

**AMENDED BYLAWS
THE MOORINGS ASSOCIATION**

As provided in Article 10 of The Moorings Association Bylaws, a legal quorum of unit owners met on September 24, 2005 to consider certain changes to the Bylaws. The required two-thirds majority of unit owners approved the following changes to the Bylaws and these changes shall become permanent parts of The Moorings Association Bylaws by being recorded in the Clerk's Office of the Circuit Court of Mecklenburg County.

ARTICLE 3. BOARD OF DIRECTORS. Section A. Number and Qualification. Page 10 shall now read: "...the Board of Directors shall be composed of five (5) persons."

ARTICLE 3. BOARD OF DIRECTORS. Section G. Regular Meetings. Page 19 shall now read: "Notice of regular meetings of the Board of Directors shall be given to each member of the Board by mail or email at least seven (7) days prior to the day named for such meeting."

ARTICLE 3. BOARD OF DIRECTORS. Section H. Special Meetings. Page 20 shall now read: "...notice to each member, given by mail or email."

ARTICLE 4. OFFICERS. Section D. Secretary. Page 33. Delete the entire sentence: "He shall have custody of the seal of the Association and affix the same to instruments requiring a seal when duly signed."

ARTICLE 5. OPERATION OF THE CONDOMINIUM. Section E. Maintenance, Repair, Replacement and Other Common Expenses. (b)By the Unit Owner. Page 43. Insert: "Only braided hoses may be used on clothes washers."

ARTICLE 5. OPERATION OF THE CONDOMINIUM. Section H. Restrictions on Use; Rules and Regulations. Page 53 shall now read: "...the keeping of orderly domestic pets (e.g. dogs, cats, or caged birds) not to exceed two (2) per Unit."

ARTICLE 5. OPERATION OF THE CONDOMINIUM. Section K. Parking Spaces. Page 55. Delete the entire sentence: "One parking space has been assigned as a Limited Common Element appurtenant to each Unit as shown on the Plans and Plans." Page 55 shall now read: "All parking spaces shall be used by the Unit owners for self-service parking purposes on a "first come, first served" basis."

ARTICLE 5. OPERATION OF THE CONDOMINIUM. Section M. Access to Books and Records. Page 56 shall now read: "As per Section 55-79.74:1 of the Virginia Condominium Act the Association shall make available to Unit

Owners and lenders...current copies of the Declaration, Bylaws, Rules and Regulations and the books, records and financial statements of the Association."

ARTICLE 8. INSURANCE. Section B. Physical Damage Insurance. Page 59 shall now read: "The Board of Directors shall obtain and maintain a blanket special inclusive, exclusive form policy of fire insurance..."

ARTICLE 8. INSURANCE. Section C. Liability Insurance. Page 61 shall now read: "The Board of Directors shall obtain and maintain comprehensive general liability (including libel, slander, false arrest and invasion of privacy coverage and Directors and Officers coverage) and coverage for Directors and Officers."

ARTICLE 8. INSURANCE. Section C. Liability Insurance. Page 62. Delete entire statement: (c)host liquor liability coverage with respect to events sponsored by the Association.

ARTICLE 8. INSURANCE. Section E. Separate Insurance. Page 64 shall now read: "Each Unit Owner shall have the right, at his own expense, to obtain insurance for his own Unit and for his own benefit and to obtain insurance coverage upon his personal property and structural per the Declarations..."

ARTICLE 9. COMPLIANCE AND DEFAULT. Section A. Relief. (d)interest. Page 80 shall now read: "...prime lending rate announced by Wachovia Bank, Clarksville Virginia..."

These Amended Bylaws of The Moorings Association are made and entered into this third day of October, 2005 by Harold L. Atkins, President and principal officer of The Moorings Association.

Harold L. Atkins
Harold L. Atkins, President

COUNTY OF MECKLESBURG
COMMONWEALTH OF VIRGINIA

THE FOREGOING INSTRUMENT WAS ACKNOWLEDGED BEFORE ME THIS 3RD DAY OF OCTOBER, 2005 BY HAROLD L. ATKINS.

Michael Clark
MICHAEL CLARK
NOTARY PUBLIC

MY COMMISSION EXPIRES 09/31/2008

RECORDED AT MECKLESBURG
COUNTY, VIRGINIA
OCTOBER 11 2005
OFFICE OF THE CLERK
JAMES W. WALKER, JR.
CLERK
BY *[Signature]*
RECEIVED

**AMENDED BYLAWS
The Moorings Association**

As provided in Article 10 of The Moorings Association Bylaws, a legal quorum of Unit Owners met on September 16, 2006, to consider certain changes to the Bylaws. The required two-thirds of Unit Owners approved the following changes to the Bylaws and these changes are recorded in the Clerk's Office of the Circuit Court of Mecklenburg County.

Bylaw Revision - Quorum

•Article 2 Unit Owners Association – Section L – Quorum current reads: "Except as otherwise provided in these Bylaws, the presence in person or by proxy of Unit Owners having 50% or more of the total votes of the Association shall constitute a quorum at all meetings of the Association."

•Change the percent to 33% instead of 50%.

Bylaw Revision – Maintenance of External Elements

•Article 5 – Operation of the Condominium – Section E – Maintenance, Repair, Replacement and Other Common Expenses – Paragraph (b) By the Unit Owner.

•Add the following statement at the end of this section:

"It is the intent that all external elements of the buildings shall be maintained as a Common Expense by the Association except that the Association is not obligated to maintain modifications performed by a Unit Owner."

These Amended Bylaws of The Moorings Association are made and entered into the 20th of September, 2006 by Oscar R. Beaman, President of The Moorings Association.

By: Oscar R. Beaman
Oscar R. Beaman, President

Witnessed by:
OR BEAMAN
3 THE MOORINGS
CLEANWATER VA
2006

County of Mecklenburg
Clerk's Office of Virginia
The foregoing instrument was
acknowledged before me this 20th
day of September, 2006 by
Oscar R. Beaman
D. J. [Signature]
Clerk's Office

PURCHASER SHOULD READ THIS DOCUMENT FOR HIS OWN PROTECTION

PUBLIC OFFERING STATEMENT

NAME OF CONDOMINIUM: THE MOORINGS AT CLARKSVILLE, A CONDOMINIUM

LOCATION OF CONDOMINIUM: Clarksville, Virginia (Mecklenburg County)

NAME OF PHASE I DECLARANT: NEWMAR CORPORATION

ADDRESS OF PHASE I DECLARANT: 4600 Millridge Parkway
Midlothian, Virginia 23113

NAME OF PHASES II, III, IV
& V DECLARANT

INVESTORS SERVICE CORPORATION
ADDRESS OF PHASES II, III, IV 9201 Forest Hill Avenue
& V DECLARANT Richmond, Virginia 23235

EFFECTIVE DATE OF PUBLIC OFFERING STATEMENT: May 26, 1987

This Public Offering Statement presents information regarding condominium units being offered for sale by the declarant. Virginia Law requires that a Public Offering Statement be given to every purchaser in order to provide full and accurate disclosure of the significant features of the condominium units being offered. The Public Offering Statement is not intended, however, to be all-inclusive. The purchaser should consult other sources for details not covered by the Public Offering Statement.

The Public Offering Statement summarizes information and documents furnished by the declarant to the Virginia Real Estate Commission. The Commission has carefully reviewed the Public Offering Statement to ensure that it is an accurate summary but does not guarantee its accuracy. In the event of any inconsistency between the Public Offering Statement and the material it is intended to summarize, the latter will control.

Under Virginia Law a purchaser of a condominium unit is afforded a ten day period during which he or she may cancel the contract of sale and obtain full refund of any sums deposited in connection with the contract. The ten day period begins running on the contract date or the date of delivery of a Public Offering Statement, whichever is later. The purchaser should inspect the condominium unit and all common areas and obtain professional advice. If the purchaser elects to cancel, he or she must deliver notice of cancellation to the declarant by hand or by United States mail, return receipt requested.

The following are violations of Virginia Law and should be reported to the Virginia Real Estate Commission, 3600 West Broad Street, 5th Floor, Richmond, Virginia 23230.

- a misrepresentation made in the Public Offering Statement
- an oral modification of the Public Offering Statement
- a representation that the Commission has passed on the merits of the condominium units being offered or endorses the condominium.

PURCHASER SHOULD READ THIS DOCUMENT FOR HIS OWN PROTECTION

SUMMARY OF IMPORTANT CONSIDERATIONS

The following are important matters to be considered in acquiring a condominium unit. They are highlights only. The narrative sections should be examined to obtain detailed information.

1. The Condominium will be governed by a Unit Owners Association. Each Unit Owner will have a vote on certain decisions of the Association and will be bound by all decisions of the Association including those with which he disagrees. (See Section J herein).

2. Certain decisions of the Unit Owners Association will be made by the Board of Directors. (See Section J herein).

3. The expenses of operating the Unit Owners Association will be paid by the Unit Owners on the basis of an annual budget. Each Unit Owner will pay a monthly assessment. A Unit Owner cannot reduce the amount of his assessment by refraining from use of the Common Elements. (See Section L herein).

4. If a Unit Owner fails to pay an assessment when due, the Unit Owners Association will have a lien against his Condominium Unit. Certain other penalties may be applied. (See Section L herein).

5. The Declarant must pay assessments on unsold Condominium Units. (See Section L herein).

6. The Declarant will retain control of the Unit Owners Association until it ceases to own 25% of the Units or until five years after sale of the first unit, whichever is earlier. (See Section J herein).

7. The Board of Directors of the Unit Owners Association is authorized, but not required, to employ an independent managing agent to perform the routine operations of the Unit Owners Association. (See Section J herein).

8. The Declarant may rent unsold Condominium Units. The right of any Unit Owner to rent his Unit is subject to various regulations adopted from time to time by the Board of Directors. No portion of a Unit (other than the entire Unit) may be rented. (See Section I herein).

9. The Declarant may expand the Condominium without the consent of any Unit Owner. (See Section C herein).

10. The Unit Owner may not alter the structure of his Unit or modify the exterior of his Unit without the approval of the Board of Directors. (See Section D herein).

11. The Unit Owners Association will obtain certain insurance benefiting the Unit Owner, but the Unit Owner should obtain other insurance on his own. (See Section H herein).

12. The Unit Owner will pay real estate taxes on his Condominium Unit. (See Section N herein).

13. The Condominium will not be developed as a time share project, but the Declarant reserves the right to time share portions of the Additional Land separate and apart from the Condominium. (See Section C herein).

THE MOORINGS AT CLARKSVILLE, A CONDOMINIUM
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THE MOORINGS AT CLARKSVILLE, A CONDOMINIUM

PUBLIC OFFERING STATEMENT

INTRODUCTION

Newmar Corporation, a Virginia corporation, and Investors Service Corporation, a Virginia corporation (each hereinafter referred to as the "Declarant"), herewith present their proposal for condominium ownership of land and improvements now existing at Clarksville, Virginia. The condominium thus established will be known as The Moorings of Clarksville, A Condominium and will be referred to herein as the Condominium or "the Moorings". Newmar Corporation is the Declarant of Phase I and Investors Service Corporation is the Declarant of Phase II and all subsequent Phases of the Condominium.

This Public Offering Statement consists of two parts, a narrative portion and an exhibit portion. The exhibits include legal documents which are required for the creation and operation of the Condominium, projected budgets and tables of reserves and expenses for the Condominium. The narrative portion of the Public Offering Statement is intended to summarize the significant features of the exhibits and also to present other information of interest to the prospective purchaser. In the event of any inconsistency between the exhibits and the narrative, the provisions of the exhibits will govern.

