

**BYLAWS
OF
WATER RIDGE CONDOMINIUM ASSOCIATION
A non-stock corporation not for profit
Under the laws of the State of Virginia**

ARTICLE 1

GENERAL MATTERS

Section 1.1 Name. The name of this corporation is WATERS RIDGE CONDOMINIUM ASSOCIATION.

Section 1.2 Principal Office. The principal office of the Association shall be located at 2501 Washington Avenue, United Virginia Bank Building, Suite 501, Newport News, VA.

Section 1.3 Registered Office. The registered office of the Association may, but need not, be identical with the principal office, and shall be established by an appropriate notification to the State Corporation Commission of Virginia.

ARTICLE 2

DEFINITIONS

Section 2.1 Declaration of Condominium. "Declaration" as used herein means that certain Declaration made as of the 26th day of July, 1984 by HAJAR OF LEE HALL, INC. (hereinafter sometimes called the "Declarant"), pursuant to the provisions of the Condominium Act of the Commonwealth of Virginia, as set forth in Chapter 4.2, Title 55, Code of Virginia of 1950, as amended (the "Condominium Act") which declaration is or is intended to be recorded in the Clerk's Office of the Circuit Court of the City of Newport News, Virginia, and to which a copy of these ByLaws is appended.

Section 2.2 Other Definitions. Unless it is plainly evident from the context that a different meaning is intended, all of the terms used herein shall have the same meaning as they are defined to have in the Declaration, or the Articles of Incorporation of the Association, and if not defined in either, then in the Condominium Act.

ARTICLE 3

MEMBERSHIP

Section 3.1 Members. Each Unit Owner shall be a member of the Association and shall be entitled to vote in respect of the affairs of the Association. No other person may be a member of the Association or vote in its affairs.

Section 3.2 Change of Ownership. Upon the recording of a deed or other instruments establishing a change of record title to a Condominium Unit, and the delivery to the Association of a certified copy of said instrument, the Unit Owner designated by said instrument shall become a member of the Association and the membership of the prior Unit Owner, to the extent existing by virtue of his prior ownership of such Condominium Unit, shall be thereby terminated.

ARTICLE 4

MEETINGS OF MEMBERS

Section 4.1 Location. All meetings of members shall be held at the principal office of the Association as specified in the notice or at such other place as the members shall agree upon.

Section 4.2 Annual Meetings. The first meeting of the unit owners' association will be held within one year after the conveyance of the first unit (§55-79.72).

Thereafter, annual meetings of the members shall be held on the third Tuesday in January of each year at the hour of 6:00 p.m. The Secretary shall send to each Unit Owner notice of the time, place and purpose of purposes of each annual meeting not more than fifty and not less than twenty-one days in advance of such meeting. Such notice shall be given in the manner provided by the Condominium Act, to-wit: such notice shall be sent by United States mail, return receipt requested, to all Unit Owners of record at the address of their respective Condominium Units and to such other addresses as any of them may have designated to such officer; or, such notice may be hand delivered by such officer, provided he obtains a receipt of acceptance of such notice from the Unit Owner. At such meetings the members of the Board of Directors shall be nominated and elected in the manner provided in Section 5.2 hereof. The members may transact such other business at such meetings as may properly come before them.

Section 4.3 Special Meetings. Special meetings of the members may be called at any time by the President. In addition, it shall be the duty of the President to call a special meeting of the Unit Owners if so directed by a resolution of the Board of Directors or upon a petition signed and presented to the Secretary by the Unit Owners of

Condominium Units to which at least twenty-five percent (25%) of the total votes appertain. Notice of any special meeting shall be made in the manner provided in Section 4.2 above, and the notice or said special meeting shall be given not more than fifty and not less than seven days in advance thereof.

Section 4.4. Notice to Institutional Mortgagees. The Secretary shall give written notice of any and all annual and special meetings of members to all Institutional Mortgagees holding first Mortgages on Condominium Units who request in writing to be so notified. Such notice shall be sent by United States mail, return receipt requested, at the address shown for such Institutional Mortgagee in the Book of Mortgages. Each such Institutional Mortgagee shall be entitled to designate a representative to attend any meeting of the members.

