be located at the Condominium or at such other place as may be designated from time to time by the Board of Directors.

ARTICLE II

Unit Owners' Association

Section 1. Composition. Each Unit Owner in the Condominium shall be a member of the Kings Ford Owners Association, Inc., a Virginia non-stock corporation, in accordance with the Act, the Declaration and these By-Laws, and such entity shall constitute the "Unit Owners' Association," (the "Association") which shall have the responsibility for administering the Condominium, establishing the

means and methods of collecting the Common Expenses, arranging for the management of the Condominium, and performing all of the other acts that may be required or permitted to be performed by the Association under the provisions of the Act, the Declaration, or these By-Laws. Except as to those matters which the Act specifically requires to be performed by a vote of the Unit Owners, the administration of the foregoing responsibilities shall be performed by the Board of Directors as more particularly set forth in Article III hereof.

Section 2. Annual Meetings. The first annual meeting of the Association shall be held on a date to be determined by the Declarant, which date shall be within one (1) year after the conveyance of the first Unit to a Unit Owner. Notice of such meeting shall be given in accordance with the provisions of Section 5 of this Article II. Thereafter, the annual meetings of the Association shall be held in the same month. At such annual meetings the Board of Directors shall be elected by ballot of the Owners in accordance with the requirements of Section 4 of Article III of these By-Laws. The foregoing notwithstanding, for the maximum period permitted by law, the Declarant shall be entitled to elect a majority of the members of the Board of Directors.

Section 3. Place of Meetings. Meetings of the Association shall be held at the principal office of the Condominium or at such other suitable place convenient to the Owners as may be designated by the Board of Directors in the Notice of the Meeting.

Section 4. Special Meetings. A Special Meeting of the members of the Association may be called by the Chairman of the Board of Directors, the President or by a majority of the Board of Directors. After the first Annual Meeting of the Association, it shall be the duty of the President to call a Special Meeting of the Association upon a Petition signed and presented to the Secretary by members having not less than twenty-five percent (25%) of the votes of all members. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a Special Meeting except as stated in the notice.

Section 5. Notice of Meetings. It shall be the duty of the Secretary to mail, by United States mail, or deliver a notice of any annual or regularly scheduled meeting of the Association, not less than twenty-one (21) days in advance of such meeting, and at least seven (7) days in advance of any other meeting, stating the purpose thereof, as well as the time and place where such meeting is to be held, to each member, at the address of their respective Unit or at such other address as each member may have designated by notice in writing to the Secretary. The mailing of a notice of meeting in the manner provided shall be considered service of notice. If notice is delivered by hand by the Secretary to the Unit Owner, then the

Secretary shall certify such fact in writing and file a copy with the minutes of the meeting.

Section 6. Adjournment of Meetings. If any meeting of the Association cannot be held because a quorum is not present, Owners holding a majority of the votes present at such meeting, either in person or by proxy, may adjourn the meeting to a time not less than forty-eight (48) hours from the time the original meeting was called.

Section 7. Order of Business. The order of business at all annual meetings of the Association shall be as follows:

- (a) Roll call and determination of quorum to conduct business.
- (b) Proof of notice of meeting.
- (c) Reading of minutes of preceding meeting.
- (d) Reports of officers.
- (e) Reports of Board of Directors.
- (f) Reports of committees.
- (g) Election of inspectors of election (when so required).
- (h) Election of members of the Board of Directors (when so required).
- (i) Unfinished business.
- (j) New business.

Section 8. Title to Units. Title to Units may be taken in the name of a natural person or in the names of two or more natural persons, or in the name of a corporation, partnership, association, trust, or other entity capable of holding title to real property, or any combination thereof.

Section 9. Voting. Each Unit shall have a vote in the Association as set forth in Exhibit "C" to the Declaration. Since a Unit Owner may be more than one person, if only one of such persons is present at a meeting of the Association, that person shall be entitled to cast the vote appertaining to that Unit. But if more than one of such persons is present, the vote appertaining to that Unit shall be cast only in accordance with the agreement of a majority of them, and such consent shall be conclusively presumed if any one of them purports to cast the vote appertaining to that Unit without protest being made forthwith by any of the others to the person presiding over the meeting. Since a person need not be a natural person, the word "person" shall be deemed for the purposes of this Section to include, without limitation, any natural person having authority to execute deeds on behalf of any person, excluding natural persons, which is, either alone or in conjunction with another person or persons, a Unit Owner. Except where a greater number is required by the Act, the Declaration, or these By-Laws, Unit Owners present and voting in person or by proxy having more than fifty percent (50%) of the total votes of all Unit Owners present in person or by proxy shall have

authority to take action on behalf of and bind the Association at any meeting thereof at which a quorum is present. If the Declarant owns or holds title to one or more Units, the Declarant shall have the right at any meeting of the Association to cast the votes to which such Unit is entitled.

Section 10. Proxies. The votes appertaining to any Unit may be cast pursuant to a proxy or proxies duly executed by or on behalf of the Owner, or, in cases where the Unit Owner is more than one person, by or on behalf of all such persons. No such proxy shall be revocable except by actual notice to the person presiding over the meeting by the Unit Owner or by any of such persons that it be revoked. Any proxy shall be void if it is not dated, if it purports to be revocable without notice as aforesaid, or if the signatures of those executing the same have not been witnessed by a person who shall sign his full name and address. The proxy of any person shall be void if not signed by a person having authority, at the time of the execution thereof, to execute deeds on behalf of that person. Any proxy shall terminate automatically upon final adjournment of the first meeting held on or after the date of that proxy, and must be filed with the Secretary at or before the appointed time of that meeting.

Section 11. Majority of Owners. As used in these By-Laws, unless otherwise specifically provided, the term "Majority of the Owners" shall mean those Owners having more than fifty percent (50%) of the total votes of all Owners.

Section 12. Quorum. Except as otherwise provided in these By-Laws, the presence in person or by proxy of Owners having more than twenty-five percent (25%) of the total votes of all Unit Owners shall constitute a quorum at all meetings of the Association.

Section 13. Conduct of Meeting. The President shall preside over all meetings of the Association and the Secretary shall keep the minutes of the meeting and record in a Minute Book all resolutions adopted by the meeting as well as a record of all transactions occurring thereat. Roberts Rules of Order shall govern the conduct of all meetings of the Association when not in conflict with the Declaration, these By-Laws or the Act.

ARTICLE III

Board of Directors

Section 1. Number and Qualification. The affairs of the Condominium shall be governed by a Board of Directors. Until the date of the first annual meeting of the Association as provided in Section 2 of Article II, and thereafter until their successors shall have been

elected by the Owners, the Board of Directors shall consist of those persons designated by the Declarant. The Board of Directors shall be composed of five (5) persons; provided, however, that anything in these By-Laws to the contrary notwithstanding, for the maximum period permitted by law a majority of the members of the Board of Directors shall be selected and designated by the Declarant. The Declarant shall have the right in its sole discretion to replace such Directors as may be so selected and designated by it, and to select and designate their successors.

Section 2. Powers and Duties. The Board of Directors shall have all of the powers and duties necessary for the administration of the affairs of the Condominium and may do all such acts and things as are not by the Act, the Declaration or these By-Laws directed to be done by the Association. The Board of Directors shall have the power from time to time to adopt any Rules and Regulations deemed necessary for the enjoyment of the Condominium provided such Rules and Regulations shall not be in conflict with the Act, the Declaration or these By-Laws. The Board of Directors may delegate to one or more of its members the authority to act on behalf of the Board of Directors on all matters relating to the duties of the Managing Agent, if any, which might arise between meetings of the Board of Directors. In addition to the duties imposed by these By-Laws or by any resolution of the Association that may hereafter be adopted, the Board of Directors shall have the power to, and be responsible for, the following:

(a) Preparing an annual budget, in which there shall be established the contribution of each Owner for the Common Expenses.

(b) Making assessments against Owners to defray costs and expenses of the Condominium, establishing the means and methods of collecting such assessments from the Owners, and establishing the period of the installment payment of the annual assessment for Common Expenses.

(c) Providing for operation, care, upkeep, replacement, maintenance and surveillance of all of the Common Elements, Limited Common Elements, and services of the Condominium.

(d) Designating, hiring and dismissing the personnel necessary for the maintenance, operation, repair and replacement of the Common Elements and Limited Common Elements, and providing services for the Property, and where appropriate, providing for the compensation of such personnel and for the purchase of equipment, supplies and material to be used by such personnel in the performance of their duties, which supplies and equipment shall be deemed the common property of the Owners.

(e) Collecting the assessments against the Owners, depositing the proceeds thereof in a bank depository which it shall approve, and using the proceeds to carry out the administration of the Property.

(f) Making and amending Rules and Regulations respecting the use of the Property.

(g) Opening of bank accounts on behalf of the Condominium and designating the signatories required therefor.

(h) Making, or contracting for the making of, repairs, additions, and improvements to, or alterations of, the Property and repairs to, and restoration of, the Property, in accordance with the other provisions of these By-Laws, after damage or destruction by fire or other casualty.

(i) Enforcing the provisions of the Declaration, these By-Laws, the Act, and the Rules and Regulations for the use of the Property by legal and other appropriate means.

(j) Obtaining and carrying insurance as provided in Paragraph 7 of the Declaration, and paying the premium cost thereof.

(k) Paying the cost of all services rendered to the Condominium and not billed to Owners of individual Units.