A. THE CONDOMINIUM CONCEPT.

The term "Condominium" refers to a form of property ownership. Property which is owned as a condominium contains two distinct types of property, Units and Common Elements. Units are portions of a Condominium which are set aside for individual ownership. In the case of a residential condominium such as The Moorings, the Units are the separate living quarters which may be used only by the Unit Owner. Common Elements, on the other hand, are all portions of the Condominium which are not included within the Units. The Common Elements constitute the land and those portions of the structures which support, enclose or service the Units. Each Unit Owner owns an "undivided interest" in the Common Elements. An undivided interest is a fractional or percentage share of ownership of all of the

Common Elements. In The Moorings, the undivided interest is a percentage and is hereafter referred to as a "Percentage Interest". The ownership of an undivided interest gives the Unit Owner the right to participate in the control and management of all the Common Elements but such ownership carries with it the obligation of each Unit Owner to pay his share of the normal expenses of operating and maintaining all of the Common Elements. It is the ownership of an undivided interest in the Common Elements which sets condominium ownership apart from other forms of property ownership.

If the Condominium is expanded by addition of subsequent Phases, the Percentage Interest of all Units will be recalculated on the basis of the increased aggregate floor area. This recalculation will reduce the Percentage Interest appertaining to each Unit, but, since the total amount of Common Elements will have increased, the actual ownership interests will be essentially unchanged. In other words, more people will be sharing the pie, but the size of the pie will have increased.

Certain Common Elements are designated Limited Common Elements. A Limited Common Element is a portion of the Common Elements assigned to a particular Unit. The Unit Owner of the Unit to which a Limited Common Element is assigned has an exclusive right to use the Limited Common Element, except as set forth in Section B of this Public Offering Statement.

B. CREATION OF THE CONDOMINIUM.

Chapter 4.2 of Title 55 of the 1950 Code of Virginia, as amended, which is called the Condominium Act throughout this Public Offering Statement, is the controlling law in Virginia concerning the creation and management of condominiums.

The Condominium Act requires that no condominium shall come into existence until all Condominium Instruments are recorded within the jurisdiction where the condominium in question is located. Condominium Instruments are stated in the Act to be the Declaration, the Bylaws of the Association that will govern the operation of the Condominium, plats and plans showing the location of various elements within the Condominium and various other exhibits, schedules and certifications recorded as a part of the Condominium Instruments.

The controlling and most important document concerning the Condominium is the Declaration which will be recorded in the Clerk's Office of the Circuit Court of Mecklenburg County, along with other documents as later described and which is Exhibit I to this Public Offering Statement. The Declaration establishes the boundaries of the Condominium as a whole, as well as the boundaries of each Unit and the percentage rights of each Unit Owner to the areas within the Condominium owned by all the Unit Owners, known as Common Elements. The Declaration will also establish certain property rights accruing to individual Unit Owners to portions of the Common Elements, which portions are known as Limited Common Elements. The terms Common Elements and Limited Common Elements are further described in Section E of this Public Offering Statement.

In addition to those Condominium Instruments previously named, the Condominium will be governed by Articles of Incorporation creating The Moorings Association (the "Association"), which will have for its members only Owners of Units within the Condominium. The Association operates under its Articles and under Bylaws, as set forth in this Public Offering Statement, in a manner similar to any other nonstock corporation. Both the Articles and Bylaws were recorded in the aforesaid Clerk's Office and are Exhibits E and F to the Declaration.

The Association's Board of Directors who will be elected in accordance with the Bylaws shall have the right to issue in the future various Rules and Regulations that will control detailed aspects of how the Association, through its Board of Directors, directs that the Association's members will act insofar as the Condominium is concerned and how the Condominium will be governed.

There will also be recorded with the Declaration, Articles and Bylaws, plats and plans of the Condominium which will graphically depict the boundaries of the Condominium and its Units, Common Elements and Limited Common Elements. These plats and plans are included in this Public Offering Statement as Exhibits B and C-1 through C-11 to the Declaration.

If approved by sixty-seven percent (67%) of the Unit Owners and first Mortgagees of Units the Condominium Instruments may be amended by recording the amendment in the Clerk's Office of the Circuit Court of Mecklenburg County. Such amendment must be signed by the requisite number of

Unit Owners and Mortgagees. If there are no Unit Owners other than the Declarant, the Declarant may unilaterally amend the Condominium Instruments.

Copies of all Condominium Instruments may be obtained from Investors Service Corporation, 9201 Forest Hill Avenue, Richmond, Virginia 23235.

C. DESCRIPTION OF THE CONDOMINIUM.

The Condominium is located on 4.12 acre site owned by the Declarant on the south shore of Kerr (Buggs Island) Lake, in the Town of Clarksville, Virginia. The Declarant has divided the site into five (5) sections or phases. The Declarant created the Condominium initially on Phase I and has expanded the Condominium to include additional Phases in successive stages. The first Phase covers 0.857 acres of land on which the Declarant has constructed one building containing a total of ten (10) Units. Phase I also includes the main entrance. Phase II covers 0.368 acres of land on which the Declarant has constructed one building containing a total of six (6) Units. Phase III covers 0.410 acres on which the Declarant has constructed one building containing a total of twelve (12) Units, a tennis court and a swimming pool with deck. Phase IV covers 0.399 acres on which the Declarant has constructed one building containing seven (7) Units. Phase V covers 0.987 acres on which the Declarant is presently constructing two buildings containing a total of fifteen (15) Units. No more than three (3) of the Units may be used as models during the sales period. Except for models and unsold Units, all Units within the Condominium will be used for residential purposes. The Declarant does not plan to rent any of the Units, but may do so if market conditions so warrant.

There are 1.7 parking spaces available per Unit in the Common Element parking area and there are no charges for the use of such spaces. One parking space may be assigned as a Limited Common Element for the exclusive use of each Unit Owner. All spaces not so assigned are available on a first-come first-serve basis. The Bylaws contain restrictions on the use of all parking spaces.

Because of the phased development, the Condominium is known as an expandable condominium. The remaining 0.505 acres of the land is a portion of the Additional Land as was more particularly described in Exhibit "G" to the Declaration. The maximum number of Units that may be

created on all or a portion of the Additional Land that then shall be added to the Condominium shall not exceed the maximum number of Units permitted by the applicable zoning ordinances of the County of Mecklenburg, Virginia. Declarant presently has no definite plans to add additional units, but may do so by the addition of subsequent Phases containing one or more buildings similar to those in earlier Phases depending on demand for Units, the availability and cost of financing, and other factors. Declarant is under no obligation to add additional Phases. The construction and development of the Condominium may be abandoned or altered, at Declarant's option, short of completion and Declarant may use or dispose of any portion of the Additional Land for any other lawful purpose (as approved by any governmental agencies having jurisdiction) without the consent of any other Unit Owner. Declarant may so expand the Condominium from time to time at any time before the date which is seven years after the creation of the Condominium. Expansion is accomplished by the Declarant's amendment of the Declaration. For a complete statement of Declarant's rights to expand the Condominium, see Article V of the Declaration.

D. INDIVIDUAL UNITS

Units in Phases I, II, III and IV are of townhouse and garden type construction. Units in Phase V are garden type Units. Each Unit in Phase V contains one thousand two hundred and ninety (1,290) square feet, three bedrooms and two full bathrooms.

Each Unit will consist of the space bounded by the Unit's walls, lower level floor slab or sub-flooring and uppermost ceilings. The Unit will also include any floor covering, exterior doors and windows and any portion of the heating or cooling equipment which serves only that Unit. Heat pump compressors are part of the Units even though located outside.

The exterior of each Unit is part of the Common Elements and cannot be altered or changed in appearance in any way without the consent of the Board of Directors of the Association. The same restrictions shall apply to the Limited Common Elements. The installation of clotheslines and the outside storage of equipment on the Limited Common Element balconies and patios of Units will be prohibited.

The identifying number and area of each Unit in the Condominium is set forth in Exhibit D to the Declaration.

Exhibit D also identifies the numbered parking spaces assigned to each Unit as a Limited Common Element.

All Units will have private entrances, living rooms opening onto patios or balconies overlooking Buggs Island Lake, eat-in kitchens with hoods and ranges, dishwashers and garbage disposals, wall-to-wall carpeting, vinyl flooring in kitchen and bathrooms, electric heat pump, cedar exterior sidings, outside storage shells and energy efficient design.

The exterior of each Unit, including its doors and windows, whether or not a portion of the Common Elements or a portion of the Unit itself, and the structure of each Unit cannot be altered or changed in appearance in any way without the consent of the Board of Directors of the Association. The same restrictions shall apply to Limited Common Elements.

All Common Elements which may be constructed in each Phase will be substantially completed before conveyances of any Units purchased in that Phase. It is anticipated that Units in Phase V shall be completed in May, 1987.

E. COMMON ELEMENTS.

The Common Elements constitute all of the Condominium other than the Units. The following items are the major Common Elements of the Condominium: all of the land, the supporting structure of the buildings, exterior walls, roofs, wall separating Units, portions of plumbing, electrical, heating and mechanical systems serving more than one Unit, the tennis court and the swimming pool with deck. An irrigation system has been installed which services only a portion of the Condominium.

There is a boat dock on Kerr (Buggs Island) Lake which is located on public land and is not part of the Condominium Common Elements. The boat dock permit is held by Moorings Dock, Inc., Clarksville, Virginia. This corporation has entered into an agreement with the Condominium Unit Owners Association which will allow Condominium Unit Owners use of the dock subject to certain rules and regulations. In return, the Association has agreed to make certain payments to the Moorings Dock, Inc. The amount of these payments has been calculated to cover the cost of maintaining and insuring the operation of the boat dock. Use of the boat dock is subject to the control of the Army Corps of Engineers and for this reason, the Declarant cannot give any

assurances as to how long or under what conditions use of the boat dock may be available to Condominium Unit Owners.

The allocation of undivided interest in Common Elements will be made on the basis of the Unit Owner's percentage interest in the Condominium, with percentage interest determined by the ratio of the approximate square footage of each Unit as that square footage bears to the aggregate square footage of all the Units in the Condominium.

The right to exclusive use of Limited Common Elements is reserved to the Unit Owner of the Unit to which such Limited Common Elements are appurtenant. The following have been designated as Limited Common Elements: all patios, balconies, attic storage spaces, free standing storage space, as well as an individual doorbells and mailboxes. As mentioned earlier, one parking space has been assigned as a Limited Common Element for the exclusive right of each Unit Owner. All parking spaces not so assigned remain part of the Common Elements available for use on a first-come first-serve basis.

The exclusive right of each Unit Owner to use the Limited Common Elements assigned to each Unit is subject to an easement for ingress and egress by all persons who must maintain the Limited Common Elements as set forth in the Bylaws.

F. DECLARANT

Newmar Corporation was incorporated in Virginia on September 14, 1978. The principal stockholders of Newmar Corporation are C. LeMar Greene and Gaither T. Newman, but it is not known who the present officers of the corporation are.

On October 14, 1983, Investors Savings and Loan Association (now known as Investors Savings Bank) foreclosed under its Deed of Trust and purchased the project at foreclosure. Investors Savings and Loan subsequently conveyed the project to Investors Service Corporation, its wholly owned subsidiary formed as a Virginia corporation in 1977 with its principal office now located at 9201 Forest Hill Avenue, Richmond, Virginia. The principal officers of Investors Service Corporation are Robert G. Butcher, Jr., Chairman of the Board, and Warner L. Blunt, III, President.

Robert G. Butcher, Jr. has been Chairman of the Board of Investors Savings Bank since its formation in 1973, and the Chairman of the Board of Investors Service Corporation since its formation in 1977. Mr. Butcher is a member of the Virginia State Bar and has practiced law in the Richmond, Virginia area since 1960. He was formerly a partner with the law firm of Browder, Russell, Morris & Butcher, P.C., Richmond, Virginia.

Warner L. Blunt, III, has been President of Investors Service Corporation since January 1, 1984, and has been an Executive Vice President of Investors Savings Bank since 1983. Prior to that time, he was a Senior Vice President of Investors Savings Bank.

G. TERMS OF THE OFFERING.

Offering prices for Units in the Condominium are only tentative at this time and will remain so until established by binding Purchase Agreements for the sales of particular Units.