Section 4.5 Proxies. At all meetings of members, each member may vote in person or by a proxy duly elected by or on behalf of the Unit Owner, or, in cases where the Unit Owner is more than one person, by or on behalf of all such persons. No proxy shall be revocable except by actual notice to the persons presiding over the meeting, by the Unit Owner or by any 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 any of those executing the same have not been witnessed by a person who shall sign his full name and address. Any proxy shall terminate automatically upon the adjournment of the first meeting held on or after the date of that proxy.

Section 4.6 Voting.

a. In the event that any Condominium Unit is owner by more than one person, if only one of such persons is present at a meeting of the Unit Owners that person shall be entitled to cast the votes appertaining to that Condominium Unit; but if more than one of such persons is present, the vote appertaining to that Condominium Unit shall be cast only in accordance with their unanimous agreement, which consent shall be conclusively presumed if any one of them purports to cast the votes appertaining to that Condominium Unit without protest being made forthwith by any of the others to the person presiding over the meeting.

b. No member shall be eligible to vote if such member is more than thirty days delinquent in payments due the Association.

c. Subject to the conditions set forth in this section and section 5.2, and the right of the Declarant to expand the Condominium as provided in Article 2 of the Declaration, a Unit Owner shall be entitled to cast one vote at all meetings of Unit Owners for each .0001 percent interest in the Common Elements appurtenant to his Unit. The total number of votes of all Unit Owners shall be 1,000,000.

Section 4.7 Quorum. Except as otherwise provided herein, the presence in person or by proxy of Unit Owners having twenty-five percent (25%) of the total

authorized votes of all Unit Owners shall constitute a quorum at all meetings of the Unit Owners.

Section 4.8 Majority Vote. The vote of a majority of Unit Owners at a meeting at which a quorum shall be present shall be binding upon all Unit Owners for all purposes except where the Declaration, ByLaws, Articles of Incorporation of the Association or law requires a higher percentage.

Section 4.9 Majority of Unit Owners. As used in these ByLaws, the term "majority of Unit Owners" shall mean those Unit Owners having more than fifty percent (50%) of the totals authorized votes of all Unit Owners present in person or by proxy and voting at all meeting of the Unit Owners; provided, however, if fifty percent (50%) or more of the votes in the Association appertain to twenty-five percent (25%) or less of the Units, then "majority of Unit Owners" shall be deemed to include, in addition to the aforesaid percentage of votes, assent by the Unit Owners of a like majority of the Units.

ARTICLE 5

DIRECTORS

Section 5.1 Number and Qualification. Until their successors shall have been elected at the first meeting of the Unit Owners following expiration of Declarant's control pursuant to Article 11 of the Declaration, the affairs of the Association shall be managed by a Board of Directors composed of three (3) persons, who need not be members of the Association, designated by the Declarant. Thereafter, the affairs of the Association shall be managed by a Board of Directors composed of nine (9) persons, who need not be members of the Association.

Section 5.2 Election. Beginning with the first meeting of the Unit Owners following the expiration of the Declarant's control pursuant to Article 11 of the Declaration the members of the Board of Directors shall be nominated and elected by the members of the Association in three classes as follows: Class A shall consist of three (3) directors each of whom shall be initially elected for a term of three (3) years; Class B shall consist of three (3) directors each of whom shall be initially elected for a term of two (2) years; Class C shall consist of three (3) directors each of whom shall be initially elected a term of one (1) year. Each director so elected shall hold office until his term expires and until his successor has been duly chosen and taken office or until he shall resign or shall have been removed. At the expiration of the initial term of each director, his successor shall be nominated and elected to serve for a term of three (3) years unless he shall resign or shall have been removed.

Section 5.3 Compensation. No compensation shall be paid to directors for their services as directors. However, compensation may be paid to a director in his

capacity as an officer, employee, contractor or agent for services rendered to the Association, as long as such compensation is approved in advance by the Board of Directors, and the director receiving such compensation is not permitted to vote in respect thereof.