(l) Keeping records with detailed accounts in chronological order of the receipts and expenditures affecting the Property, and the administration of the Condominium, specifying the maintenance and repair expenses of the Common Elements, the Limited Common Elements, and any other expenses incurred. The records shall be available for examination by the Owners, first mortgagees and their duly authorized agents or attorneys during general business hours on working days. The records shall be kept in accordance with generally accepted principles of accounting, and the same shall be audited at least once a year by an outside auditor employed by the Board of Directors who shall not be a resident of the Condominium, or an owner of a Unit therein. The costs of such audit shall be a Common Expense.

(m) Notifying the mortgagee of any Unit of any default by the Owner of such Unit whenever requested in writing by such mortgagee to send such notice.

(n) To do such other things and acts not inconsistent with the Act, the Declaration and these By-Laws, which it may be authorized to do by a resolution of the Association.

Section 3. Managing Agent. The Board of Directors may employ for the Condominium a professional Managing Agent at a

compensation established by the Board of Directors, to perform such duties and services as the Board of Directors shall authorize, including, but not limited to, the duties listed in Section 2 of this Article III. The Board of Directors may delegate to the Managing Agent all of the powers granted to the Board of Directors by these By-Laws; provided that any actions by the Managing Agent with respect to the powers set forth in paragraphs (b) and (f), of Section 2 of this Article III shall require the written consent of the Board of Directors in order to be binding upon the Unit Owners; and provided, further, that any actions by the Managing Agent with respect to the powers set forth in paragraphs (g) and (i) of said Section 2 shall require the prior written consent of the Board of Directors. The Declarant, or an affiliate of the Declarant, may be employed as Managing Agent. Any employment contract for the Managing Agent must provide that it may be terminated on no more than ninety (90) days written notice and the maximum contract term of any such contract may not exceed two (2) years.

Section 4. Election and Term of Office. At the first annual meeting of the Association, the term of office of two (2) members of the Board of Directors shall be fixed at three (3) years, the term of office of two (2) members of the Board of Directors shall be fixed at two (2) years, and the term of office of one (1) member of the Board of Directors shall be fixed at one (1) year. At the expiration of the initial term of office of each respective member of the Board of Directors, his successor shall be elected to serve for a term of three (3) years. The members of the Board of Directors shall hold office until their respective successors shall have been elected by the Association.

Section 5. Removal of Members of the Board of Directors. At any regular or special meeting duly called, any one or more of the members of the Board of Directors may be removed with or without cause by a Majority of the Owners, and a successor may then and there be elected to fill the vacancy thus created. Any director whose removal has been proposed by the Owners shall be given at least seven (7) days notice of the calling of the meeting and the purpose thereof and he shall be given an opportunity to be heard at the meeting. Notwithstanding anything in this Section to the contrary, until the Declarant relinquishes control of the Board of Directors (as provided in Section 2 of Article II), no person selected and designated by the Declarant as a member of the Board of Directors may be removed without the consent of the Declarant and in such event the Declarant shall select and designate his successor.

Section 6. Vacancies. Vacancies in the Board of Directors caused by any reason other than the removal of a director by a vote of the Association shall be filled by a vote of a majority of the remaining directors, or by the sole remaining director if there be but one, at a special meeting of the Board of Directors held for that

purpose promptly after the occurrence of any such vacancy, even though the directors present at such meeting may constitute less than a quorum, and each person so elected shall be a member of the Board of Directors for the remainder of the term of the member so removed and until a successor shall be elected at the next annual meeting of the Association; provided, however, that the vacancy of any Director designated by the Declarant pursuant to a right of the Declarant to make such designation shall be filled by the Declarant.

Section 7. Organization Meeting. The first meeting of the members of the Board of Directors following the annual meeting of the Association shall be held within ten (10) days thereafter at such time and place as shall be fixed by the Association at the meeting at which such Board of Directors shall have been elected, and no notice shall be necessary to the newly elected member or members of the Board of Directors in order legally to constitute such meeting, providing a majority of the whole Board of Directors shall be present thereat.

Section 8. Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the directors, but at least two (2) such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each director, by mail, telephone or telegraph, at least three (3) business days prior to the day named for such meeting.

Section 9. Special Meetings. Special Meetings of the Board of Directors may be called by the President on three (3) business days notice to each director, given by mail or telegraph, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary, in like manner and on like notice on the written request of at least two (2) directors.

Section 10. Waiver of Notice. Any director may, at any time, in writing, waive notice of any meeting of the Board of Directors, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a director at any meeting of the Board of Directors shall constitute a waiver of notice by him of the time and place of such meeting. If all directors are present at any meeting of the Board of Directors, no notice shall be required and any business may be transacted at such meeting.

Section 11. 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 votes of a majority of the directors present at a meeting at 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, a majority of those present or a sole present director

if there be but one may adjourn the meeting from time to time. 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 12. Fidelity Bonds. The Board of Directors may obtain fidelity bonds or insurance covering all dishonest acts on the part of directors, volunteers, trustees, officers and employees (whether any of the foregoing serve with or without compensation) of the Condominium handling or responsible for Condominium funds. Such bonds or insurance shall name the Association as the insured and shall be written in such amount as may be determined adequate by the Board of Directors. The premiums on such bonds or insurance shall constitute a Common Expense.

Section 13. Compensation. No director shall receive any compensation from the Condominium for acting as such, nor may any director engage in any business relationship with the Association.

Section 14. Conduct of Meetings. The President shall preside over all meetings of the Board of Directors and the Secretary shall keep a Minute Book of the Board of Directors recording therein all resolutions adopted by the Board of Directors and a record of all transactions and proceedings occurring at such meetings. Roberts Rules of Order shall govern the conduct of the meetings of the Board of Directors when not in conflict with the Declaration, these By-Laws or the Act.

Section 15. Liability of the Board of Directors. The members of the Board of Directors shall not be liable to the Owners for any mistake of judgment, or otherwise except for their own individual willful misconduct or bad faith. The Owners shall indemnify and hold harmless each of the directors from and against all liability to others arising out of contracts made, or other action taken, by the Board of Directors on behalf of the Owners unless any such contract or action shall have been made in bad faith contrary to the provisions of the Declaration or of these By-Laws. Members of the Board of Directors shall have no personal liability with respect to any contract made by them on behalf of the Owners. The liability of any Owner arising out of any contract made, or other action taken, by the Board of Directors or out of the aforesaid indemnity in favor of the members of the Board of Directors shall be limited to such proportion of the total liability thereunder as his vote bears to the total votes of all of the Owners. The Board of Directors or the Managing Agent, as the case may be, in making contracts and agreements shall be acting only as agents for the Owners and shall have no personal liability therefor (except as Owners), and each Owner's liability therefor shall be limited to such proportion of the total liability as his vote bears to the total votes of all Owners.

Notwithstanding the foregoing, the Association may obtain directors' and officers' insurance and pay for same as a Common Expense.

ARTICLE IV

Officers

Section 1. Designation. The principal officers of the Condominium shall be a President, a Vice President, a Secretary and a Treasurer, all of whom shall be elected by the Board of Directors. The Board of Directors may appoint such other officers as in its judgment may be necessary. The President shall be a member of the Board of Directors. Any other officers may be, but shall not be required to be, members of the Board of Directors. A person may serve in more than one office at the same time where not prohibited by law.

Section 2. Election of Officers. The officers of the Condominium shall be elected annually by the Board of Directors at the organization meeting of each new Board of Directors and shall hold office at the pleasure of the Board of Directors. Any vacancy in an office shall be filled by the Board of Directors at a regular meeting or special meeting called for such purpose.

Section 3. Removal of Officers. Upon the affirmative vote of a majority of the members of the Board of Directors, any officer may be removed, either with or without cause, and his successor may be elected at any regular meeting of the Board of Directors, or at any special meeting of the Board of Directors called for such purpose.

Section 4. President. The President shall be the chief executive of the Condominium. He shall preside at all meetings of the Association and of the Board of Directors. He shall have all of the general powers and duties which are incident to the office of President of a non-stock corporation organized under the Non-Stock Corporation Act of the Commonwealth of Virginia, including, but not limited to, the power to appoint committees from among the Owners from time to time as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the Condominium.

Section 5. Vice President. The Vice President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board of Directors shall appoint some other member of the Board of Directors to act in the place of the President, on an interim basis. The Vice President shall also perform such other duties as shall from time to time be assigned to him by the Board of Directors or by the President and incident to

the office of Vice President of a non-stock corporation organized under the Non-Stock Corporation Act of the Commonwealth of Virginia.

Section 6. Secretary. The Secretary shall keep the minutes of all meetings of the Association and of the Board of Directors; shall have charge of such books and records as the Board of Directors may direct; and shall, in general, perform all the duties incident to the office of Secretary of a non-stock corporation organized under the Non-Stock Corporation Act of the Commonwealth of Virginia.

Section 7. Treasurer. The Treasurer shall have the responsibility for Condominium funds and securities and shall be responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements, and for the preparation of all required financial data; shall be responsible for the deposit of all monies and other valuable effects in the name of the Board of Directors, or the Managing Agent, in such depositories as may from time to time be designated by the Board of Directors, and shall, in general, perform all the duties incident to the office of Treasurer of a non-stock corporation organized under the Non-Stock Corporation Act of the Commonwealth of Virginia.

Section 8. Agreements, Contracts, Deeds, Checks, etc. All agreements, contracts, deeds, leases, checks and other instruments of the Condominium for expenditures or obligations of \$1,000.00 or more, shall be executed by any two officers of the Condominium or by such other person or persons as may be designated by the Board of Directors. All such instruments for expenditures or obligations of less than \$1,000.00 may be executed by any one officer of the Association or by such other person as may be designated by the Board of Directors.