In addition to normal settlement costs and prorations the purchaser will be required to make a nonrefundable capital contribution to the Unit Owners Association equal to twice the estimated monthly assessment for Common Expenses of the Unit being purchased. The general purpose of the contribution is to provide for certain prepaid items (for example, insurance premiums) and to provide the Condominium with working and a contingency reserve.

If the purchaser fails to make a timely and proper application for a loan or fails to complete settlement on a Unit in accordance with the terms and conditions of his Purchase Agreement with the Declarant, the Declarant may cancel the Purchase Agreement and keep all sums deposited by the purchaser in connection with the Purchase Agreement.

The Declarant will bear the costs and expenses incurred in connection with the creation of the Condominium and sale of Units, including selling expenses and known commissions upon the initial sales of Units, advertising and any printing expenses, the Declarant's attorney's fees, organization costs, architect's costs and surveying costs whether incurred by the Declarant prior or subsequent to the effective date of the Condominium's registration. The purchaser shall be required to pay any points and other charges imposed by mortgagees. The Declarant will convey

each Unit free of liens or liabilities against such Units, except the lien for current real estate taxes not then due and payable and the statutory lien for condominium assessments.

All deposits will be held in escrow by an entity designated by the Declarant in a noninterest bearing account pending settlement. All deposits shall be credited against the purchase price at settlement, paid over to the Declarant upon a breach of the Purchase Agreement by the purchaser or returned to the purchaser in the event the contemplated transaction shall not be completed by the Declarant for any reason.

H. ENCUMBRANCES.

The Condominium will be subject to the normal utility easements for water, sewer, electricity, cable T.V. and telephone lines. In addition, the Condominium will be subject to certain easements created by the Declaration and by the Condominium Act. These easements are:

(1) Easement for encroachments. By virtue of this easement, Unit Owners and the Unit Owners Association are protected in the event that a Unit or Common Element encroaches upon another Unit or Common Element.

(2) Easement to facilitate sales. Declarant reserves the right to use any three (3) Units owned by Declarant as models, management offices or sales offices and reserves the right to relocate the same from time to time within the Property, and to place advertising signs anywhere within the Condominium that is not unreasonable.

(3) Easement for ingress and egress. Each Unit Owner has a right of access to all Common Elements, subject to rules, regulations and restrictions established by the Unit Owners Association.

(4) Easement for access to Units. Authorized representatives of the Unit Owners Association, including the Declarant and the managing agent, may enter any Unit to the extent necessary to correct conditions threatening other Units or the Common Elements, to make repairs to Common Elements which are accessible only from the Unit, or to correct conditions which constitute violations of the Declaration, the Articles of Incorporation, the Bylaws or any rules and regulations issued by or through the authority

of the Association's Board of Directors ("Rules and Regulations"). Notice must be given to the Unit Owner prior to entry except in emergencies when a Unit may be entered without notice. In the event of violation of the foregoing documents by a Unit Owner, the violation may be corrected without the consent of the Unit Owner, and the Unit Owner may be charged with the resulting expenses.

(5) Easement for support. Each Unit Owner has the benefit of a restriction upon any action of a neighboring Unit Owner, or of the Unit Owners Association with respect to the Common Elements, which would endanger the stability or safety of his Unit.

(6) Easement to facilitate expansion. In the event that the Declarant expands the Condominium, an easement across existing Phases will exist to the extent necessary to construct the improvements on the expansion Phase.

(7) Flooding Easement. The United States Government through the Corps of Army Engineers holds flooding easements relating to Buggs Island (Kerr) Lake which permit flooding to the level of the 325 foot contour of the land.

(8) Easement for Access to Additional Land. The Declarant reserves for itself and its assigns the right to grant easements of ingress and egress over the entrance road and other necessary portions of the Common Elements in order to maintain access to the Additional Land. The Declarant also reserves the right to grant utility easements over portions of the Condominium to service the development of the Additional Land. Any such easements will be granted in a way so as not to unreasonably interfere with the intended use of the Common Elements. Owners of such portions of the Additional Land requiring use of such easements shall contribute to the cost of upkeep of the entrance road and such other portions of the Common Elements utilized by such easements. Their contributions shall be in proportion to the amount of their use of the entrance road and other necessary portions of the Common Elements.

I. RESTRICTIONS ON TRANSFER.

The only restriction on the resale of a Condominium Unit by a Unit Owner is that it be sold for residential use. Leasing of Units will be subject to the following

restrictions: No portion of a Unit (less than the entire Unit) may be leased for any period. All leases must be written and must provide that failure to comply with the Condominium Instruments and Rules and Regulations constitutes a default under the lease. The Unit Owners Association may adopt further restrictions on leasing, at their option, all of which will be incorporated in the Rules and Regulations of the Association.

J. UNIT OWNERS ASSOCIATION.

A nonprofit organization known as The Moorings Association will function as the Unit Owners Association, which Association shall be the organization responsible for governing the Condominium. The organization has been incorporated. Each Unit Owner has an equal vote in the Association.

All of the normal operations of the Unit Owners Association will be performed under the direction of the three member Board of Directors. The Unit Owners will participate directly in the important policy decisions of the Association such as whether the Association should borrow money or make improvements to the Condominium costing in any twelve month period a sum greater than Ten Thousand Dollars (\$10,000.00) as set forth in Article 5, Section F of the Bylaws.

The Unit Owners Association may employ a managing agent to act in its behalf in the performance of all duties other than policy making duties, acquiring property, opening bank accounts and borrowing money. The general criterion for the selection of a managing agent is previous experience in the residential management field. The managing agent may be the Declarant or an entity which is owned or controlled by individuals who own or control the Declarant. In the event that the Association employs a managing agent, any remuneration to the managing agent shall be agreed to under a contract lasting no longer than two years and providing for reasonable remuneration based on contracts of a similar nature for the management of other condominiums.

Initially, Officers and Directors of the Association will be appointed by the Declarant. The purpose of the Declarant's retaining control in the early stages of the Condominium's existence is to ensure the stability of the Association and to administer the Condominium's affairs until the new Unit Owners become familiar with the project.

The Declarant may retain control of the Officers and Board of Directors for five (5) years following the sale by the Declarant of the first Unit (which occurred in September, 1982) or until Units to which seventy-five percent (75%) of the Percentage Interests in the Common Elements appertain are sold and settled, whichever event first occurs. After termination of the Declarant's control, three (3) Directors will be elected by the Unit Owners. Thereafter, the Directors shall elect Officers who shall be a President, Vice President, Secretary, Treasurer, and such other officer as the Directors may deem appropriate.

The operation of the Unit Owners Association is governed by the Bylaws which are attached to the Declaration as Exhibit F and by Rules and Regulations as promulgated by the Association's Board of Directors. The Bylaws have been recorded in the Clerk's Office of the Circuit Court of Mecklenburg County. In addition to provisions for a managing agent, Directors and Officers as discussed above, the Bylaws provide for annual and special meetings, common expense assessments, insurance, restriction on the use of Units, Common Elements, and Limited Common Elements, and numerous other matters affecting the occupancy and operation of the Condominium.

The Bylaws may be amended by agreement of sixty-seven percent (67%) of the Unit Owners and first Mortgagees as described in Section B above, except that during the period when the Declarant controls the Board of Directors, no amendment which affects the Declarant's right to control the Board may be made without the Declarant's approval.

Any contract or other commitment made by the Board of Directors or any managing agent is made only as agent for the Unit Owners, and the members of the Board of Directors or any managing agent, as the case may be, shall have no personal liability on any such contract (with the exception as to their being Unit Owners), except as expressly provided in the Bylaws or except as provided by contract between the Board of Directors and any managing agent. The liability of any Unit Owner on any such contract or commitment shall be limited to such proportionate share of the total liability thereunder as the Percentage Interest of such Unit Owner bears to the aggregate Percentage Interest of all Unit Owners. The Board of Directors shall have no liability to the Unit Owners for errors of judgment, negligence or otherwise, except for willful misconduct of its members. In addition, the Board of Directors shall obtain adequate

fidelity coverage to protect against dishonest acts on the part of Officers, Directors, trustees and employees of the Unit Owners Association and all others who handle or are responsible for handling funds of the Unit Owners Association, including any managing agent.

No Unit Owner shall make any structural alteration, addition or improvement in his Unit without the prior written approval of the Board of Directors and appropriate authorities of Mecklenburg County, Virginia, but this provision shall not apply to Units owned by the Declarant until such Units have been initially conveyed by the Declarant.

K. SURROUNDING AREA.

The Condominium is located in the Town of Clarksville adjacent to the waters of Huggs Island (Kerr) Lake and overlooking said lake. The immediate neighborhood of the area is that customarily found in small rural towns, partially resort oriented. The Town of Clarksville Waste Treatment Plant is located nearby. The Condominium property is zoned for multifamily use, but the adjoining property in the Town of Clarksville is zoned R-1 for single family use. There are small shopping centers and community facilities within easy walking distance of the Condominium site.

L. FINANCIAL MATTERS.

All Unit Owners will be assessed to obtain the funds necessary to meet the budget of the Unit Owners Association, which budget will be used to determine the sums necessary for payment of all Common Expenses. The assessments will be made on an annual basis but payment of the assessments will be on a monthly basis. On the first day of each month each Unit Owner will pay an installment of one-twelfth (1/12) of the amount of the annual assessment.

Each Unit Owner shall be assessed an equal share of the common expenses. Each Unit Owner shall be responsible for payment of his share of the total annual budget. A Unit Owner cannot obtain reduction of the amount assessed against his Unit by refraining from use of any of the Common Elements. The Declarant will pay the total assessment on all unsold Units.

The Declarant has entered into an agreement with the Town of Clarksville under which a master water meter will

service all Units in the Condominium, thereby making water and sewer charges a Common Expense to be shared equally by all Unit Owners. The agreement provides for water and sewer billings in amounts equal to rates normally charged to single family residential customers for the minimum consumption of water and sewer services multiplied by the number of Units completed and ready for occupancy, whether occupied or not, plus the usual and customary rate charged to single family residential customers for any consumption over the combined minimum.

The Declarant has made arrangements for the Unit Owners Association to enter into an agreement with Moorings Dock, Inc. which will allow Unit Owners to use the boat dock described in Section E above. The charges for the use of the boat dock will approximate the anticipated cost of maintenance and insurance to be incurred by Moorings Dock, Inc.

During the period of Declarant control, the Declarant will make a contribution to the Unit Owners Association in an amount equal to the total replacement reserves called for in the Consolidated Fiscal Year Budget. Without such a contribution, the Declarant believes that the Unit Owners in Phases I, II, III and IV would bear a disproportionate burden of the costs incurred in connection with the tennis court, swimming pool and boat dock. Once the period of Declarant control ceases and the Unit Owners have elected their own Board of Directors in the Unit Owners Association, the Declarant will no longer be obligated to pay for the cost of replacement reserves.

Each Unit Owner shall on an individual basis maintain the Limited Common Elements appurtenant to his Unit as provided in the maintenance section of the Bylaws. Structural repair of Limited Common Elements is a Common Expense, but the Unit Owners are required to make all other repairs to the Limited Common Elements as set forth in the Bylaws. If any additions, alterations or improvements to the Common Elements, other than necessary structural repairs, are requested by Unit Owners and result in benefit only to the requesting Unit Owners, the cost of the addition, alteration or improvement may be charged on an individual basis to the benefited Unit Owners.

All painting, decorating, maintenance, repairs and replacements to the Common Elements (other than the Limited Common Elements), shall be made by the Board of Directors

and the cost thereof shall be charged to all Unit Owners as a Common Expense, except to the extent that the same are necessitated by the negligence, misuse or neglect of a Unit Owner, as determined by the Board of Directors, in which case such expense shall be charged to such Unit Owner.

Expenses which arise from operation, maintenance, improvement or alteration specially benefiting an individual Unit may be assessed directly to the Owner of the Unit. A Unit Owner must pay directly all of the costs of maintenance and repair for his own Unit. All charges for water, sewer and common electricity are common expenses which will be apportioned among all Unit Owners equally.