Section 5.4 Removal and Resignation. Any director may resign at any time by giving written notice to the President or the Secretary of the Association. Such resignation shall take effect at the time specified therein, or if no time is specified therein, at such time such resignation is received by the President or Secretary of the Association. At a meeting expressly called for that purpose, any director may be removed, with or without cause, by a vote of the required majority of the Unit Owners; provided, however, during the period of Declarant control, Declarant shall have the right to remove and appoint directors at will.

ARTICLE 6

MEETING OF DIRECTIONS

Section 6.1 Regular Meetings. The regular meetings of the Board of Directors shall be held at the same place as, and immediately following, the annual meeting of members, or at such other time and place as the directors shall agree upon by appropriate resolution.

Section 6.2 Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the President or any three (3) directors.

Section 6.3 Notice of Meetings.

a. Regular meetings of the directors may be held without notice.

b. The person or persons calling a special meeting of the Board of Directors shall, at least three (3) days before the meeting, give oral, telephonic, telegraphic or written notice thereof, which notice shall state the time and the place, but need not state the purpose of the meeting.

Section 6.4 Notice to Institutional Mortgagees. The Secretary shall give written notice of any and all special meetings and of the annual meeting if other than immediately following the annual meeting of members, of the Board of Directors to all Institutional Mortgagees holding first Mortgages on Condominium Units who request in writing to be so notified. Such notice shall be sent by United States mail, return receipt requested, at the address shown for such Institutional Mortgagee in the Book of

Mortgages. Each such Institutional Mortgagee shall be entitled to designate a representative to attend any meeting of the Board of Directors.

Section 6.5 Quorum. A majority of the directors shall constitute a quorum for the transaction of business at any meeting of the Board or Directors.

Section 6.6 Manner of Acting. Except as otherwise provided herein or by law, the act of a majority of directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

Section 6.7 Action Without a Meeting. Any action by the Board of Directors required or permitted to be taken at any meeting may be taken without a meeting if all the members of the Board of Directors shall individually or collectively consent in writing to such action. Such written consent or consents shall be filed with the minutes of meetings of the Board of Directors.

ARTICLE 7

OFFICERS

Section 7.1 Designation. The officers of the Association shall be a President, Secretary and Treasurer, all of whom shall be elected by the Board of Directors and none of whom need be members of the Association. The office of President and Treasurer may be filled by the same person. The directors may appoint one or more additional Vice Presidents, Assistant Secretaries and Assistant Treasurers, and such other officers as in their judgment may be desirable. Any two or more offices, other than the offices of President and Secretary, may be held by the same person.

Section 7.2 Election of Officers. The officers of the Association shall be elected annually by the Board of Directors at its regular meeting. Each officer shall hold office until his death, resignation, retirement, removal, disqualification or until his successor is elected and qualified.

Section 7.3 Removal. Any officer or agent elected or appointed by the Board of Directors may be removed by the Board of Directors with or without cause, but such removal shall be without prejudice to the contractual rights, if any, of the person so removed.

Section 7.4 Compensation. The compensation, if any, of all officers of the Association shall be fixed by the Board of Directors.

Section 7.5 President. The President shall be the principal executive officer of the Association and, subject to the control of the Board of Directors, shall supervise and control the management of the Association in accordance with these ByLaws. The

President shall be a member of the Board of Directors, and, when present, preside at all meetings of the Board Directors. The President shall have all the general powers and duties which are usually vested in the office of president of a corporation.

Section 7.6 Secretary. The Secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of members of the Association; the Secretary shall have custody of the seal of the Association, shall have charge of the membership transfer books and of such other books and papers as the Board of Directors may from time to time direct, and shall in general perform all the duties incident to the office of secretary.

Section 7.7 Treasurer. The Treasurer shall have the responsibility for corporate funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. The Treasurer shall be responsible for the deposit of all monies and other valuable effects in the name, and to the credit of, the Association in such depositories as may from time to time be designated by the Board of Directors. The Treasurer shall cause to be made and filed at the registered or principal office of the Association within four months after the end of each fiscal year a true statement of the assets and liabilities of the Association as of the close of such fiscal year and a true statement of the results of its operation and changes in financial condition, all in reasonable detail and in accordance with standard accounting principles and practice applied on a consistent basis.