Section 9. Compensation of Officers. No officer shall receive any compensation from the Association for acting as such.

ARTICLE V

Operation of the Property

Section 1. Determination of Common Expenses and Assessments Against Owners.

(a) Fiscal Year. The fiscal year of the Condominium shall consist of the twelve (12) month period commencing on January 1 of each year and terminating on December 31 of that year.

(b) Preparation and Approval of Budget. Each year on or before December 1st, the Board of Directors shall adopt a budget for the Condominium containing an estimate of the total amount which it

considers necessary to pay the cost of maintenance, management, operation, repair and replacement of the Common Elements, the Limited Common Elements, and those parts of the Units as to which it is the responsibility of the Board of Directors to maintain, repair and replace, and the cost of wages, materials, insurance premiums, services, supplies and other expenses that may be declared to be Common Expenses by the Act, the Declaration, these By-Laws or a resolution of the Association, and which will be required during the ensuing fiscal year for the administration, operation, maintenance and repair of the Property and for related services to the Owners. The budget shall also include such reasonable amounts as the Board of Directors may consider necessary to provide working capital for the Association, a general operating reserve, and reserves for contingencies and replacements. The Board of Directors shall send to each Owner a copy of the budget in a reasonably itemized form which sets forth the amount of the Common Expenses payable by each Owner on or before December 1 preceding the fiscal year to which the budget applies, but the failure of the Board of Directors to so send the budget shall in no way relieve or defer the obligation of an Owner to pay his proportionate share of the Common Expenses. The budget shall constitute the basis for determining each Owner's contribution for the Common Expenses of the Condominium.

(c) Assessment and Payment of Common Expenses. The total amount of the estimated funds required for the operation of the Property set forth in the budget for the fiscal year adopted by the Board of Directors shall be assessed against each Unit rateably as the Units share the Common Elements as set forth in Exhibit "C" to the Declaration, including completed Units owned by the Declarant if the Declarant is an Owner of any completed Unit or Units, and shall be a lien against each Unit as provided in the Act. On or before the first day of each fiscal year, and the first day of each of the succeeding eleven (11) months in such fiscal year, each Owner shall pay to the Board of Directors without demand one-twelfth (1/12th) of the assessment for such fiscal year made pursuant to the foregoing provisions. Within ninety (90) days after the end of each fiscal year, the Board of Directors shall give to all Owners an itemized accounting of the Common Expenses for the fiscal year actually incurred and paid, together with a statement of the amounts collected pursuant to the budget adopted by the Board of Directors for such fiscal year, and a statement of the net amount required or short after payment of the actual expenses and provision for required reserves. Any amount accumulated in excess of the amount required for actual expenses and reserves shall either be carried over to the following year to reduce future assessments or refunded to each Unit Owner, as the Board of Directors determines. Any shortage shall be assessed to each Owner rateably as the Units share the Common Elements as set forth in Exhibit "C" to the Declaration.

Prior to conveyance of the first Unit by the Declarant to a Unit Owner, all expenses of the Condominium shall be paid by the Declarant.

(d) Reserves. The Board of Directors shall build up and maintain an adequate reserve for working capital and contingencies, and an adequate reserve for maintenance, repairs and replacement of the Common Elements and the Limited Common Elements. All funds accumulated for reserves shall be kept in a separate bank account, segregated from the general operating funds, and, if the Board of Directors deems it advisable, funds accumulated for each type of reserve shall be kept in a separate bank account, identified by reference to the specific category of reserve. Extraordinary expenditures not originally included in the annual budget which may become necessary during the year shall be charged first against such reserves. Except where an emergency requires an expenditure to prevent or minimize loss from further damage to, or deterioration of, the Common Elements or Limited Common Elements, reserves accumulated for one purpose may not be expended for any other purpose unless approved by the Association. If the reserves are inadequate for any reason, including non-payment of any Owner's assessment, the Board of Directors may at any time levy a further assessment, which shall be assessed equally against the Owners and which may be payable in a lump sum or in installments as the Board of Directors may determine. The Board of Directors shall serve notice of any such further assessment on all Owners by a statement in writing giving the amount and reasons therefor, and such further assessment shall, unless otherwise specified in the notice, become effective with the next monthly payment which is due more than ten (10) days after the delivery or mailing of such notice of further assessment. All Owners shall be obligated to pay the adjusted monthly amount or, if the additional assessment is not payable in installments, the amount of such assessment.

(e) Initial Assessment. When the first Board of Directors takes office, it shall determine the budget, as defined in this Section, for the period commencing upon the conveyance of the first Unit by the Declarant to a Unit Owner and ending on December 31 of the fiscal year in which such conveyance occurs. Assessments shall be levied against the Owners during said period as provided in subsection (c) of this Section. The Board of Directors may establish an initial working capital fund through special assessment of each Owner upon purchase of his Unit from the Declarant.

(f) Effect of Failure to Prepare or Adopt Budget. The failure or delay of the Board of Directors to prepare or adopt the annual budget for any fiscal year shall not constitute a waiver or release in any manner of an Owner's obligation to pay his allocable share of the Common Expenses as herein provided, whenever the same shall be determined, and in the absence of any annual budget each

Owner shall continue to pay the monthly charge at the then existing monthly rate established for the previous fiscal period until the monthly payment which is due more than ten (10) days after such new annual or adjusted budget shall have been mailed or delivered.

(g) Accounts. Except as otherwise provided, all sums collected by the Board of Directors with respect to assessments against the Owners may be commingled into a single fund.

Section 2. Payment of Common Expenses. All Owners shall be obligated to pay the Common Expenses assessed by the Board of Directors, pursuant to the provisions of Section 1 of this Article V. No Unit Owner may exempt himself from liability for his contribution toward Common Expenses by waiver of the use or enjoyment of any of the Common Elements or Limited Common Elements or by abandonment of his Unit. No Owner shall be liable for the payment of any part of the Common Expenses assessed against his Unit subsequent to a conveyance by him of such Unit to a bona fide Successor Owner. Any Owner shall, upon written request, be entitled to a recordable statement from the Board of Directors or Managing Agent setting forth the amount of the unpaid assessments against his Unit. An Owner shall not be liable for, nor shall the Unit conveyed be subject to a lien for, any unpaid assessments in excess of the amount therein set forth. Failure to furnish or make available such a statement within ten (10) business days from receipt of a written request therefor accompanied by the required fee shall extinguish the lien for unpaid assessments. Payment of a fee not to exceed the maximum amount allowable under the Act, shall be required as a prerequisite for issuance of such a statement.

Section 3. Collection of Assessments. The Board of Directors acting pursuant to Virginia Code Section 55-79.84 shall take prompt action to collect any assessment for Common Expenses due from any Owner which remains unpaid for more than thirty (30) days from the due date for payment thereof.

Section 4. Statement of Common Expenses. The Board of Directors shall promptly provide any Owner requesting the same in writing, a written statement of all unpaid assessments for Common Expenses due from such Owner, but such request shall not have the effect of a request made pursuant to Virginia Code Section 55-79.84(h) unless it is expressly made pursuant to such Section and the required fee therefor not to exceed the maximum allowed by the Act is paid in advance.

Section 5. Maintenance and Repair.

(a) By the Board of Directors. The Board of Directors shall be responsible for the maintenance, repair and replacement (unless necessitated by the negligence, misuse or neglect of an Owner, in

which case such expense shall be charged to such Owner) of the following, the cost of which shall be charged to all Owners as a Common Expense:

- (1) All of the Common Elements and Limited Common Elements except where such expense is specifically imposed upon the Owner of the Unit by the Declaration or these By-Laws.
- (2) The maintenance of all landscaped areas and plantings which are Common Elements.
- (3) All incidental damage caused to any Unit by such work as may be done or caused to be done by the Board of Directors in accordance herewith.

(b) By The Owner. Each Owner shall be responsible for the maintenance, repair and replacement, at his own expense, of his Unit and every part thereof except such repairs and replacements as may be covered by insurance carried by the Association. Each Owner shall keep his Unit and every part thereof and his personal property and equipment in good order, condition and repair and in a clean and sanitary condition, and shall do all redecorating, painting and varnishing which may at any time be necessary to maintain the good appearance and condition of his Unit. In addition, each Owner shall be responsible for all damages to any and all other Units or to the Common Elements and Limited Common Elements resulting from his failure to make any of the repairs required to be made by him by this Section. Each Owner shall perform his responsibility in such manner as shall not unreasonably disturb or interfere with the other Owners. Each Owner shall promptly report to the Board of Directors or the Managing Agent any defect or need for repairs for which the Board of Directors is responsible. Each Unit Owner shall be responsible for keeping his Limited Common Elements clean and free of obstruction, such responsibility to be proportionate to and shared by the Units sharing the use of the particular Limited Common Element.

(c) Manner of Repair and Replacement. All repairs and replacements shall be substantially similar, or superior, to the original construction and/or installation and shall be of first-class quality. Repairs and replacements must be identical in all aspects to the items involved, unless prior written consent is obtained from the Board of Directors.

Section 6. Additions, Alterations or Improvements By Board of Directors. Whenever in the judgment of the Board of Directors the Common Elements or Limited Common Elements for which the Association is responsible shall require additions, alterations or improvements costing in excess of Ten Thousand Dollars (\$10,000.00) during any period of twelve (12) consecutive months, and the making of such additions, alterations or improvements shall have been approved by a

majority of the Owners, the Board of Directors shall proceed with such additions, alterations or improvements and shall assess all Owners for the Cost thereof as a Common Expense. Any additions, alterations or improvements costing Ten Thousand Dollars (\$10,000.00) or less during any period of twelve (12) consecutive months may be made by the Board of Directors without approval of the Owners and the cost thereof shall constitute part of the Common Expenses.