Attached to this Public Offering Statement as Exhibit IV is a 12 month budget covering the anticipated Common Expenses for the operation of the Condominium after the addition of Phase V.

Also attached to this Public Offering Statement as Exhibit V is a Table of Reserves which sets forth those amounts considered necessary as an adequate reserve to provide for the repair or replacement of various Common Elements. The reserves will be accumulated as set forth in Exhibit V under the column entitled Annual Reserves. Such reserves shall be assessed against the Unit Owners equally.

As previously stated, the Declarant has the right to maintain control over the Condominium until seventy-five percent (75%) of the Percentage Interests of the Condominium are sold or until five (5) years after sale and settlement of the first Unit to be sold by the Declarant, whichever event shall first occur.

There is also attached as Exhibit VI a Multi-Year Feasibility Budget which projects over a ten (10) year period what the future budgets of the Condominium should be without considering expenditures for reserves or for unforeseen contingencies.

All budget figures are, of course, estimates and the Declarant cannot be certain that sufficient funds have been budgeted to cover all Common Expenses that may be incurred. In the event that insufficient funds are budgeted for any given fiscal year, the Unit Owners Association may levy a special assessment to make up the budget deficit. Any special assessment will be payable by Unit Owners either in a lump sum or in installments, as the Board of Directors determines.

All of the amounts assessed against a Unit give rise to a lien on that Unit. If the assessments are not paid when due, the Unit Owners Association may perfect the lien by recording a Memorandum of Lien in the Clerk's Office of the Circuit Court of Mecklenburg County. The Unit Owner cannot dispose of his Unit free of the lien until the lien is satisfied by payment of the assessments secured by the lien. The Unit Owners Association may obtain payment of past due assessments by foreclosure of the lien (resulting in a forced sale of the Unit), or by suing the Unit Owner. If any assessments are past due for more than two months, the Board of Directors may accelerate the payments (i.e., declare immediately due and payable the total amount assessed against the Unit Owner for that fiscal year not yet paid). The Association may also require any Unit Owner who is past due in assessment payments to post a sufficient bond with surety conditioned upon the prompt payment of assessment payments or to execute a deed of trust securing the payment of such future and past assessment obligations.

No Unit Owner shall be liable to the Association for the payment of any part of the Common Expenses assessed against his Unit subsequent to a permissible transfer by him of such Unit.

M. INSURANCE.

The Board of Directors will obtain insurance to protect the Unit Owners Association and to a certain limited extent the Unit Owners as individuals.

The buildings, including the Units, will be covered by fire and property damage insurance. The coverage will be "all-risk" and in an amount equal to the full replacement cost of the buildings. This coverage will not insure personal property belonging to a Unit Owner.

The Unit Owners Association and Unit Owners will be insured against liability arising from ownership or use of the Common Elements. This coverage will not insure Unit Owners against liability arising from an accident or injury occurring within a Unit or liability arising from the act or negligence of a Unit Owner, as such.

The Declarant strongly recommends that each Unit Owner obtain insurance coverage on his carpeting, flooring, wall coverings, fixtures, furniture, furnishings and other personal property, as well as liability exposure not covered

by the Unit Owners Association policy. The Unit Owner may also wish to insure any improvements to his Unit to the extent the improvements increase the value of his Unit beyond the limit of coverage provided by the policy maintained by the Unit Owners Association. The Unit Owner should be aware, however, that there may be certain restrictions on this type of additional insurance as set forth in Article 6 of the Bylaws. The Unit Owner should consult the Board of Directors or the Declarant before purchasing such additional insurance.

N. TAXES.

Real estate taxes are levied separately against individual Units and each Owner will be responsible for the payment of taxes on his own Unit. Although the assessed value of individual Units is presently unknown, it is probable that the County assessor will assess each Unit at its purchase price once a deed from the Declarant to the Unit Owner has been recorded in the Clerk's Office of the Circuit Court of Mecklenburg County. Assessments are made at 100% of the Unit's appraised value. The rate charged by the County is presently \$.42 per \$100 of assessed value and the rate charged by the Town of Clarksville is presently \$.34 per \$100 of assessed value. Therefore in order to determine an estimate of the real estate taxes that an Unit Owner must pay, the purchase price of the Unit divided by 100 and multiplied by the County's tax rate of \$.76 will reflect an approximate and perhaps the exact sum that must be paid to the County for taxes.

O. GOVERNMENTAL APPROVAL.

Construction of the project has been completed in accordance with all applicable building codes, and the project complies with existing zoning ordinances. The County will require that certificates of occupancy be obtained for all Units prior to their occupancy.

P. WARRANTIES.

1. Warranties of Construction.

In addition to the statutory warranty against structural defects the Declarant also warrants that each Unit is fit for habitation and has been constructed in a workmanlike manner so as to pass without objection in the trade. These warranties apply to Units for two years from

the date each Unit is first conveyed and to Common Elements for two years from the date the first Unit is conveyed. The details of the warranties on the Unit and Common Elements are set forth in the Limited Warranty Certificate attached to this Public Offering Statement as Exhibit VII. At settlement, the purchaser will be required to execute an agreement to establish two (2) years as the period of limitation which will apply to a breach of warranty under the Condominium Act. The Declarant gives no warranty with respect to consumer products sold with the Unit except as may be required by the statutory warranties.

2. Warranties of Title.

The Units will be sold by the Declarant in fee simple to purchasers who may be individuals, partnerships, corporations or fiduciaries. Units will be sold together with their respective undivided interests in the Common Elements and exclusive rights and easements. Title to each Unit and its personal interest in the Common Elements will be conveyed by General Warranty Deed free and clear of all liens other than those described elsewhere in this Public Offering Statement and usual easements for utility services.

Q. UNIT INSPECTION.

Not less than ten (10) days prior to settlement on a Unit, Declarant must notify the Unit purchaser that his Unit is ready for inspection. The purchaser will then be permitted to inspect his Unit and note any defects. The Declarant will correct any legitimate defects prior to settlement. If the purchaser fails to inspect his Unit he must accept his Unit in an "as is" condition.

The Unit Inspection Form on which purchaser will note defects and indicate acceptance of his unit is attached to this Public Offering Statement as Exhibit VIII.

R. GENERAL INFORMATION.

Any information or data regarding the Condominium not presented in this Public Offering Statement or contained in its Exhibits must not be relied upon. No person has been authorized by the Declarant to make any representation not expressly contained herein or contained in other offering literature registered with the Virginia Real Estate Commission. This presentation may not be changed or modified orally.

The Units hereby offered for sale are not offered solely for investment purposes. Units are restricted to residential use. It is within the Unit Owner's sole discretion to make a decision to lease his Unit, subject to the restriction upon leasing set forth in Article V, Section H of the By Laws. The Unit Owner shall be responsible for making all rental arrangements, including the selection of a rental agent if one is to be used.

The Declarant reserves the right to change the terms of this Public Offering Statement as they affect potential purchasers not then under contract, provided, however, that any such change shall not affect the substance of the Public Offering Statement with respect to prior purchasers or purchasers under contract, nor shall such change affect the Percentage Interests in the Common Elements.

THE MOORINGS AT CLARKSVILLE, A CONDOMINIUM

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INDEX OF EXHIBITS

DECLARATION

Exhibic A	Description of Submitted Land
Exhibic B-1 and B-2	Plats Showing Dimensions and Location of each Building on the Land
Exhibic C-1 and C-2	Plans Showing Location of Units Within Each Building
Exhibic D	List of all Units, Identification Numbers, Area, Percentage Interests and Assigned Parking Spaces
Exhibic E	Articles of Incorporation
Exhibic F	Bylaws
Exhibic G	Description of Additional Land

DECLARATION

THE MOORINGS AT CLARKSVILLE, A CONDOMINIUM

ARTICLE ISUBMISSION; DEFINED TERMS

Section 1. Submission of Property. Newmar Corporation, a Virginia corporation ("Declarant"), owner in fee simple of the land described in Exhibit A attached hereto and made a part hereof, located in the Town of Clarksville, Virginia ("Land"), hereby submits the Land, together with all easements, rights and appurtenances thereunto belonging ("Property") to the provisions of Chapter 4.2 of Title 55 of the Code of Virginia, as amended, known as the Virginia Condominium Act ("Condominium Act") and hereby creates with respect to the Property an Expandable Condominium to be known as "The Moorings At Clarksville, A Condominium" ("Condominium").

Section 2. Defined Terms. Unless a term is otherwise defined in the Condominium Instruments it shall have the meaning specified in the Condominium Act.

(a) The "size" of each Unit is the total number of square feet contained therein determined by reference to the dimensions shown on the Plans (exclusive of interior partitions).

(b) The "Percentage Interest" of each Owner in the Common Elements shall be defined to mean the ratio between the size of the Owner's Unit and the aggregate square footage of all Units in the Condominium.

ARTICLE II

BUILDINGS ON THE LAND; UNIT BOUNDARIES

Section 1. Number and Location of Buildings. The location and dimensions of each building on the Land is depicted on the plat attached hereto as Exhibit B.

Section 2. Units. The location of Units within each building is shown on the plans attached as Exhibit C-1 and C-2 hereto. Attached as Exhibit D hereto is a list of all Units and the percentage of undivided interest in the Common Elements ("Percentage Interest") hereby allocated to each Unit. The locations of the Common Elements to which each Unit has direct access are shown on the Plats and Plans. The Limited Common Elements appurtenant to each Unit are described in Section 5 of this Article.

Section 3. Unit Boundaries. The boundaries of Units located within buildings are as follows:

(a) Upper and Lower (horizontal) Boundaries: The upper and lower boundaries of the Unit shall be the

following boundaries extended to an intersection with the vertical (perimetric) boundaries:

(1) Upper Boundary: The bottom surface of the ceiling joists of the uppermost ceilings except in those areas with cathedral ceilings where the upper boundary shall be the bottom surface of the rafters of the uppermost ceilings.

(2) Lower Boundary: The horizontal plane of the top surface of the floor joists, or unfinished floor slab, of the first floor.

(b) Vertical (perimetric) Boundaries: The vertical boundaries of the Unit shall be the vertical plane of the inside surface of the wall studs in the exterior walls of the Unit and the inside surface of the block fire walls separating the Units, extended to intersections with the upper and lower boundaries. All exterior doors and windows are part of the Unit.

(c) Condominium Lots: The Declarant reserves the right to designate certain Units in the Additional Land as being parcels of real estate. The vertical (perimetric) boundaries of such Units shall be the perimeter of the parcel and there shall be no upper or lower (horizontal) boundaries. No improvements shall be made on such Units unless made in accordance with Article 5 Section G(b) of the Bylaws. All such improvements shall become part of the Unit and shall belong to the Unit Owner.

(d) Common Elements: Everything not otherwise designated in this Declaration as being within the boundaries of the Unit or as being a Limited Common Element shall be a Common Element.

(e) Utility Systems: In addition to what is included in Section 3 (a), (b) and (c) of this Article, each Unit shall include any heating and cooling equipment, ventilation duct work, electrical switches, receptacles or sockets located within or partially outside of the Unit boundaries, if those items serve only that Unit. Heat pump condensers serving each Unit are part of the Unit even though located outside the Unit. Any portion of a system serving more than one Unit such as pipes, ducts, electrical conduits, cable T.V. or telephone lines, which is either in or outside of the Unit is part of the Common Elements.

Section 4. Maintenance Responsibilities.

Notwithstanding the ownership of the various portions of the Common Elements and the Units by virtue of the foregoing boundary description, the provisions of the Bylaws shall govern the division of maintenance and repair responsibilities between the Unit Owner and the Unit Owners Association of the Condominium (the "Association"). The Association shall have a right of access to any Unit space

or Limited Common Element space in order to perform maintenance and repairs as set forth herein and in the Bylaws.