ARTICLE 8

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 8.1 Powers and Duties. The Board of Directors shall have all the powers and duties necessary for the administration of the affairs of the Association and may do all such acts and things as are not by law or by the Articles of Incorporation, Declaration or these Bylaws directed to be exercised or done by the members. The powers and duties of the Board of Directors shall include, but not be limited to, the following:

- a. To provide for the maintenance, repair and replacement of the Common Elements in a manner consistent with law and the provisions of these Bylaws and the Declaration;
- b. To establish and provide for the collection of assessments and/or carrying charges from the members and for the assessment and/or enforcement of liens therefore in a manner consistent with the law and the provisions of these Bylaws and the Declaration;

c. To employ a manager, independent contractor and/or such other employees as they deem necessary, and on such terms as they deem advisable, in order to perform their duties hereunder and to provide the services for the Condominium in a manner consistent with law and the provisions of these Bylaws and the Declaration; provided, however, if Institutional Mortgagees having liens on a majority of the Units so request, a professional manager shall be engaged to manage the Condominium;

d. To grant utility and other easements under, through and over the Common Elements, including such easements as are reasonably necessary to the ongoing development and operation of the Condominium and to accept easements which benefit the Condominium or any portion thereof;

e. To cause to be kept a complete record of all the Association's acts and corporate affairs and to present a statement thereof at the regular annual meeting of the members or at any special meeting, when such statement is requested in advance in writing by any of the members who are entitled to vote;

f. To supervise all officers of the Association and to see that their duties are properly performed.

g. In accordance with the provisions of the Declaration, to procure and keep in force such casualty, public liability, workmen's compensation and other insurance as shall be acceptable to the Institutional Mortgagee approving such insurance, in accordance with the provisions of Declaration, and as the Board of Directors shall deem necessary and reasonable;

h. To promulgate and enforce such administrative rules and regulations (i) governing the details of operation, use, architectural treatment and decoration of the Common Elements, as the Board of Directors shall deem reasonable and necessary, and (ii) imposing such restrictions on, and requirements respecting the use and maintenance of the Condominium Units and the Common Elements not set forth in the Declaration, as are designed to prevent unreasonable interference with the use of the respective Units and of the Common Elements by, and governing the conduct of, the Unit Owners and/or their guests, tenants, invitees and licensees; provided, however, that any amendment to such rules and regulations, (a copy of the initial rules and regulations of which is attached to the Declaration as Exhibit D), must be approved by a majority of the votes in the Condominium before such amendment shall become effective;

i. To the extent that any conduct of a Unit Owner or licensee or invitee of a Unit Owner constitutes a violation of the Rules and Regulations, Declaration or the Bylaws thereby resulting in any common expenses to the Association which benefit less than all the Condominium Units in the Condominium, the Board of Directors may, by appropriate resolution, provide for an assessment against the Unit Owner in an amount equal to the extra expense incurred by the Association, or, in the alternative, such assessment may be in such reasonable amount as the Board of Directors may deem appropriate as liquidated damages, and any such assessment may be specially

assessed against the Condominium Unit or Condominium Units of the Unit Owner involved.

j. To appoint an advisory architectural committee and to approve such reasonable exceptions to any architectural or design restrictions or restrictions on improvements as the advisory architectural committee may recommend and the Board of Directors may approve.

Section 8.2 Contracts. The Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument on behalf of the Association, and such authority may be general or confined to specific instances.

Section 8.3 Loans. No loans shall be contracted on behalf of the Association and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors and approved by each of the members of the Association.

Section 8.4 Checks and Drafts, Payment Vouchers. All checks, drafts or other orders for the payment of money issued in the name of the Association shall be signed by, and all payment vouchers shall be approved by, such officer or officers, agent or agents, of the Association and in such manner as shall from time to time to be determined by resolution by the Board of Directors.

Section 8.5 Deposits. All funds of the Association not otherwise employed shall be deposited from time to time to the credit of the Association in such depositories as the Board of Directors shall direct.