Section 7. Additions, Alterations or Improvements By Owners. Except as permitted by Section 55-79.68 of the Act, no Owner shall make any structural addition, alteration or improvement in or to his Unit or the exterior of the building in which it is located, or do anything which would change the exterior appearance of his Unit without the prior written consent of the Board of Directors. No Owner shall paint or alter any fence or erect any fence without the prior written consent of the Board of Directors. The Board of Directors shall be obligated to answer any written request by an Owner for approval of a proposed structural addition, alteration or improvement (by painting or otherwise) in or to such Owner's Unit within forty-five (45) days after such request, and its willful failure to do so within the stipulated time shall constitute a consent by the Board of Directors to the proposed addition, alteration or improvement. Any application to any governmental authority for a permit to make an addition, alteration or improvement in or to any Unit shall be executed by the Board of Directors only, without, however, incurring any liability on the part of the Board of Directors or any of them to any contractor, subcontractor or materialman on account of such addition, alteration or improvement, or to any person having any claim for injury to person or damage to property arising therefrom. The provisions of this Section 7 shall not apply to Units owned by the Declarant until such Units shall have been conveyed by the Declarant to a Unit Owner.

Section 8. Restrictions on Use of Units, Common Elements and Limited Common Elements. Each Unit, the Common Elements and the Limited Common Elements shall be occupied and used as follows:

(a) No part of the Property shall be used for other than residential purposes and related uses for which the Property was designed. Each Unit shall be used as a residence and for no other purpose. An Owner may use a portion of his Unit for an office or studio provided that such activities therein shall not interfere with the quiet enjoyment or comfort of any other Owner, and provided further that in no event shall any part of the Property be used as a school or music studio.

(b) Nothing shall be done or kept in any Unit or in the Common Elements and Limited Common Elements which will increase the rate of insurance for the Property or the contents thereof applicable for residential use without the prior written consent of the Board of

Directors. No Owner shall permit anything to be done or kept in his Unit or in the Common Elements or Limited Common Elements which will result in the cancellation of insurance on the Property, or the contents thereof, or which would be in violation of any law. No waste will be permitted in the Common Elements or Limited Common Elements.

(c) No immoral, improper, offensive, or unlawful use shall be made of the Property or any part thereof, and all valid laws, zoning ordinances and regulations of all governmental agencies having jurisdiction thereof shall be observed. All laws, orders, rules, regulations, or requirements of any governmental agency having jurisdiction thereof relating to any portion of the Property shall be complied with, by and at the sole expense of the Unit Owner or the Board of Directors whichever shall have the obligation to maintain or repair such portion of the Property.

(d) Nothing shall be done in any Unit or in, on, or to the Common Elements or Limited Common Elements which will impair the structural integrity of the Property or which would structurally change any building or improvements thereon except as is otherwise provided in the By-Laws, provided, further, that interior partitions contributing to the support of a building or any part thereof shall not be altered or removed. No part or all of the exterior of a building in which a Unit is located shall be painted or otherwise changed or altered without the prior written authorization of the Board of Directors.

(e) Except for uses permitted by the Declaration and such uses as are provided for in Section 8(a) hereof, no industry, business, trade, occupation or profession of any kind, commercial, religious, educational, or otherwise, designed for profit, altruism, exploration, or otherwise, shall be conducted, maintained, or permitted on any part of the Property. The right is reserved by the Declarant or its agents to use any unsold Unit or Units as models for display purposes, sales offices and settlements, and to display "For Sale" signs for unsold Units without a limit on size.

(f) A Unit may not be leased for a period less than six (6) months. The Declarant may rent unsold Units, and as to such Units it shall be treated as all other Unit Owners, except standard occupancy agreements may be made with persons who have signed a contract to purchase and are processing a loan pending closing.

(g) Nothing shall be altered or constructed in or removed from the Common Elements or Limited Common Elements, except upon the written consent of the Board of Directors.

(h) The Common Elements and Limited Common Elements shall be used only for the furnishing of the services and facilities for which

they are reasonably suited and which are incident to the use and occupancy of the Units to which they appertain.

(i) No fences may be erected on the Property except those erected by the Declarant and those erected by Owners after obtaining the written consent of the Board of Directors.

(j) The Limited Common Elements shall be kept in an orderly condition so as not to detract from the neat appearance of the Property. No personal property, other than terrace, patio and balcony furniture, may be placed, stored, or kept on the Limited Common Elements, or outside of the enclosed part of any Unit, without the written consent of the Board of Directors. The Board of Directors, in its sole discretion, shall determine whether or not Limited Common Elements are orderly. If an Owner shall fail to keep his Limited Common Elements orderly, the Board of Directors may have any objectionable items removed from the Limited Common Elements or clean such Limited Common Elements so as to restore their orderly appearance, without liability therefor, and charge the Owner or Owners for any cost incurred in the process.

(k) No clothes lines may be maintained on the Common Elements or Limited Common Elements, or outside of the enclosed part of any Unit, except as provided for by the Board of Directors in the Rules and Regulations.

(l) No motorized vehicles may be used or maintained on the Condominium sidewalks, or non-paved areas and no unlicensed or non-passenger type vehicles or boats, trailers, campers or other recreational vehicles shall be allowed on the Property.

(m) Trash shall be stored in accordance with applicable health regulations within the Unit in the storage or trash area of the Unit; or in the common area, if any, set aside by the Board of Directors for such storage. Trash shall not be set out for collection prior to the night before such date of collection and the empty containers shall be returned to the proper place of storage promptly after collection.

Section 9. Right of Access. Every Unit Owner grants a right of access to his Unit to the Board of Directors or any person authorized by the Board of Directors for the purpose of making inspections or for the purpose of correcting any condition originating in his Unit and threatening another Unit, the Common Elements or the Limited Common Elements, provided that requests for entry are made in advance and that any such entry is at a time reasonably convenient to the Owner. In case of an emergency, such right of entry shall be immediate, whether the Owner is present at the time or not.

Section 10. Rules and Regulations. Rules and Regulations concerning the operation and use of the Common Elements and Limited Common Elements may be promulgated and amended by the Board of Directors, provided that such Rules and Regulations are not contrary to or inconsistent with the Act, the Declaration or these By-Laws. Copies of the Rules and Regulations shall be furnished by the Board of Directors to each Owner prior to the time when the same shall become effective.

Section 11. Electricity. Electricity shall be supplied by the public utility company serving the area directly to each Unit through separate meters and each Owner shall be required to pay the charges therefor. The electricity for the Common Elements shall be separately metered, and the Board of Directors shall pay all charges for electricity consumed in the Common Elements as a Common Expense.

Section 12. Water and Sewer. Water shall be supplied directly to each Unit through separate meters and each Owner shall pay the charges therefor as well as the sewer charge or any other charge based on the water usage. The Board of Directors shall pay all charges for water used for the Common Elements as a Common Expense.

Section 13. Parking Spaces. The use of parking spaces shall be regulated by the Board of Directors from time to time. Initially, one automobile parking space will be assigned by the Board of Directors to each Unit for the exclusive use of the Unit Owner or his designee. Other automobile parking areas may be used by the Owners for self-service parking of their automobiles when available, subject to regulation by the Board of Directors. Vehicular repairs, including, without limitation, engine washing, shall not be permitted on the Property, except that minor repairs such as tire changing may be done from time to time. No improperly licensed or inoperable vehicles may be parked on the Property. In the event that a Unit Owner does not observe the requirements of this Section the Board of Directors is authorized to take proper corrective measures, without liability to the Owner therefor, including, without limitation, towing improperly parked vehicles, and to charge the Owner or the owner of the vehicle for any cost incurred in the process.

ARTICLE VI

Repair and Reconstruction After Fire or Other Casualty

Section 1. When Repair and Reconstruction Are Required. In the event of damage to or destruction of any part of the Property for which the Association is responsible as a result of fire or other casualty, or as to which the Association has a master policy of insurance, the Board of Directors shall arrange for and supervise the

prompt repair and restoration of said Property to substantially the condition existing immediately prior thereto.

Section 2. Procedure for Reconstruction and Repairs.

(a) Cost Estimates. Immediately after a fire or other casualty causing damage to any of the Property for which the Association is responsible as provided in Section 1 above, the Board of Directors shall obtain reliable and detailed estimates of the cost of repairing and restoring the same to a condition as good as that existing before such casualty. At least one estimate shall be made by an independent estimator. Such costs may also include professional fees and premiums for such bonds as the Board of Directors determines to be necessary. The Board of Directors shall supply, upon request from any Mortgagee holding five (5) or more mortgages constituting first liens on Units, a copy of such independent estimate(s).

(b) Assessments. With respect to property owned by the Association, if the proceeds of insurance are not sufficient to defray the estimated costs of reconstruction and repair as determined by the Board of Directors, or if at any time during reconstruction and repair, or upon completion of reconstruction and repair, the funds for the payment of the costs thereof are insufficient, assessments shall be made equally against the Owners in an amount sufficient to pay such costs. See Section 5 below with respect to property owned by Unit Owners.

(c) Plans and Specifications. Any such reconstruction, replacement or repair shall be substantially in accordance with the plans and specifications under which the property was originally constructed and improved.