Section 5. Limited Common Elements. All individual mailboxes, door bells and attic crawl spaces shall be Limited Common Elements and shall be for the exclusive use of the Unit to which they are appurtenant. In addition to the items set forth in Section 55-79.50(e) of the Condominium Act, all patios, porches and free standing storage areas as shown on Exhibit B shall be Limited Common Elements for the exclusive use of the Unit Owners to whose Units those Limited Common Elements are appurtenant. One parking space is assigned as a Limited Common Element to each Unit. Each Limited Common Element parking space bears the number of the Unit to which it is assigned. All spaces not so assigned remain part of the Common Elements available for use on a first come first served basis. The right of the Unit Owner to whose Unit the Limited Common Elements are appurtenant to use and enjoy the same shall be subject to such reasonable rules and regulations as the Board of Directors of the Association may from time to time enact.

Section 6. Relocation of Unit Boundaries and Subdivision of Units. Relocation of Unit boundaries shall be permitted. Subdivision of Units shall not be permitted.

ARTICLE III

ADMINISTRATION OF THE CONDOMINIUM
BY THE UNIT OWNERS ASSOCIATION

A nonprofit organization known as The Moorings Association, will function as the Unit Owners Association (the "Association"). The organization may be incorporated but nothing herein shall be construed as requiring the Association to operate in corporate form. The Association will administer the operation and management of the Condominium and shall have the power to perform all acts and duties incident to such administration in accordance with the terms of its Articles of Incorporation and its Bylaws which are attached to this Declaration as Exhibits E and F, respectively, as well as in accordance with the terms of the Condominium Act. All Unit Owners shall automatically become members of the Association and such membership shall automatically terminate upon divestiture of such ownership regardless of how such ownership is divested. No person, firm or corporation holding any lien, deed of trust or other encumbrance upon any Unit or upon the Condominium as a whole shall be entitled by virtue of such lien, deed of trust or

other encumbrance to membership in the Association or to any of the rights or privileges of such membership. The Association shall have and is hereby granted the authority to enforce the provision of this Declaration, the Articles of Incorporation and Bylaws and to enforce such rules and regulations governing the use of the Units and all other property of the Condominium as the Board of Directors of the Association may determine.

The Board of Directors of the Association shall have, and is hereby granted, the authority and duty to levy and enforce the collection of general and special assessments for the common expenses. Assessments against any Unit, with interest, costs and reasonable attorney's fees, shall become a lien upon such Unit if not paid when due in accordance with the Condominium Act and the Bylaws. Each assessment against a Unit shall also be the personal obligation of the Unit Owner at the time the assessment falls due. Such personal obligations shall not pass to successors in title unless assumed by them or required by the Condominium Act. Adequate remedies for failure to pay assessment shall be set forth in the Bylaws. The obligation of Unit Owners, including the Declarant, to pay assessments begins when the Condominium is created by recording the Condominium Instruments in the Clerk's Office, Circuit Court, Mecklenburg County, Virginia.

ARTICLE IVEASEMENTS

In addition to the easements created by Sections 55-79.60 and 55-79.65 of the Condominium Act, the following easements are hereby granted:

Section 1. Easement to Facilitate Sales. All Units shall be subject to the statutory easement in favor of Declarant provided in Section 55-79.66 of the Condominium Act. Declarant reserves the right to use any three Units owned by Declarant as models, management offices or sales offices until such time as Declarant conveys title thereto to Unit Owners. Declarant reserves the right to relocate the same from time to time within the Property; upon relocation or sale of a model, management office or sales office, the furnishings thereof may be removed. Declarant further reserves the right to maintain on the Property such advertising signs as may comply with applicable governmental regulations, which may be placed in any location on the Property and may be relocated or removed, all at the sole discretion of Declarant. The reservation of this easement to facilitate sales is expressly made applicable to the Additional Land.

Section 2. Easements. BOOK 304 PAGE 592

(a) Each Unit Owner is hereby granted an easement in common with each other Unit Owner for ingress and egress through all Common Elements, subject to such reasonable rules, regulations and restrictions as may be imposed by the Association. No such rules, regulations and restrictions, however, shall limit a Unit Owner's right of ingress and egress to and from his Unit. Each Condominium Unit is hereby burdened with and subject to an easement for ingress and egress through all Common Elements by persons lawfully using or entitled to the same.

(b) Declarant reserves in favor of Declarant and the Association, and the authorized agents of each, the right of access to any Unit as provided in Section 55-79.79 of the Condominium Act and Article 5, Section I of the Bylaws. In case of emergency, such entry shall be immediate, whether the Unit Owner is present at the time or not.

(c) Each Unit and Common Element shall have an easement for lateral and subjacent support from every other Unit and Common Element.

(d) Declarant reserves in favor of Declarant and its assigns the right to grant easements of ingress and egress over the Common Element entrance road and other portions of the Common

Elements necessary to provide access to any portion of the Additional Land that may not be developed as part of the Condominium. Any such easements shall be granted in a way so as not to unreasonably interfere with the use of the Common Elements contemplated by the Condominium Instruments. Owners of such portions of the Additional Land requiring use of such easements shall contribute to the cost of upkeep of the entrance road and other portions of the Common Elements utilized by such easements. Their contributions shall be in proportion to the amount of their use of the entrance road and other necessary portions of the Common Elements.

The Declarant shall also have the right to grant utility easements over the Common Elements that may be necessary in order to provide the Additional Land with utilities necessary for its development, provided such utility easements shall not unreasonably interfere with the use of the Common Elements contemplated in the Condominium Instruments.

ARTICLE V

OPTION TO EXPAND THE CONDOMINIUM

(a) Reservation. The Declarant, for itself, its successors and assigns, hereby reserves the right to expand the Condominium and to annex to the Property the Additional

Land (as defined below) and the improvements located or to be located thereon, together with the rights and easements appurtenant thereto, pursuant to Section 55-79.63 of the Condominium Act and otherwise in accordance with Section (b) of this Article V.

(b) Conditions.

(1) The consent of Unit Owners shall not be required for such expansion.

(2) There are no limitations on the Declarant's option to expand the Condominium. The Declarant may proceed with such expansion at its sole election.

(3) The election to expand the Condominium shall expire seven (7) years after the date of recordation of the Declaration if not sooner exercised. The Declarant may at any time prior to the expiration of such seven (7) year period terminate its right to expand the Condominium by recording among the Land Records where this Declaration is recorded an executed and notarized instrument terminating its election.

(4) A metes and bounds description of all Land that may be added to the Condominium (the "Additional Land") is set forth in Exhibit G attached hereto.

(5) IF any Additional Land is added to the Condominium it may be added all at once or in portions in the sole discretion of the Declarant.

(6) Portions of the Additional Land may be added at different times and in any order by the addition of such Phases as the Declarant may desire.

(7) No assurances are made as to the locations of any improvements on the Additional Land.

(8) No more than fifty-six (56) Units or twenty-five (25) Units per acre may be created on the Additional Land.

(9) All Units created on the Additional Land will be restricted to residential use.

(10) No assurances are made that any building will be constructed on the Additional Land nor that any such buildings will be compatible with the buildings constructed in Phase I of the Condominium in terms of quality of construction, principal materials used and architectural style.

(11) No assurances are made about other improvements which may be constructed on the Additional Land.

(12) No assurances are made about the types of Condominium Units that may be created on the Additional Land.

(13) The Declarant reserves the right to create Limited Common Elements within any portion of the Additional Land and to designate Common Elements therein which may subsequently be assigned as Limited Common Elements, and no assurances are made with regard to the types, sizes and maximum number of such elements within each portion.

ARTICLE VI

RIGHT TO LEASE OR SELL UNITS

Declarant shall retain title to each Unit not sold to any purchaser. Declarant retains the right to enter into leases with any third parties for the occupancy of any of the Units retained by Declarant and not sold to any purchaser.

PRIORITY OF MORTGAGES

No provision of the Condominium Instruments shall be construed to grant to any Unit Owner, or to any other person, any priority over any rights of first Mortgagees of Units in the case of a distribution to such Unit Owner of insurance proceeds or condemnation awards for losses to or a taking of Units and/or Common Elements.

To the extent permitted by the Condominium Act any lien of the Unit Owners Association for common expense assessments or other charges becoming due or payable on or after the date of recordation of the first mortgage on a Unit shall be subordinate to the lien of such first mortgage. The liability for assessments will first commence upon creation of the Condominium by recordation of the Declaration and Bylaws in the Clerk's Office of the Circuit Court of Mecklenburg County, Virginia.

ARTICLE VIII

NO OBLIGATIONS

Nothing contained in the Condominium Instruments shall be deemed to impose upon the Declarant or its successors or assigns any obligation of any nature to build, construct or provide any buildings except to the extent required by the Condominium Act.

ARTICLE IXUSE RESTRICTIONS

Units are restricted to residential use by the Owner thereof, his immediate family, guests, invitees, and Lessees. Any Owner that is a corporation, trust or partnership shall annually execute and deliver to the Association a written statement designating the name or names of those persons entitled to use the Unit, together with a written covenant from that party or those parties in favor of the Association stating that there will be full compliance with all the terms and provisions of this Declaration, the Articles and Bylaws and all rules and regulations enacted by the Board of Directors of the Association or the Association's managing agent. In the event that such covenants are violated, the aforesaid Owner shall cause such party or parties to vacate the Unit and in the event such party or parties do not vacate the Unit the Association shall take whatever measures are necessary to have the party or parties removed from the Unit and shall assess the Owner for any costs or attorney's fees caused by such measures.

No improper, offensive or unlawful use shall be made of any Unit or any part thereof, or of the Common Elements or Limited Common Elements, and all laws and regulations of all

governmental authorities shall be observed that affect the Condominium. No Owner shall permit or suffer anything to be done or kept in or on his Unit, or in or on the Common Elements or Limited Common Elements which will increase the rate of insurance on the Condominium, which will obstruct or interfere with the rights of other occupants of the Condominium, which will be a nuisance to those occupants, or which will interfere with the peaceful possession or proper use of any other Unit or other property on the Condominium.

ARTICLE X

CONVERTIBLE SPACE

Declarant may designate as Convertible Space all or any portion of the buildings on the Additional Land when added to the Condominium. The conversion of such Convertible Space shall be made pursuant to the Condominium Act.

ARTICLE XI

CONVERTIBLE LAND

Declarant may designate as Convertible Land all or any portion of the Additional Land when added to the Condominium. The conversion of such Convertible Land shall be made pursuant to the Condominium Act.

AMENDMENT AND TERMINATION

If there is any Unit Owner other than the Declarant, then the following actions may be taken with the approval of Unit Owners and Mortgagees:

(a) Amendment of this Declaration or the Bylaws shall require the written agreement of Unit Owners to which at least sixty-seven percent (67%) of the votes of the Association are allocated except in cases where the Condominium Act provides different methods of amendment. Termination of the Condominium shall require the written agreement of Unit Owners to which at least eighty percent (80%) of the votes in the Association are allocated.

(b) The written approval of Mortgagees holding first liens on Units which have at least sixty-seven percent (67%) of the votes of the Units subject to such mortgages shall also be required for any material amendment to the Declaration or Bylaws affecting any matter set forth in Article 8, Section E (f) of the Bylaws, and for any abandonment or termination of the Condominium except for abandonment or termination provided by law in the case of substantial destruction by fire or other casualty or in the case of a taking by condemnation or eminent domain.

ARTICLE XIII

ASSIGNS AND SUBSEQUENT OWNERS

The restrictions, burdens and obligations imposed by any covenants of this Declaration, the Articles of Incorporation of the Association and the Bylaws are intended to and shall constitute covenants running with the Condominium and on each Unit and its appurtenant undivided interest in the Common Elements and its interest in any Limited Common Elements. These covenants shall therefore be binding upon the Declarant, its successors and assigns and upon all parties who may subsequently become Unit Owners and their respective heirs, legal representatives, successors, and assigns.

ARTICLE XIV

MISCELLANEOUS

Section 1. Captions. The captions herein are inserted for convenience only and do not define, limit or describe the provisions contained herein.

Section 2. Severability. In the event any of the terms, provisions or covenants of this Declaration are held to be partially or wholly invalid or are unenforceable for any reason whatsoever, such holding shall not affect, alter, modify or impair in any manner whatsoever any of the other terms, provisions or covenants hereof, or the remaining

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portions of any terms, provisions or covenants held to be partially invalid or unenforceable.