Section 8.6 Liability and Indemnification of Officers and Directors. The Association shall indemnify every officer and director of the Association against any and all expenses (including counsel fees), judgments and amounts paid in settlement, actually and reasonable incurred by such officer or director in connection with any action, suit or other proceeding to which he may be made a party by reason being or having been an officer or director of the Association whether or not such person is an officer or director at the time such expenses or liabilities are incurred if he acted in good faith and in a manner he reasonable believed to be in or not opposed to the best interests of the Association; provided, however, that there shall be no obligation to indemnify any officer or director for any expenses or liabilities arising out of such person's gross negligence or willful misconduct. The officers and directors of the Association shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Association (except to the extent that such officers and directors may also be, and be liable by virtue of being, owners of Condominium Units), and the Association shall indemnify and hold harmless each such officer and director against any and all liability to others on account of any such contract or commitment. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any officer or director of the Association, or former officer or director of the Association, may be entitled.

ARTICLE 9

CORPORATE SEAL

The Association shall have a seal, in circular form, having within its circumference the words or abbreviations thereof: Waters Ridge Condominium Association.

ARTICLE 10

BOOKS AND RECORDS

The books, records and papers (including financial statements) of the Association shall at all times, during normal business hours, be subject to inspection by any member, Mortgagee, and the holders, insurers and guarantors of the first Mortgage on a Condominium Unit and/or their duly authorized agents and attorneys. The Declaration, Articles of Incorporation of the Association, and Bylaws shall be available for inspection by any member, Mortgagee, and the holders, insurers, and guarantors of the first Mortgage on a Condominium Unit at the principal office of the Association.

ARTICLE 11

FISCAL MANAGEMENT

Section 11.1 Fiscal Year. The first fiscal year of the Association shall begin at the date of incorporation, and each fiscal year of the Association shall end on the last day of December; provided that the fiscal year herein established shall be subject to change by resolution of the Board of Directors at any time.

Section 11.2 Books and Accounts. Books and accounts of the Association shall be kept under the direction of the Treasurer in accordance with good accounting practices. The books and accounts shall include detailed accounts, in chronological order, of receipts and expenditures affecting the Condominium and its administration and shall specify the maintenance and repair expenses of the Common Elements and services and any other expenses incurred.

Section 11.3 Auditing. At the close of each fiscal year, the books and records of the Association shall be audited by an accountant, whose report shall be prepared and

certified in accordance with generally accepted accounting practices, applied on a consistent basis. The Association shall furnish, within four (4) months after the close of each fiscal year a copy of such report to each member and Institutional Mortgagee holding a first Mortgage on a Condominium Unit.

Section 11.4 Budget. Not later than thirty days prior to the beginning of each fiscal year (or such other period as the Board of Directors shall adopt for the purposes of this Section 11.4, and if any other period is so adopted the term “fiscal year” as used in this Section 11.4 and in Sections 7.7 and 11.3 shall mean such other period), the Board of Directors shall adopt a budget for such fiscal year and shall promptly thereafter transmit a copy of the same to each member. The budget shall contain estimates of the income and expenses of the Association for such fiscal year, including, but not limited to, the following: (i) the cost of all operating expenses of the Condominium and services furnished, including charges by the Association for facilities and services furnished by it; and (ii) the cost of necessary management and administration, including any fees paid to any management agent; and (iii) the amount of all taxes and assessments levied against the Association or which the Association is otherwise required to pay, if any; and (iv) the cost of fire and extended liability insurance on the Condominium and the cost of such other insurance as the Association may carry; and (v) the cost of furnishing water, electricity, heat, gas, garbage and trash collection and/or other utilities, to the extent furnished by the Association; and (vi) the cost of funding all reserves established by the Association, including, when appropriate, a general operating reserve and/or reserve for replacements; and (vii) the estimated cost of repairs, maintenance and replacement of the Condominium to the extent required to be made by the Association. The budget shall also contain a proposed breakdown of the annual assessment against each Condominium Unit for the aforesaid expenses.

Section 11.5 Fidelity Bonds. The Board of Directors may require that all officers and employees of the Association handling or responsible for corporate or trust funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be paid by the Association.

ARTICLE 12

ASSESSMENTS AND CARRYING CHARGES

Section 12.1 Share of Common Expenses. By the Declaration each Unit Owner is liable for a proportionate share of the common expenses, as defined therein, in accordance with the votes appertaining to the Condominium Unit owned as set forth in these Bylaws, and in addition, may be liable for special assessments as provided herein.