Section 3. Disbursements of Construction Funds.

(a) Construction Fund. The net proceeds of insurance collected on account of a casualty to property owned by the Association and the funds collected by the Board of Directors from assessments against Owners on account of such casualty shall constitute a construction fund which shall be disbursed in payment of the cost of reconstruction and repair in the manner set forth in this Section. If the net proceeds of insurance collected on account of such a casualty exceed Twenty-Five Thousand Dollars (\$25,000.00), then the funds collected by the Board of Directors from assessments against the Owners shall be deposited by the Board of Directors with the Insurance Trustee, and the entire construction fund shall be disbursed by the Insurance Trustee; otherwise the construction fund shall be held and disbursed by the Board of Directors.

(b) Method of Disbursement. The construction fund shall be paid by the Board of Directors or the Insurance Trustee, as the case may be, in appropriate progress payments, to such contractors, suppliers and personnel engaged in performing the work or supplying

materials or services for the repair and reconstruction of the Property as are designated by the Board of Directors. The determination of the dollar amount of the aforementioned progress payments shall be based upon certifications made by an independent architect or independent estimator.

(c) Surplus. It shall be presumed that the first monies disbursed in payment of the cost of reconstruction and repair shall be from insurance proceeds; and if there is a balance in the construction fund after payment of all of the costs of the reconstruction and repair for which the fund is established, such balance shall be distributed, as their respective interests may appear, to the Owners and their mortgagees, i.e., the beneficial owners of the fund; provided, however, that the part of a distribution to a beneficial owner which is not in excess of assessments paid by the Owner into the construction fund shall not be made payable to any mortgagee.

(d) Common Elements and Limited Common Elements. When the damage is to both Common Elements and Limited Common Elements, the insurance proceeds shall be applied first to the cost of repairing the Common Elements.

(e) Certificate. The Insurance Trustee shall be entitled to rely upon a certificate executed by the President or Vice President, and the Secretary of the Condominium certifying (i) whether the damaged Property is required to be reconstructed and repaired and, if such reconstruction and repair is not required, whether or not the Owners voted in favor of such reconstruction and repair as provided in these By-Laws; (ii) the name of the payee and the amount to be paid with respect to disbursements from the construction fund held by it or whether surplus funds to be distributed are less than the assessments paid by the Owners; and (iii) all other matters concerning the holding and disbursing of any construction fund held by it. Any such certificate shall be delivered to the Insurance Trustee promptly upon request.

Section 4. When Reconstruction Is Not Required. If within ninety (90) days after the date of such damage or destruction eighty percent (80%) of the Owners either (a) at a regular or special meeting or (b) by a written document agree that the damaged property shall not be repaired or replaced, then the reconstruction shall not be required, in which event the net proceeds from insurance, if any, shall be considered as one fund, and, distributed by the Board of Directors or the Insurance Trustee, as the case may be, equally among all the Owners, after first paying out of the share of each Owner, to the extent sufficient for this purpose, the amount of any unpaid liens on his Unit, in the order of the priority of such liens.

Section 5. Repair and Reconstruction by Owners. It shall be the duty of each Owner of a Unit, in the event of damage to or

destruction of any part of his Unit for which he has the responsibility for maintenance and repair, as a result of fire or other casualty, to accomplish and pay for the prompt repair and restoration thereof, to substantially the condition existing immediately prior thereto. Each Owner agrees that the net proceeds of any insurance carried by the Association or by the Owner with respect to such property shall constitute a separate trust fund to be applied to the payment of the costs of such repair and restoration. The Owners' obligations hereunder shall not be satisfied until all work has been completed and written acknowledgment thereof is issued by the Board of Directors.

ARTICLE VII

Sales, Leases, and Alienation of Units

Section 1. No Severance of Ownership. Except to the extent otherwise expressly provided by the Declaration, these By-Laws or the Act, the undivided interest in the Common Elements and Limited Common Elements allocated to any Unit shall not be altered, and any purported transfer, encumbrance, or other disposition of that interest without the Unit to which it appertains shall be void. The undivided interest of each Unit in the Common Elements will change in the event the Declarant elects to expand the Condominium as provided in the Declaration, and this right to change the proportionate interest of a Unit in the Common Elements has been reserved by the Declarant.

Section 2. Payments of Assessments. Each Unit Owner shall pay the Board of Directors all Common Expenses assessed by the Board of Directors against his Unit. The Board of Directors shall promptly furnish to any Unit Owner (or his devisee or personal representative) requesting the same in writing pursuant to this Section, a recordable statement certifying whether or not such Unit Owner is then obligated for any outstanding assessments previously levied against such Unit and the amount, if any, then outstanding. Any such statement shall be binding on the Association, the Board of Directors and every Unit Owner. Payment of a reasonable fee not exceeding the maximum amount permitted by law shall be required as a prerequisite to the issuance of such a statement.

ARTICLE VIII

Mortgages

Section 1. Notice to Board of Directors. An Owner who mortgages his Unit shall upon request of the Board of Directors, notify the Board of Directors of the name and address of his mortgagee and shall file a conformed copy of the note and mortgage with the Board of Directors, if requested by the Board.

Section 2. Notice of Unpaid Assessments for Common Expenses. The Board of Directors, whenever so requested in writing by a mortgagee of a Unit, shall promptly report any then unpaid assessments for Common Expenses due from, or any other default by, the Owner of the mortgaged Unit, which default shall have existed for more than thirty (30) days. Such notice shall not have the effect of the notice given pursuant to Article VII, Section 2 hereof unless the fee therefor is paid.

Section 3. Notice of Default. The Board of Directors, when giving notice to an Owner of a default in paying an assessment for Common Expenses or any other default, may send a copy of such notice to each holder of a mortgage covering such Owner's Unit where the name and address therefor has been furnished to the Board of Directors. The Board of Directors may also send to mortgagees written notice of any default by the Owner which has not been cured within thirty (30) days after the delivery to such Owner of the first notice relating to such default.

ARTICLE IX

Compliance and Default

Section 1. Relief. Each Owner of a Unit shall be governed by, and shall comply with, all of the terms of the Act, the Declaration, these By-Laws, and the Rules and Regulations, and any amendments of the same. A default by an Owner shall entitle the Association, acting through its Board of Directors or through the Managing Agent, to the following relief:

(a) Legal Proceedings. Failure to comply with any of the terms of the Act, the Declaration, these By-Laws, and the Rules and Regulations shall be grounds for relief which may include, without limiting the same, an action to recover any sums due for money damages, injunctive relief, foreclosure of the lien for assessments, and any other relief provided for in these By-Laws, the Declaration or the Act, or any combination thereof, and any other relief afforded by law, all of which relief may be sought by the Association, the Board of Directors, the Managing Agent, or, if appropriate, by an aggrieved Owner.

(b) Additional Liability. Each Owner shall be liable for the expense of all maintenance, repair or replacement rendered necessary by his act, neglect or carelessness or the act, neglect or carelessness of any member of his family or his employees, agents or licensees, but only to the extent that such expense is not covered by the proceeds of insurance carried by the Board of Directors. Such liability shall include any increase in fire insurance rates occasioned by use, misuse, occupancy or abandonment of any Unit or its

appurtenances. Nothing contained herein, however, shall be construed as modifying any waiver by any insurance company of its rights of subrogation.

(c) Costs and Attorneys' Fees. In any proceeding arising out of any alleged default by an Owner, the prevailing party shall be entitled to recover the costs of the proceeding, and such reasonable attorneys' fees as may be determined by the court.

(d) No Waiver of Rights. The failure of the Association, the Board of Directors, or of an Owner to enforce any right, provision, covenant, or condition which may be granted by the Act, the Declaration, these By-Laws or the Rules and Regulations shall not constitute a waiver of the right of the Association, the Board of Directors or the Owner to enforce such right, provision, covenant, or condition in the future. All rights, remedies and privileges granted to the Association, the Board of Directors, or any Owner pursuant to any term, provision, covenant or condition of the Act, the Declaration, these By-Laws or the Rules and Regulations shall be deemed to be cumulative, and the exercise of any one or more thereof shall not be deemed to constitute an election of remedies, nor shall it preclude the party exercising the same from exercising such remedies as may be granted to such party by the Act, the Declaration, these By-Laws or the Rules and Regulations, or at law or in equity.

(e) Interest. In the event of a default by any Owner in paying any Common Expenses or other sum assessed against him which continues for a period in excess of fifteen (15) days, such Owner shall be obligated to pay interest on the amounts due at the highest rate permitted by law (but in no event greater than twelve percent (12%) per annum) from the due date thereof.

(f) Abatement and Enjoinment of Violations by Owners. The violation of any rule or regulation adopted by the Board of Directors, or the breach of any By-Law contained herein, or the breach of any provision of the Declaration, shall give the Board of Directors the right, in addition to any other rights set forth in these By-Laws: (a) to enter the Unit in which, or as to which, such violation or breach exists and summarily to abate and remove, at the expense of the defaulting Owner, any structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions hereof, and the Board of Directors shall not thereby be deemed guilty in any manner of trespass; or (b) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach.

(g) Statutory Charges. In addition to the foregoing remedies, the provisions of Section 55-79.80(4)(b2) of the 1950 Code of Virginia, as amended, also shall apply.