Section 3. Liberal Construction and Genders. The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan of Condominium ownership. Throughout this Declaration, wherever appropriate, the singular shall include the plural and the masculine gender, the feminine or neuter. All references in the Condominium Instruments to mortgages shall include deeds of trust.

IN WITNESS WHEREOF, the Declarant has caused this Declaration to be executed by its principal officer this 24th day of SEPTEMBER, 1982.

NEWMAR CORPORATION

By Richard L. Pugh (SEAL)
Pres.

STATE OF VIRGINIA) BOOK 304 PAGE 603
COUNTY OF MECKLENBURG) To-wit:

The foregoing instrument was acknowledged before me
this 24th day of SEPTEMBER, 1952, by
ROGER L. PERRY, the PRESIDENT of Newmar
Corporation, on behalf of the Corporation.

My commission expires: 4/30/53.

[Signature]
Notary Public

SUBMITTED LAND

ALL that certain lot, piece or parcel of land with improvements thereon and appurtenances thereunto belonging, lying and being in the Town of Clarksville, Mecklenburg County, Virginia, shown to contain 0.857 acres and designated as Parcel 1 on a certain plat of survey dated June 8, 1982, and revised August 11, 1982, made by Crutchfield and Associates, entitled "Exhibit B-1, The Moorings at Clarksville, A Condominium" and upon which plat the property is bound and described as follows:

BEGINNING at a point on the northeasterly right-of-way line of Second Street (unopened and unimproved) at a point distant thereon N. 32° 17' 12" W. a distance of 133.42 feet from the point of intersection of the said northeasterly right-of-way of Second Street with the northwesterly right-of-way line of East Street and thence from said point of beginning along a curve to the right having a radius of 110.01 feet an arc length or distance of 54.01 feet to a point; thence N. 48° 57' 39" E. a distance of 120.83 feet to a point; thence along a curve to the left having a radius of 50 feet an arc length or distance of 52.53 feet to a point; thence along a curve to the right having a radius of 45.66 feet an arc length or distance of 115.76 feet to a point; thence N. 64° 00' 00" E. a distance of 112.76 feet to a point; thence S. 15° 57' 50" E. a distance of 38.69 feet to a point; thence S. 36° 29' 05" E. a distance of 187.87 feet to a point; thence S. 58° 52' 40" W. a distance of 80.12 feet to a point; thence N. 35° 44' 45" W. a distance of 86.56 feet to a point; thence S. 54° 15' 15" W. a distance of 41.79 feet to a point; thence N. 35° 44' 45" W. a distance of 76.25 feet to a point; thence along a curve to the left having a radius of 20 feet an

arc length or distance of 32.97 feet to a point; thence along a curve to the right having a radius of 45.66 feet an arc length or distance of 22.68 feet to a point; thence along a curve to the left having a radius of 50 feet an arc length or distance of 26.60 feet to a point; thence S. 48° 57' 39" W. a distance of 155.31 feet to a point; thence along a curve to the left having a radius of 80.01 feet an arc length or distance of 65.44 feet to a point on the northeasterly right-of-way line of Second Street (unopened and unimproved); thence along said northeasterly right-of-way of Second Street N. 32° 17' 12" W. a distance of 42.81 feet to the point and place of beginning.

TOGETHER WITH easements for the construction, operation and maintenance of utility lines as follows: (a) sewer line easement 8 feet in width, the center line of which is indicated by the heavy broken line and the legend "gravity sewer line" on the above plat; (b) water line easement 8 feet in width, the center line of which is indicated by a broken line and the legend "water line" on the above plat; (c) an easement for underground electric lines and cables 8 feet in width, the center line of which is indicated by a broken line labeled with the letter "E" on the above plat, as well as an easement for the electric transformer and replacements thereof as shown on the above plat, and (d) an easement for underground telephone lines and cables 8 feet in width, the center line of which is indicated by an unlabeled broken line on the above plat roughly parallel with the foregoing electric line easement, as well as an easement for a telephone pedestal and related telephone facilities as shown on the above plat.

BOOK 304 PAGE 687

THE STATE OF MISSISSIPPI		COUNTY OF CLARKE	
NO.	ACRES	NO.	ACRES
1	1.00	1	1.00
2	1.00	2	1.00
3	1.00	3	1.00
4	1.00	4	1.00
5	1.00	5	1.00
6	1.00	6	1.00
7	1.00	7	1.00
8	1.00	8	1.00
9	1.00	9	1.00
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92	1.00	92	1.00
93	1.00	93	1.00
94	1.00	94	1.00
95	1.00	95	1.00
96	1.00	96	1.00
97	1.00	97	1.00
98	1.00	98	1.00
99	1.00	99	1.00
100	1.00	100	1.00

EXHIBIT 4-B
THE MOORINGS AT CLARKSVILLE,
A CONDOMINIUM



NOTES:
1. ALL DIMENSIONS ARE TO FACE UNLESS OTHERWISE NOTED.
2. FINISHES ARE AS SHOWN ON THE FINISH SCHEDULE.
3. REFER TO THE GENERAL NOTES FOR A COMPLETE LIST OF FINISHES.
4. ALL WORK IS TO BE ACCORDING TO THE LATEST EDITIONS OF THE BUILDING CODES AND SPECIFICATIONS.
5. THE CONTRACTOR SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND APPROVALS.
6. THE CONTRACTOR SHALL MAINTAIN ACCESS TO ALL ADJACENT PROPERTIES AT ALL TIMES.
7. THE CONTRACTOR SHALL PROTECT ALL EXISTING UTILITIES AND STRUCTURES.
8. THE CONTRACTOR SHALL MAINTAIN A NEAT AND ORDERLY WORK SITE AT ALL TIMES.
9. THE CONTRACTOR SHALL BE RESPONSIBLE FOR THE PROTECTION OF ALL ADJACENT PROPERTIES AND STRUCTURES.
10. THE CONTRACTOR SHALL MAINTAIN A NEAT AND ORDERLY WORK SITE AT ALL TIMES.

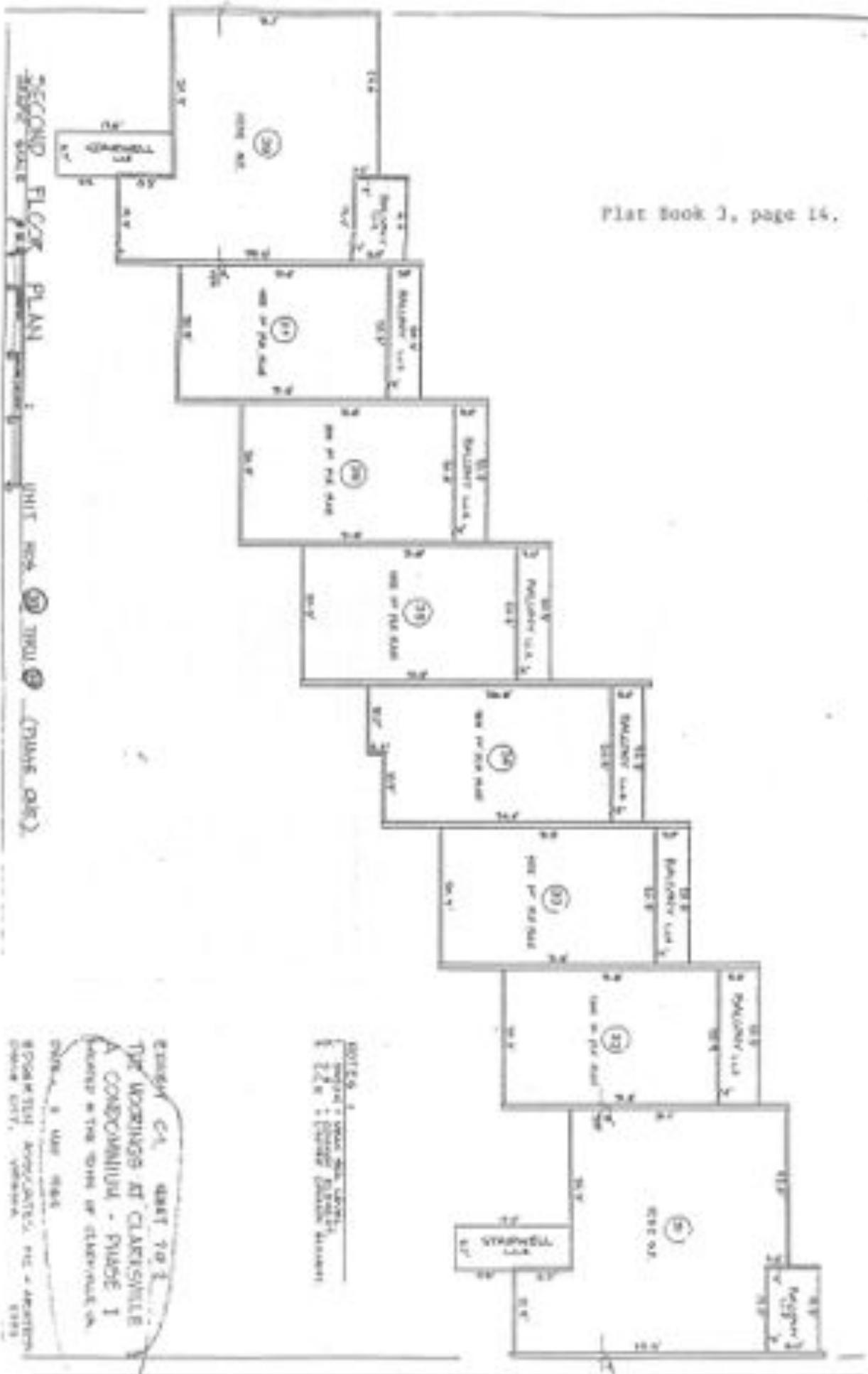
MEASUREMENTS:
This is to certify that the measurements were taken by the undersigned on the 15th day of August, 1988, and that the same are true and correct to the best of my knowledge and belief. I am a duly licensed Surveyor in the State of Mississippi.

W. H. [Signature]
Surveyor



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For Exhibit C-1 and C-2 See PLAT BOOK 3 PAGE 14



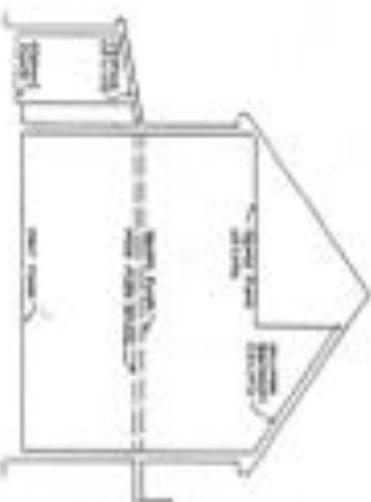
2017-1-1
 PROJECT: 10000 10000
 1 1/2" : 1" (SCALE)

EXHIBIT C-1, PART 1 OF 1
 THE WORKINGS AT CLARESVILLE
 A CONDOMINIUM - PHASE 1
 DRAWN BY THE OWNER OR ARCHITECT OR
 ENGINEER OR SURVEYOR
 8700 N. 10TH AVENUE, SUITE 100, DENVER, CO 80231

UNIT NO.	UNIT DESCRIPTION	UNIT AREA	UNIT FINISHES	FINISHES
4	1 BR. 1 BATH APARTMENT	700 S.F.	1 BR. 1 BATH APARTMENT WOOD FLOOR CERAMIC TILE STAINLESS STEEL KITCHEN APPLIANCES	1 - 10' x 10' 1 - 10' x 10' 1 - 10' x 10' 1 - 10' x 10'
5	2 BR. 2 BATH APARTMENT	900 S.F.	2 BR. 2 BATH APARTMENT WOOD FLOOR CERAMIC TILE STAINLESS STEEL KITCHEN APPLIANCES	1 - 10' x 10' 1 - 10' x 10' 1 - 10' x 10' 1 - 10' x 10'
6	3 BR. 3 BATH APARTMENT	1,200 S.F.	3 BR. 3 BATH APARTMENT WOOD FLOOR CERAMIC TILE STAINLESS STEEL KITCHEN APPLIANCES	1 - 10' x 10' 1 - 10' x 10' 1 - 10' x 10' 1 - 10' x 10'



GENERAL UNIT ELEVATIONS



GENERAL UNIT ELEVATIONS

ELEVATIONS

UNIT NO. 4 UNIT NO. 5 UNIT NO. 6

Plat Book 3, page 14.