Section 12.2 Annual Assessments. Annual Assessments shall be made for each fiscal year in advance of such year by submitting the budget (prepared in accordance with Section 11.4 of these Bylaws) to the Unit Owners; provided, however, that the failure of

the Board of Directors, prior to the commencement of any assessment period, to fix the assessments hereunder for that period or the next period, shall not be deemed a waiver or a modification in any respect of the provisions of this Article, or a release of any member from the obligation to pay the assessment, or any installment thereof, for that or any subsequent assessment, but rather the assessment fixed for the preceding period shall continue until a new assessment is fixed. One-twelfth of the annual assessment for each fiscal year shall be due monthly in advance on the first day of each month during such fiscal year, except that for the initial month only a pro rata share (determined on the basis of the time remaining in such month) shall be payable in advance.

Section 12.3 Reserve for Maintenance, Repair and Replacements. The Association shall establish and maintain, out of regular assessments for common expenses, a reserve fund for maintenance, repair and replacement of the Common Elements by the allocation and payment to such reserve fund of an amount or amounts to be designated from time to time by the Board of Directors. Such fund, if created, shall be conclusively deemed to be a common expense. Such fund shall be deposited in a special account with a lending institution, the accounts of which are insured by an agency of the United States of America or may, in the discretion of the Board of Directors, be invested in obligations of, or fully guaranteed as to principal by, the United States of America. Such reserve, if created, may be expended only for the purpose of effecting the maintenance, repair or replacement of the Common Elements. The proportionate interest of any Unit Owner in any such reserve fund shall be considered as an appurtenance to his Condominium Unit and shall not be separately withdrawn, assigned or transferred or otherwise separated from the Condominium Unit to which it appertains and shall be deemed to be transferred with such Condominium Unit. In addition, the Association may establish and maintain a reserve fund for other contingencies of a nonrecurring nature.

Section 12.4 Special Assessments. In addition to the regular assessments authorized by this Article, the Association may levy in any fiscal year a special assessment or assessments, applicable to that year only or for such other period of time as the Board of Directors shall determine, including assessments as provided in the Declaration, for the purpose of defraying, in whole or in part, the cost of any insurance, construction, reconstruction or repair, unexpected repair or replacement of any portion of the Condominium as provided in the Declaration or for such other purpose as the Board of Directors may consider appropriate. Any such special assessment, except in the case of assessments for additional operating funds or reconstruction or repair of damage as provided in the Declaration or these Bylaws, shall be subject to approval by each of the members. Any such assessment shall become due after thirty days' notice thereof in such manner as the Board of Directors may require.

Section 12.5 Assessment Certificates. The Association shall, upon demand at any time, furnish to any member liable for any assessment and levy pursuant to these Bylaws (or any other party legitimately interested in the same) a certificate in writing signed by an officer of the Association, setting forth the amount, if any, of said member's unpaid assessment. Such certificate shall be conclusive evidence of the payment of any assessment therein stated to have been paid.

Section 12.6 Effect of Nonpayment of Assessments: Remedies of the Association.

a. Any assessment or installment thereof paid on or before ten (10) days after the date when due shall not bear interest, but all sums not paid on or before ten days after the date when due shall bear interest at the highest rate permitted by law from the date when due until paid. All payments on account shall be first applied to accrued interest and then to any assessment payments then due in the order of their due dates. In addition the Board of Directors may from time to time impose a late charge on all sums not paid within ten (10) days of when due.

b. In the event (i) of the failure of a Unit Owner to pay any assessment due hereunder for more than thirty days after the due date; (ii) any Unit Owner shall be or become insolvent or make an assignment for the benefit of creditors; (iii) a petition is filed or any other proceeding is commenced under the Federal Bankruptcy Act or any state insolvency statute by or against any Unit Owner; or (iv) a receiver is appointed for, or a writ or order of attachment, levy or garnishment is issued against, any Unit Owner, or the property or assets of any of them, the balance of installments due for the then current fiscal year shall immediately become due and payable.