The Unit Owners' Association shall have the power to assess charges against any Unit Owner for any violation of the condominium instruments or of the rules or regulations promulgated pursuant thereto for which such Unit Owner or his family members, tenants, guests or other invitees are responsible. Before any such charges may be assessed, the Unit Owner shall be given an opportunity to be heard and to be represented by counsel before the Board of Directors. Notice of such hearing shall, at least fourteen (14) days in advance thereof, be hand delivered or mailed by registered or certified United States mail, return receipt requested, to such Unit Owner at the address or addresses required for notices of meetings pursuant to Section 55-79.75 of said Code. The amount of any charges so assessed shall not exceed fifty (50) dollars for a single offense or ten (10) dollars per diem for any offense of a continuing nature, and shall be treated as an assessment against such Unit Owners' condominium unit for the purposes of Section 55-79.84 of said Code.

Section 2. Lien for Assessments.

(a) The total annual assessment of each Owner for the Common Expenses pursuant to Article V, Section 1 of these By-Laws is hereby declared to be a lien levied against the Unit of such Owner in accordance with the provisions of the Act.

(b) In any case where an assessment against an Owner is payable in installments, upon a default by such Owner in the payment of any single installment, which continues for ten (10) days after written notice of such default has been sent to the Owner, the maturity of the remaining total of the unpaid installments of such assessment for such year may be accelerated at the option of the Board of Directors and the then balance owing may be declared due and payable in full by the service of notice to such effect upon the defaulting Owner by the Board of Directors or the Managing Agent.

(c) The lien for Common Expenses may be foreclosed in the manner provided by the laws of the Commonwealth of Virginia by suit brought in the name of the Association by the Board of Directors or the Managing Agent. During the pendency of such suit the Owner shall be required to pay a reasonable rental for the Unit for any period prior to sale pursuant to any judgment or order of any court having jurisdiction over such sale. The plaintiff in such proceeding shall have the right to the appointment of a receiver, if available under the then laws of the Commonwealth of Virginia.

(d) Suit to recover a money judgment for unpaid contributions may be maintained without foreclosing or waiving the lien securing the same, and foreclosure shall be maintainable notwithstanding the pendency of any suit to recover a money judgment.

(e) The lien for assessments shall not be prior to sums unpaid on any first mortgage or first deed of trust recorded prior to the perfection of such lien for assessments and securing an institutional lender.

ARTICLE X

Miscellaneous

Section 1. Notices. All notices, demands, bills, statements or other communications required or permitted by these By-Laws shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by registered or certified United States mail, return receipt requested, first-class postage prepaid, (i) if to an Owner, at the address of his Unit or at such other address as the Owner may have designated by notice in writing to the Secretary, or (ii) if to the Association, the Board of Directors or the Managing Agent, at the principal office of the Condominium or at such other address as shall be designated by notice in writing to the Owners pursuant to this Section.

Section 2. Invalidity. The invalidity of any part of these By-Laws shall not impair or affect in any manner the validity, enforceability or effect of the balance of these By-Laws.

Section 3. Captions. The captions herein are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope of these By-Laws, or the intent of any provision thereof.

Section 4. Gender. The use of the masculine gender in these By-Laws shall be deemed to include the feminine gender and the use of the singular shall be deemed to include the plural, and vice versa, whenever the context so requires.

ARTICLE XI

Amendments to By-Laws

Section 1. Amendments.

(a) If there is no Unit Owner other than the Declarant, the Declarant may unilaterally terminate the Condominium or amend the Condominium documents, including these By-Laws, and any such termination or amendment shall become effective upon the recordation thereof if the same has been executed by the Declarant.

BK 24596887

(b) If there is any Unit Owner other than the Declarant, then the Condominium shall be terminated only by the agreement of Unit Owners to which four-fifths (4/5) of the votes in the Association appertain.

(c) If there is any Unit Owner other than the Declarant, then the Condominium documents, including these By-Laws, shall be amended only by the agreement of Unit Owners to which two-thirds (2/3) of the votes in the Association appertain.

(d) Nothing in this Section 1 shall be construed or interpreted to modify or diminish the rights and privileges of the Declarant during the period of Declarant control as provided in Article II, Section 2 of these By-Laws.

(e) No modification or amendment of these By-Laws may be adopted which shall be inconsistent with the provisions of the Act. A modification or amendment once adopted and recorded as provided for herein shall then constitute part of the official By-Laws of the Condominium, and all Owners shall be bound to abide by such modification or amendment.

Section 2. Recording. A modification or amendment of these By-Laws, or a termination of the Condominium, shall become effective only if such modification, amendment or termination is recorded in the land records of the Clerk's Office of the Circuit Court of the City of Chesapeake, Virginia.

Section 3. Approval of Mortgagees. These By-Laws contain provisions concerning various rights, priorities, remedies and interests of the first mortgagees of Units. Such provisions in these By-Laws are to be construed as covenants for the protection of the first mortgagees on which they may rely in making loans secured by first mortgages on the Units. Accordingly, no amendment or modification of these By-Laws impairing or affecting the rights, priorities, remedies or interest of a first mortgagee shall be adopted without the prior written consent of such first mortgagee. If there is more than one mortgagee holding first mortgages on the Units, the written consent of the institutional mortgagee or mortgagees holding first liens on seventy-five percent (75%) of the Units encumbered by mortgages shall be deemed the consent of all mortgagees to any action taken to amend these By-Laws or the Declaration.

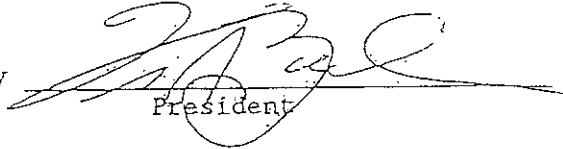
Section 4. Non-Interference With Declarant. So long as the Declarant owns one or more Units, no By-Law amendment or Rule or Regulation shall be adopted that could interfere (a) with the sale, lease or other disposition of such Unit(s) or (b) with the right of the Declarant to vote the votes appurtenant thereto.

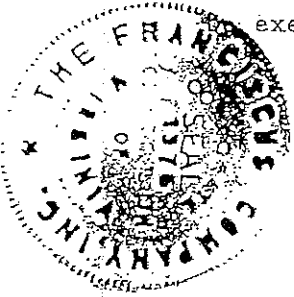
BK 2459 PG 886

IN WITNESS WHEREOF, the Declarant has caused these By-Laws to executed this 30th day of JANUARY, 1989:

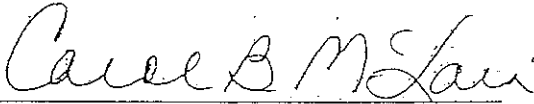
THE FRANCISCUS COMPANY, INC.

By


President

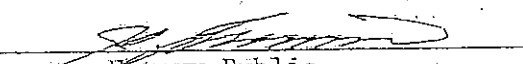


ATTEST:


Secretary

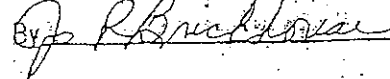
STATE OF VIRGINIA
CITY OF VIRGINIA BEACH, to-wit:

On this 30th day of JANUARY, 1989, before me, the subscriber, personally appeared the above-named, FRANK R. SPADEA and CAROL B. McLAIN, who are President and Secretary, respectively, of THE FRANCISCUS COMPANY, INC., a Virginia corporation, and acknowledged the foregoing instrument to be their free act and deed.


Notary Public

My Commission Expires: JAN. 12, 1990.

VIRGINIA: In the Clerk's Office of Circuit Court of the City of Chesapeake FEB. 01 1989 19 at 2:18 P.M.
This Deed was presented in Office with the certificate annexed and admitted to record. Teste: Lillie M. Hart, Clerk

By  D.C.

AMENDMENT TO BY-LAWS
OF
KINGS FORD OWNERS ASSOCIATION, INC.

The By-Laws of this Association, dated January 30, 1989, and duly of record in Deed Book 2459, at page 857, in the Clerk's Office of the Circuit Court of the City of Chesapeake, Virginia, are hereby amended, as follows:

1. ARTICLE V, Section 13, is amended to read as follows:

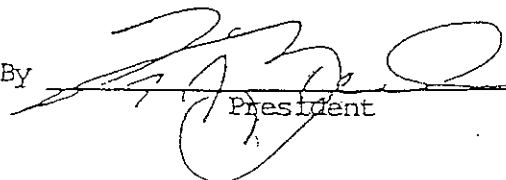
Section 13. Parking Spaces. Automobile parking spaces are available to each Unit Owner upon the concrete apron leading to his garage, which area is a limited common element assigned to his Unit. Vehicular repairs, including, without limitation, engine working, shall not be permitted on the Property, except that minor repairs such as tire changing may be done from time to time. No improperly licensed or inoperable vehicles may be parked on the Property. In the event that a Unit Owner does not observe the requirements of this Section the Board of Directors is authorized to take proper corrective measures, without liability to the Owner therefor, including, without limitation, towing improperly parked vehicles, and to charge the Owner or the owner of the vehicle for any cost incurred in the process.

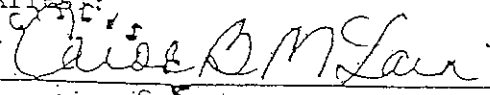
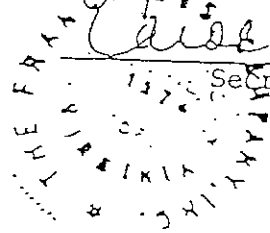
2. In all other respects said By-Laws remain in full force and effect.

This Amendment is enacted by THE FRANCISCUS COMPANY, INC., a Virginia corporation, as Declarant, pursuant to its right so to do reserved under Section I of ARTICLE XI of the By-Laws governing Kings Ford - A Condominium, there being no Unit Owner other than said Declarant at this time, said amendment to become effective upon the recordation hereof.