NOTICE: THIS PLAN IS A COPY OF THE ORIGINAL PLAN AND IS NOT TO BE USED FOR CONSTRUCTION PURPOSES.

Sheet 0-1

THE MORNINGS AT CLARKSVILLE
A CONDOMINIUM - PAGE 1
UNLESS OTHERWISE NOTED BY ARCHITECT'S NOTES

DATE: 3/10/01
PROJECT: ARCHITECT: J.C. & ASSOCIATES
CLARKSVILLE, TENNESSEE

<u>PHASE I</u> <u>Unit No.</u>	<u>Area</u>	<u>Percentage</u> <u>Interest</u>
30	1220 S.F.	9.238
31	1252 S.F.	9.481
32	1353 S.F.	10.245
33	1353 S.F.	10.245
34	1497 S.F.	11.337
35	1353 S.F.	10.245
36	1353 S.F.	10.245
37	1353 S.F.	10.245
38	1220 S.F.	9.238
39	1252 S.F.	9.481
Total	13206 S.F.	100.000

Assigned Parking Spaces

<u>Unit No.</u>	<u>Parking Space No.</u>
30	30
31	31
32	32
33	33
34	34
35	35
36	36
37	37
38	38
39	39

EXHIBIT E
ARTICLES OF INCORPORATION
OF
THE MOORINGS ASSOCIATION
(A non-stock corporation)

ARTICLE I.

NAME

The name of the Association shall be The Moorings Association (the "Association").

ARTICLE II.

PURPOSE; DEFINITIONS

The purpose for which the Association is formed is to become a condominium management association in accordance with Chapter 4.2 of Title 55 of the 1950 Code of Virginia, as amended, known as the Condominium Act, for the management, maintenance and care of Common Elements in a Condominium located in the Town of Clarksville, Virginia as more particularly described in Exhibit A attached to and made a part of the Declaration for The Moorings At Clarksville, A Condominium (the "Declaration") which is recorded in the Clerk's Office, Circuit Court, Mecklenburg County, prior to the recording of these Articles. It is intended that this Association shall be a non-stock

corporation which shall manage, maintain and care for certain property such that the Association will be a condominium management association as that term is defined in Section 528(c)(2) of the Internal Revenue Code of 1954, as amended. Reference is hereby made to Article I of the Declaration for the meaning of certain initially capitalized terms used herein. The Association will operate in conformity with the Condominium Instruments.

ARTICLE III.

MEMBERS

The members of the Association shall consist of all of the Owners of record of Units in the Condominium; and after termination of the Condominium, shall consist of those who were members at the time of such termination and their successors and assigns. The Association shall initially have no members other than the Declarant. The Owner or Owners of each Unit shall have the right to vote as set forth in the Bylaws.

The share of a member in the funds and assets of the Association cannot be assigned, hypothecated or transferred in any manner except as an appurtenance to his Unit.

During any period in which a member shall be in default (as provided in the Bylaws and/or Declaration) in any

assessment owing to the Association, such member shall not be eligible to be elected to the Board of Directors of this corporation. Such other rights and privileges as stated in the Association's Bylaws may also be suspended, after notice and hearing, for such period as may be established by the Board of Directors for violation of any rules and regulations duly established by the Association.

ARTICLE IV.

DIRECTORS

The number of directors of the Association shall be fixed by the Bylaws and shall not be less than three (3). There shall be one (1) member of the initial Board of Directors. The members of the Board of Directors shall be designated by the Declarant until deeds conveying Units representing 75% or more of the aggregate Percentage Interests are recorded or until the expiration of the maximum period permitted by the Condominium Act, whichever first occurs. Thereafter the Board of Directors shall be elected by the members of the Association in accordance with the Bylaws.

The initial Board of Directors, as designated by the Declarant shall be as follows:

Roger L. Perry
3500 Walkers Ferry Road
Midlothian, Virginia 23113

A majority of directors shall constitute a quorum. The powers of the directors and the method to be used for their replacement shall be as set forth in the Bylaws.

ARTICLE V.

EARNINGS

No part of the net earnings of the Association shall inure to the benefit of, or be distributable to its directors, officers or other private persons, except that the Association shall be authorized and empowered to pay reasonable compensation for services rendered and to make payment and distribution in furtherance of the purposes as set forth in Article II hereof.

ARTICLE VI.

REGISTERED AGENT

The address of the initial registered office of the Association shall be in the County of Henrico at the following address: 9607 Gayton Road, Richmond, Virginia 23233, and R. Hunter Manson, who is a resident of Virginia, who is a member of the Virginia State Bar and whose business office is identical with the registered office, shall be the initial registered agent of the Association.

ARTICLE VII.

INDEMNIFICATION

The Association shall indemnify to the fullest extent permitted by law all directors, officers, employees, agents and other persons who may by law be indemnified.

DATED:

Incorporator

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EXHIBIT F

THE MOORINGS ASSOCIATION
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BYLAWS

OF

THE MOORINGS ASSOCIATION

ARTICLE 1. IDENTITY.

These are Bylaws of The Moorings Association, (the "Association"), which has been organized for the purpose of operating and managing The Moorings at Clarksville, A Condominium (the "Condominium") established in accordance with the laws of the Commonwealth of Virginia upon property lying and being in the County of Mecklenburg, Virginia, and described in Exhibit "A" attached to the Declaration for The Moorings at Clarksville, A Condominium (the "Declaration") and incorporated herein by reference.

Section A. Provision of Declaration and Articles of Incorporation to Control. The provisions of these Bylaws are applicable to the Condominium, and the terms and provisions hereof are expressly subject to those terms, provisions, conditions and authorizations contained in the Articles of Incorporation and the Declaration which have been recorded in the Clerk's Office, Circuit Court of the County of Mecklenburg, at the time the property and the improvements situated thereon (the "Property") are submitted to the plan of condominium ownership, with the terms and

provisions of the Articles of Incorporation and Declaration controlling wherever the same may be in conflict herewith.

Section B. Defined Terms and Coverage.

(a) Reference is hereby made to Article I of the Declaration for the meaning of certain initially capitalized terms used herein.

(b) All present or future owners, present or future tenants, the employees of tenants or owners, or any other person that might use the Condominium or any of the facilities thereof in any manner, are subject to all the terms and provisions of the Condominium Instruments.

Section C. Office. The office of the Condominium, the Unit Owners Association and the Board of Directors shall be located at the Property or at such other place as may be designated from time to time by the Board of Directors.

ARTICLE 2. UNIT OWNERS ASSOCIATION.

Section A. Qualification of Members. The qualification of members of the Association, the manner of their admission to membership and termination of such membership shall be as set forth in the Condominium Instruments. For all purposes having to do with the administration of the Condominium, the Association shall act as an agent for the owners of all the

Units of the Condominium (the "Owners" or "Unit Owners") as a group.

Section B. Powers of the Association. The Association shall have, in addition to those powers listed in the Articles of Incorporation, all of the powers reasonably necessary to implement and effectuate the rules and objectives set forth in the Condominium Instruments, including without limitation:

(a) the reasonable right of entry upon any Unit to make emergency repairs and to do other work reasonably necessary for the proper maintenance or operation of the Condominium, and

(b) the right to grant permits, licenses and easements over the Common Elements for utilities, roads and other purposes reasonably necessary or useful for the proper maintenance or operation of the Condominium.

Section C. Annual Meetings. The annual meetings of the Association shall be held on a date selected by the Board of Directors during the month of June. At such annual meetings, the Board of Directors shall be elected by ballot of the Unit Owners. So long as the Declarant shall own Units representing more than twenty-five percent (25%) of

MOK 304 REG 619

the aggregate Percentage Interests (but in no event after the maximum period permitted by §55-79.74(a) of the Condominium Act) the Declarant shall be entitled to designate the members of the Board of Directors of the Association.

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

Section E. Special Meetings.

(a) The President of the Association shall call a special meeting of the Association if so directed by resolution of the Board of Directors or, after termination of Declarant's control, upon a petition signed and presented to the Secretary by Unit Owners of not less than one-third (1/3) of the aggregate Percentage Interests. The notice of any special meeting shall state the time, place and purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

(b) On or before the earlier of (i) the day when deeds of conveyance of Units representing seventy-five percent (75%) or more of the aggregate Percentage Interests

shall have been delivered to Unit Owners by the Declarant or (ii) the expiration of the maximum period permitted by §55-79.74(a) of the Condominium Act, a special meeting of the Association shall be held at which all the Directors of the Association designated by the Declarant shall resign, and the Unit Owners, including the Declarant if the Declarant owns one or more Units shall thereupon elect successor Directors of the Association to act in the place and stead of those resigning.

Section F. Notice of Meetings. The Secretary shall mail to each Unit Owner a notice of each annual or regularly scheduled meeting of the Unit Owners at least twenty-one (21) but not more than thirty (30) days, and of each special meeting of the Unit Owners at least seven (7) but not more than thirty (30) days, prior to such meeting, stating the time, place and purpose thereof. The mailing of a notice of meeting in the manner provided in this Section and Section A of Article 11, of these Bylaws shall be considered proper service of notice.

The notice of any meeting at which members of the Board of Directors are to be elected shall describe the procedure for nominating Directors and shall set the date by which nominations must be filed with the Secretary in advance of the meeting.

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Section G. Adjournment of Meetings. If at any meeting of the Association a quorum or the required percentage of attendance is not present, Unit Owners of a majority of the Percentage Interests who are present at such meeting in person or by proxy may adjourn the meeting to a time when a quorum for the required percentage of attendance is present.

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

- (a) Roll call and certifying of proxies.
- (b) Proof of notice of meeting.
- (c) Reading of minutes of preceding meeting.
- (d) Report of Board of Directors and Officers.
- (e) Reports of committees, if any.
- (f) Election or appointment of inspectors of election (when so required).
- (g) Election of Directors (when so required).
- (h) Unfinished business.
- (i) New business.
- (j) Adjournment.

Section I. Title to Units. Title to a Unit may be taken in the name of one or more persons, in any manner permitted by law. The Association may acquire, hold and transfer full legal title to one or more Units in its own name.

Section J. Proxies. Votes may be cast in person or by proxy. Proxies shall be valid only for the particular meeting designated thereon, and must be filed with the Secretary before the appointed time of the meeting. Proxies shall be void if not dated and signed in substantially the same form as the Sample Proxy attached to these Bylaws as Exhibit A.

Section K. Voting. Voting at all meetings of the Association shall be on an equal basis with the Owner or Owners of each Unit being entitled to one vote. Whenever the approval or disapproval of a Unit Owner is required elsewhere in the Condominium Act or by the Condominium Instruments, such approval or disapproval shall be made only by the person who would be entitled to cast the vote of such Unit at any meeting of the Association. Except where a greater number is required by the Condominium Act or the Condominium Instruments, the vote of Owners of more than fifty percent (50%) of the aggregate Percentage Interests in

the Condominium voting in person or by proxy at one time at a duly convened meeting at which a quorum is present ("Majority of the Unit Owners") is required to adopt decisions made at any meeting of the Association. Any specified percentage of the Unit Owners means the Unit Owners owning such Percentage Interests in the aggregate. 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 or Units are entitled. No Unit Owner may vote at any meeting of the Association or be elected to serve as an Officer of the Association if the Association has perfected a lien against his Unit and the amount necessary to release such lien has not been paid at the time of such meeting or election.