c. Any sum assessed by the Association for the share of common expenses chargeable to any Condominium Unit, and remaining unpaid for a period of thirty days or longer, shall constitute a lien on such Condominium Unit when filed of record in accordance with the Condominium Act. Upon such lien being duly filed, it shall be prior to all other liens except the following: (i) assessments, liens and charges for real estate taxes due and unpaid on the Condominium Unit; and (ii) all sums unpaid on any first deeds of trust or mortgages duly of record against the Condominium Unit prior to the docketing of the aforesaid lien and securing Institutional Mortgagees; and (iii) all sums unpaid on any first deed of trust securing a purchase money mortgage.

d. Provided the aforesaid lien is duly filed, such lien may be foreclosed by suit by the Association, acting on behalf of the Unit Owners, in accordance with the Condominium Act. In any such foreclosure the Unit Owner shall be required to pay a reasonable rental for the Condominium Unit, and the plaintiff in such foreclosure shall be entitled to the appointment of a receiver to collect such rental. The Association, acting on behalf of the Unit Owners, shall have the power to bid in the Condominium Unit at foreclosure sale, and to acquire and hold, lease, mortgage and convey the same. A suit to recover a money judgment for unpaid common expenses shall be maintainable without foreclosing or waiving the lien securing the same. In any such action the Association shall also be entitled to recover attorneys' fees advanced to effect collection of the assessment.

Section 12.7 Notice to Mortgages. The Association shall give to all Mortgagees who request, in writing, to be so notified, notice of nonpayment of any common expense prior to foreclosure on any lien therefor.

ARTICLE 13

AMENDMENTS

Section 13.1 Amendment. Subject to the terms and conditions hereinafter set forth, the Bylaws may be amended by the affirmative vote of the owners of Condominium Units to which three-fourths of the votes in the Association appertain.

Section 13.2 Notice. Notice of the subject matter of any proposed amendment shall be included in the notice of any meeting at which a proposed amendment is considered.

Section 13.3 Recordation Required. No amendment to the Bylaws shall be effective until the same has been recorded in the Clerk's Office of the Circuit Court of the City of Virginia Beach, Virginia.

Section 13.4 Binding Effect. All Unit Owners shall be bound to abide by any amendment upon the same being passed and duly set forth in an amended Declaration, duly recorded.

Section 13.5 Rights of Mortgagees. No material amendment may be made to these Bylaws without the prior written approval of each Institutional Mortgagee holding a first Mortgage on a Condominium Unit and who has requested, in writing, to be notified of such amendments. A copy of any proposed amendment shall be furnished to all such Institutional Mortgagees holding bona fide first liens, and unless the disapproval of any such amendment is received within thirty days of the giving of such copy, the amendment is received within thirty days of the giving of such copy, the amendment shall be conclusively deemed approved by such Institutional Mortgagee. A copy of each amendment shall be recorded in the Clerk's Office of the Circuit Court of the City of Virginia Beach, Virginia. The rights of the members to amend the Bylaws, as provided for in this Article, are subject to the rights of certain Mortgagees to approve or disapprove of certain amendments as elsewhere set forth in these Bylaws.

ARTICLE 14

BOOK OF MORTGAGES

Anytime a Unit Owner mortgages his Condominium Unit, he shall notify the Association, in writing, or such Mortgage, specifying the name and address of the Mortgagee and the priority of the lien of the Mortgage. The Association shall maintain a 'Book of Mortgages' in which the foregoing information shall be recorded.

ARTICLE 15

COMPLIANCE – INTERPRETATION – MISCELLANEOUS

Section 15.1 Compliance. These Bylaws are set forth in compliance with the requirements of the Condominium Act of the Commonwealth of Virginia, as amended.

Section 15.2 Conflict. These Bylaws are subordinate and subject to all provisions of the Declaration, the Articles of Incorporation of the Association and the Condominium Act. Every provision of these Bylaws shall be construed, if possible, so as not to conflict with said Act or the Declaration or said Articles of Incorporation.

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

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

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

I certify that the documents to which this authentication is affixed are true copies of a record and that I am the custodian of that record.

Rex A. Davis, Clerk

By: (Signature on file)
_____D.C.