IN WITNESS WHEREOF, the Declarant has caused this Amendment to By-Laws to be executed this 28th day of February, 1989.

THE FRANCISCUS COMPANY, INC.,


By  President

ATTEST:

Secretary


#K 246786638

STATE OF VIRGINIA,
CITY OF VIRGINIA BEACH, to-wit:

I, the undersigned Notary Public in and for the State of Virginia At Large, do hereby certify that FRANK R. SPADEA and CAROL B. McLAIN, President and Secretary, respectively, of THE FRANCISCUS COMPANY, INC., a Virginia corporation, appeared before me this 28th day of February, 1989, and acknowledged the foregoing document to be their free act and deed.



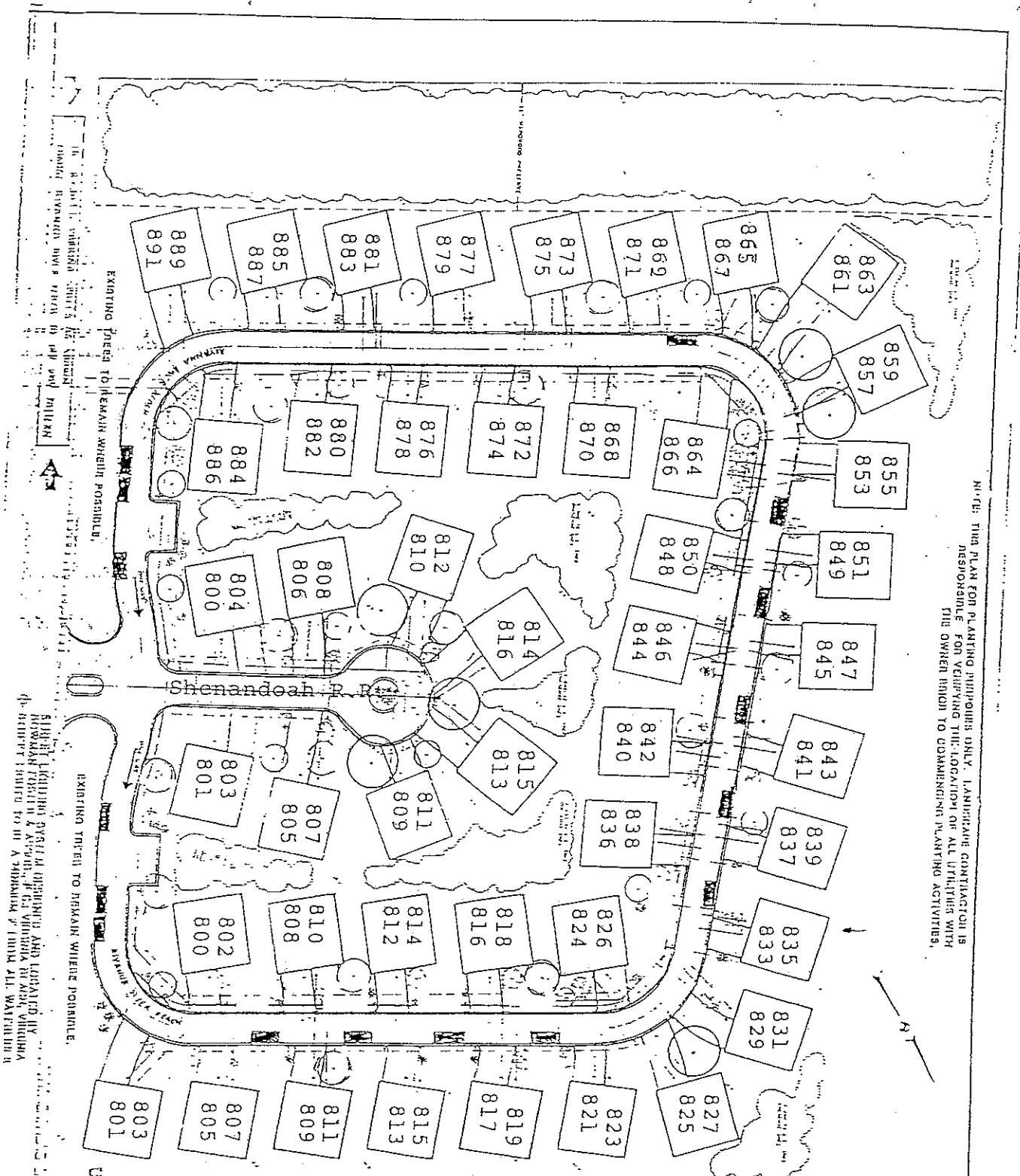
Notary Public

My commission expires: JAN 12 1990

VIRGINIA: In the Clerk's Office of Circuit Court of the City
of Chesapeake MAR 09 1989 19 at 3:16 PM
This Deed was presented in Office with the certificate annexed
and admitted to record. Teste: Lillie M. Hart, Clerk

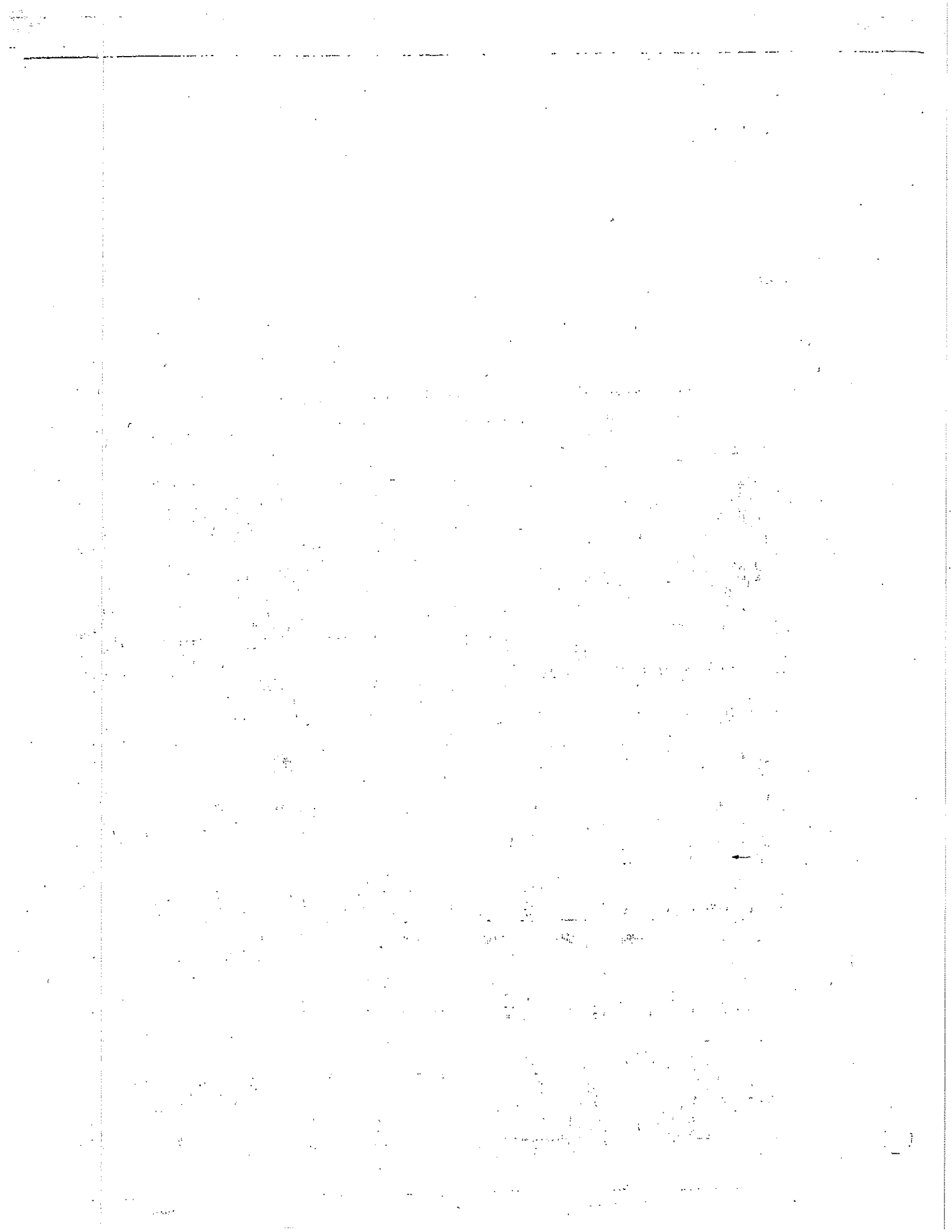
By L. J. Manjette D.C.

NOTE: THIS PLAN FOR PLANTING PURPOSES ONLY. LANDSCAPE CONTRACTOR IS RESPONSIBLE FOR VERIFYING THE LOCATION OF ALL UTILITIES WITH THE OWNER PRIOR TO COMMENCING PLANTING ACTIVITIES.



PLANT LIST

- T-1 ZELKOVA BRUKNATA
VELIKI 100 CM
2 107-50 CAL.
 - T-2 BETULA NIDA
8 TO 8 MULTI-TUNK
 - T-3 PRUNUS QUINQUEFIDA
8 TO 1
 - T-4 LAGERSTROMIA T. HATCHERZ
4 TO 4 MULTI-TUNK
 - T-5 ILEX E. FOSTERI
4 TO 1
- EXISTING TREES TO REMAIN WHERE POSSIBLE.
- EXISTING TREES TO REMAIN WHERE POSSIBLE.
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**AMENDMENT TO BYLAWS
OF
KINGS FORD OWNERS ASSOCIATION, INC.**

(Board Vacancies)
(Maintenance and Repair)
(Leasing of Units)

This AMENDMENT TO BYLAWS is made this 12th day of October, 2005, by Kings Ford Owners Association, Inc., hereinafter called "the Association."

WITNESSETH

WHEREAS, The Franciscus Company, Inc., a Virginia corporation, submitted to record that certain Declaration and Bylaws which were recorded in the Clerk's Office of the Circuit Court of the City of Chesapeake, Virginia in Deed Book 2459 at Page 841; and

WHEREAS, the Unit Owners have determined it is in the best interests of the Association to clarify the responsibility for repair of exterior window trim, door trim and window sills; and

WHEREAS, the Unit Owners have determined it is in the best interests of the Association to limit the number of leased units in the condominium; and

WHEREAS, the Unit Owners have determined it is in the best interests of the Association to make it easier to fill a vacancy on the Board of Directors; and

WHEREAS, the Bylaws may be amended pursuant to Article XI, Section 1, entitled Amendments which allows amendment upon agreement of Unit Owners to which two-thirds 2/3 of the votes in the Association appertain; and

WHEREAS, the requisite number of Unit Owners have given their approval of this amendment; and

GPINS: See Exhibit A Attached

Prepared By: Inman & Strickler, P.L.C.

575 Lynnhaven Parkway, Suite 200
Virginia Beach, VA 23452

RECEIVED
FOR RECORDING ONLY

2005 OCT 17 PM 4:39

CIRCUIT COURT
STATE OF VIRGINIA
CLERK

WHEREAS, pursuant to Section 55-79.71.D of the Condominium Act, this Amendment shall become effective when the amendment is duly recorded in the Clerk's Office of the Circuit Court of the City of Virginia Beach, Virginia;

NOW, THEREFORE, the Association does hereby amend the Bylaws in the following manner:

1. Article III, Section 6 entitled Vacancies shall be deleted and the following language shall be added in its place:

“Any vacancy occurring in the Board of Directors shall be filled by a vote of a majority of the remaining members of the Board of Directors at a meeting of the Board of Directors though the members of the Board of Directors present at such meeting may constitute less than a quorum if a quorum is impossible to obtain due to an insufficient number of board members on the board. Each person so elected shall serve until the next annual meeting of the unit owners’ association at which time a successor shall be elected by a vote of unit owners.”

2. Article V, Section 5 entitled Maintenance and Repair shall be amended by adding Subparagraph (4) which will read as follows:

“(4) All exterior window trim, door trim and window sills shall be maintained by the Association, including replacement thereof. Additionally periodic painting of garage doors (but not replacement thereof) shall be the physical and financial responsibility of the Association.”

3. Article V, Section 8 entitled Restrictions on Use of Units, Common Elements and Limited Common Elements, USE RESTRICTIONS, shall be deleted in its entirety and replaced with the following:

A. Restrictions on Leasing Units:

1. The maximum number of Units that may be leased at any time is limited to nine (9) Units. This limit may be exceeded only under conditions stated in the “grandfather” and “hardship” provisions that follow.
2. No unit owner shall rent more than one (1) unit and a unit owner may not avoid this rule by ownership through another entity.

3. Unit owners who desire to lease a Unit must have established residency at Kings Ford Condominium for a minimum of twelve (12) consecutive months.
4. All leases shall be for an initial term of not less than twelve (12) consecutive months.
5. No unit owner may lease less than the entire unit.
6. Any Unit Owner whose Unit is leased as of the effective date of this Amendment shall submit a copy of the lease currently in effect to the Board of Directors or the Association Manager within thirty (30) days of the recordation of this Amendment.
7. The leasing of units shall also be subject to all rules and regulations promulgated by the Board of Directors not in conflict with any provisions of the Declaration or Bylaws.
8. A tenant is any person other than the unit owner occupying the unit without the regular co-occupancy by the unit owner. This definition includes relatives and children of the owner who may or may not be paying rent.

B. Grandfather Provisions:

1. Unit Owners of record with existing leases on the effective date of this Amendment are grandfathered until the Unit is sold by the current owner and shall not be restricted in renting their Units by the limit on the maximum number of Units to be leased. Any grandfathered Unit Owner may lease his Unit even though the maximum number allowed has been reached.
2. A Unit Owner who is grandfathered under the terms of this Amendment may not pass along that status in any way, either as a sale, a gift or through inheritance. The Board of Directors may give an estate administrator a reasonable period of time to dispose of the Unit, which may be addressed under the "Hardship Clause", subject to a written request by the Administrator to the Board and the subsequent approval of the Board of Directors, which may or may not be granted.

3. Except for the period of time in which a Unit is being repaired and/or rebuilt due to a casualty loss or natural disaster, existing grandfathered units that remain unleased for a period exceeding sixty (60) days, shall be considered owner occupied units and shall no longer be considered a grandfathered unit and shall be restricted to all of the rental provisions in this amendment.
4. Grandfathered Units which are leased shall be counted in determining the number of leases pursuant to paragraph A (1).

C. Rental Procedures:

1. Any Unit Owner intending to lease the Unit shall submit a written request to the Board of Directors indicating the Unit Owner's intent to lease the Unit.
2. The Unit shall not be leased until the Board of Directors responds with written permission to lease the Unit.
3. The Board of Directors shall respond within thirty (30) days of the written request of the Unit Owner. Permission will be based solely on the number of Units leased at the time of application and other applicable provisions contained in the Declaration and all Amendments thereto.
4. If the maximum number of Units are leased at the time of the request, Unit Owners who are not covered by the grandfather provision will be placed on a waiting list and will be notified when a leasing slot is available.
5. Upon being notified of an available slot, the Unit Owner will then have sixty (60) days to enter into a lease.
6. Thereafter, the Unit Owner will forfeit his position and, if the Unit Owner wishes to remain on the list, he shall submit a written request therefor to the Board of Directors
7. Any Unit Owner who leases his Unit shall provide to the tenant, at the Unit Owner's expense, a copy of the Association's Declaration, Bylaws and Rules and Regulations and shall have the tenant execute

a Lease Addendum which requires the tenant to comply with the covenants, conditions and restrictions contained in those documents.

D. Hardship Provision:

1. The Board of Directors may, in its sole discretion, authorize a lease which will exceed the maximum of nine (9) leased Units restriction only upon a showing by a Unit Owner of a hardship which will result from the Board's denial of the lease request. Examples of "hardship" include, but are not limited to, military transfer or ill health preventing occupancy of the Unit.

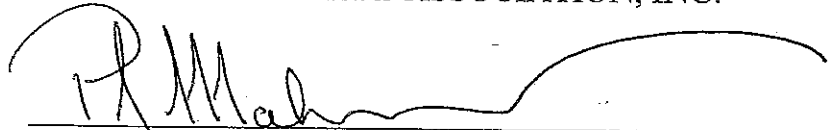
4. All provisions of the Bylaws not expressly amended herein shall be and remain in full force and effect.

The undersigned President of the Association does hereby certify that this Amendment has been approved by agreement of the Owners of Units to which two-thirds (2/3) of the interests in the common elements appertain.

EXECUTED on the date first written above by the duly authorized officer of the Association.

KINGS FORD OWNERS ASSOCIATION, INC.

By:



P.J. MAHONE, President

CERTIFICATION PURSUANT TO VIRGINIA CODE SECTION 55-79.71.D

COMMONWEALTH OF VIRGINIA,
CITY OF Virginia Beach, to wit:

The foregoing instrument was acknowledged this 12th day of October, 2005, before me, the undersigned Notary Public, by P.J. MAHONE, President of Kings Ford Condominium Association, Inc., who did state that the requisite number of the unit owners have ratified the aforesaid amendment by signing a document so stating as required by Article IX, Section 1(c) of the Bylaws.

BK 62394078

My Commission Expires:

11/30/07

Arando Tuarig
Notary Public

BK 6239 PG 079

KINGS FORD OWNERS ASSOCIATION, INC.
GPIN NUMBERS

Property	GPIN
800 Rivanna River Reach	0367003000140
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802 Rivanna River Reach	0367003000130
803 Rivanna River Reach	0367003000010
805 Rivanna River Reach	0367003000040
807 Rivanna River Reach	0367003000030
808 Rivanna River Reach	0367003000120
809 Rivanna River Reach	0367003000060
810 Rivanna River Reach	0367003000110
811 Rivanna River Reach	0367003000050
812 Rivanna River Reach	0367003000260
813 Rivanna River Reach	0367003000080
814 Rivanna River Reach	0367003000250
815 Rivanna River Reach	0367003000070
816 Rivanna River Reach	0367003000240
817 Rivanna River Reach	0367003000100
818 Rivanna River Reach	0367003000230
819 Rivanna River Reach	0367003000090
821 Rivanna River Reach	0367003000160
823 Rivanna River Reach	0367003000150
824 Rivanna River Reach	0367003000210
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836 Rivanna River Reach	0367003000200
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838 Rivanna River Reach	0367003000190
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842 Rivanna River Reach	0367003000390
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844 Rivanna River Reach	0367003000410

Property	GPIN
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800 Shenandoah River Road	0367003000880

BK62396081

Property	GPIN
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INSTRUMENT #050060559
RECORDED IN THE CLERK'S OFFICE OF
CHESAPEAKE ON
NOVEMBER 1, 2005 AT 1:10 PM
FAVE W. MITCHELL, CLERK

RECORDED BY: SMM