Notwithstanding the fact that the Declarant may be entitled to designate and select all of the members of the Board of Directors as long as it owns Units representing more than twenty-five percent (25%) of the aggregate Percentage Interests (but in no event after the maximum period permitted by §55-79.74(a) of the Condominium Act), the Declarant shall still be entitled to cast the vote for each Condominium Unit owned by it in the elections of other Directors.

Section L. Quorum. Except as otherwise provided in these Bylaws, the presence in person or by proxy of Unit Owners having fifty percent (50%) or more of the total votes of the Association shall constitute a quorum at all meetings of the Association.

Section M. Conduct of Meetings. 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 and all transactions occurring at the meeting. The then current edition of Robert's Rules of Order shall govern the conduct of all meetings of the Association when not in conflict with the Condominium Instruments or the Condominium Act. All votes shall be tallied by inspectors appointed by the President or other Officer presiding over the meeting.

ARTICLE 3. BOARD OF DIRECTORS.

Section A. Number and Qualification. The affairs of the Association shall be governed by a Board of Directors. Until deeds of conveyance representing more than seventy-five percent (75%) of the aggregate Percentage Interest shall have been delivered to Unit Owners by the Declarant and thereafter until their successors shall have been elected by the Unit Owners, the Board of Directors

shall consist of one (1) person as may be designated by the Declarant; provided, however, that the foregoing power of designation shall not extend beyond the maximum period permitted by §55-79.74(a) of the Condominium Act.

Thereafter the Board of Directors shall be composed of three (3) persons, who shall be elected by the members of the Association. All Directors shall be Unit Owners (or spouses of Unit Owners), Mortgagees (or designees of Mortgagees) or designees of the Declarant. During the times when it has the right to designate who the Directors will be, the Declarant shall have the right in its sole discretion to replace any Director or Directors and to designate their successors. The time limit on the period of Declarant's control shall commence upon settlement of the first Unit to be sold in the Condominium.

Section B. Powers and Duties. The Board of Directors shall have all of 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 the Condominium Act or the Condominium Instruments required to be exercised and done by the Association acting as a group on the basis of their voting their interests in the Association. The Board of Directors shall have the power from time to time to adopt any rules and regulations ("Rules and Regulations") deemed

necessary for the benefit and enjoyment of the Condominium; provided, however, that such Rules and Regulations shall not be in conflict with the Condominium Act or the Condominium Instruments. The Board of Directors shall delegate to one of its members or to a person employed for such purpose the authority to act on behalf of the Board of Directors on such matters relating to the duties of the Managing Agent which may arise between meetings of the Board of Directors as the Board of Directors deems appropriate. In addition to the duties imposed by these Bylaws or by any resolution of the Association that may hereafter be adopted, the Board of Directors shall, on behalf of the Association:

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

(b) Make assessments against Unit Owners to defray the costs and expenses of the Condominium, establish the means and methods of collecting such assessments from the Unit Owners and establish the period of the installment payment of the annual assessment for Common Expenses. Unless otherwise determined by the Board of Directors the annual assessment against each Unit Owner for his proportionate share of the Common Expenses shall be payable

in equal monthly installments, each such installment to be due and payable in advance on the first (1st) day of each month for such month.

(c) Provide for the operation, care, upkeep and maintenance of all of the Property and services of the Condominium.

(d) Designate, hire and dismiss the personnel necessary for the maintenance, operation, repair and replacement of the Common Elements and provide services for the Condominium and, where appropriate, provide 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 part of the Property owned by the Condominium.

(e) Collect the assessments against the Unit Owners, deposit the proceeds thereof in bank depositories designated by the Board of Directors and use the proceeds to carry out the administration of the Condominium.

(f) To pay all taxes, charges and assessments which are or may become liens against any part of the Condominium, other than Condominium Units and the

appurtenances thereto, and to assess the same against the members and their respective Condominium Units subject to such liens.

(g) Make, or contract for the making of, repairs, additions and improvements to or alterations of the Condominium and repairs to and restoration of the Condominium, in accordance with these Bylaws, after damage or destruction by fire or other casualty or as a result of condemnation or eminent domain proceedings.

(h) Enforce by legal means the provisions of the Declaration, the Articles of Incorporation, these Bylaws and the Rules and Regulations and act on behalf of the Unit Owners with respect to all matters arising out of any eminent domain proceedings.

(i) Obtain and carry insurance against casualties and liabilities as provided in these Bylaws, pay the premiums therefor and adjust and settle any claims thereunder.

(j) Pay the cost of all authorized services rendered to the Association and not billed to Unit Owners of individual Units.

(k) Keep books with detailed accounts in chronological order of the receipts and expenditures

affecting the Property and the administration of the Condominium, specifying the expenses of maintenance and repair of the Common Elements and any other expenses incurred. Such books and vouchers accrediting the entries thereupon shall be available for examination by the Unit Owners, or their duly authorized agents or attorneys, during general business hours on working days at the times and in the manner set and announced by the Board of Directors for the general knowledge of the Unit Owners. All books and records shall be kept in accordance with good and accepted accounting practices, and the same shall be audited, at least once each year by an independent accountant retained by the Board of Directors who shall not be a resident of the Condominium or a Unit Owner. The cost of such audit shall be a Common Expense.

(l) Notify all Mortgagees of all or any Units of the Condominium (the "Mortgagees") of any default hereunder by any Unit Owner subject to such mortgage, in the event such default continues for a period exceeding thirty (30) days.

(m) Acquire, lease, manage, hold and dispose of Units and mortgage the same if such expenditures and hypothecations are included in the budget adopted by the Association.

(n) Furnish the statement required by Va. Code Ann. §55-79.97 of the Condominium Act, within ten (10) days after the receipt of a written request therefor from any Unit Owner substantially in the form set forth on Exhibit B attached to and made a part of these Bylaws and designated "Certificate for Resale".

(o) Borrow money on behalf of the Condominium when required in connection with any one instance relating to the operation, care, upkeep and maintenance of the Common Elements; provided, however, that (i) the consent of a majority of the Unit Owners, obtained at a meeting duly called and held for such purpose in accordance with the provisions of these Bylaws, shall be required to borrow any sum in excess of Five Thousand Dollars (\$5,000.00). If any sum borrowed by the Board of Directors on behalf of the Condominium pursuant to the authority contained in this paragraph (o) is not repaid by the Unit Owners Association, a Unit Owner who pays to the creditor such proportion thereof as his Percentage Interest bears to the total Percentage Interests in the Condominium shall be entitled to obtain from the creditor a release of any judgment or other lien which such creditor shall have filed or shall have the right to file against such Unit Owner's Condominium Unit.

(p) In its sole discretion, designate from time to time certain Common Elements as "Reserved Common Elements" and impose such restrictions and conditions on the use thereof as the Board of Directors deems appropriate.

(q) Do such other things and acts not inconsistent with the Condominium Act or the Condominium Instruments which the Board of Directors may be authorized to do by its own resolution.

Section C. Election and Term of Office.

(a) Election of the successor Board of Directors shall occur upon resignation of the Directors designated by the Declarant at the special meeting described in Article 2 Section E above. One (1) vote shall be taken on the entire slate of nominees and the three (3) nominees receiving from the Unit Owners the highest plurality of votes shall constitute the Board of Directors. The term of office of the Director receiving the greatest number of votes shall be fixed at three (3) years; the term of office of the Director receiving the next greatest number of votes shall be fixed at two (2) years; and the term of office of the remaining Director shall be fixed at one (1) year. Directors shall hold office until their respective successors have been elected by the Unit Owners, and each successor Director shall be elected to the term of office of his predecessor.

(b) Persons qualified to be members of the Board of Directors may be nominated for election only as follows:

(1) Any Unit Owner may submit to the Secretary a nominating petition signed by Unit Owners owning at least two (2) Units, a statement that the person nominated is willing to serve on the Board of Directors and a biographical sketch of the nominee. Nominating petitions must be filed with the Secretary on or before the date for such filing set forth in the notice of the meeting; or

(2) Nominations may be submitted from the floor at the meeting at which the election is held for each vacancy on the Board of Directors for which no more than one person has been nominated by petition.

Section D. Removal or Resignation of Members of the Board of Directors. Except with respect to Directors designated by Declarant, 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 Unit 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 Unit Owners shall be given at least seven (7) days' notice of the time, place and purpose of the meeting and shall be given an opportunity to be heard at the meeting. A member of the Board of Directors may resign at any time and

shall be deemed to have resigned upon disposition of his Unit as provided for officers in §55-79.78(a) of the Condominium Act.

Section E. Vacancies. Vacancies in the Board of Directors caused by any reason other than the removal of a Director by a vote of the Unit Owners Association shall be filled by a vote of a majority of the remaining Directors at a special meeting of the Board of Directors held for such purpose promptly after the occurrence of any such vacancy, even though the Directors present at such meeting may constitute less than a quorum. Each person so elected shall be a member of the Board of Directors for the remainder of the term of the member being replaced and until a successor shall be elected at the next annual meeting of the Unit Owners Association. Notwithstanding anything to the contrary in this Section or in the preceding Section, so long as the Declarant owns twenty-five percent (25%) or more of the aggregate Percentage Interests (but in no event after the expiration of the maximum time permitted by §55-79.74(a) of the Condominium Act), the Declarant shall designate the successor to any resigned or removed member previously designated by the Declarant.

Section F. Organizational Meeting. Within thirty (30) days after resignation of the Directors designated by the

Declarant and election of the successor Board of Directors by the Unit Owners an organizational meeting of the Board of Directors shall be held at such time and place as shall be fixed by the Unit Owners Association at the meeting at which the successor Board of Directors shall have been elected, and no notice shall be necessary to the newly elected members of the Board of Directors in order to legally constitute such meeting, provided a majority of the whole Board of Directors shall be present at such meeting. The purpose of the organizational meeting shall be to appoint a Managing Agent, to elect Officers of the Association and to take up such other business as may come before the meeting.

Section G. Regular Meetings. Regular meetings of the Board of Directors shall be held at such time and place as shall be determined from time to time by a majority of the members of the Board, but such meetings shall be held at least once every three (3) months during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each member of the Board by mail or telegraph, at least five (5) business days prior to the day named for such meeting.

Section H. Special Meetings. Special meetings of the Board of Directors may be called by the President on three

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(3) business days' notice to each member, 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 in like manner and on like notice on the written request of at least two (2) members of the Board.

Section I. Waiver of Notice. Any member 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 member at any meeting of the Board of Directors shall constitute a waiver of notice by him of the time, place and purpose of such meeting, unless such member attends for the specific purpose of challenging such notice. If all members 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 J. Quorum of Board of Directors. At all meetings of the Board of Directors a majority of the Board shall constitute a quorum for the transaction of business, and the votes of a majority of the Board 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, the meeting may be adjourned to a subsequent time. At any such subsequent 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 K. Fidelity Bonds. There shall be obtained a fidelity bond or bonds in an amount as required by Article 6, Section D hereof or in such form and such greater amounts as may be required by the Mortgagees for all Officers, members of the Board of Directors and employees of the Association, including without limitation the Managing Agent, handling or responsible for the Condominium's funds. The premium on such bonds shall constitute a Common Expense.

Section L. Compensation. Directors' compensation, if any, shall be determined by the members of the Association.

Section M. Conduct of Meetings. The President who shall be a Director shall preside over all meetings of the Board of Directors and the Secretary, who may but does not have to be a Director, shall keep a minute book for 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. The then current edition of Robert's Rules of Order shall govern the conduct of the meetings of the Board of Directors

when not in conflict with the Condominium Instruments or the Condominium Act.

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

Section O. Liability of the Board of Directors, Officers, Unit Owners and Association.

(a) The Officers and members of the Board of Directors of the Association shall not be liable to the Association for any mistake of judgment caused by negligence or otherwise, except for their own individual willful misconduct or bad faith. The Association shall indemnify and hold harmless each member of the Association (including Officers and Board of Directors' members that are not Unit Owners) from and against all contractual liability to others arising out of contracts made by the Officers or the Board of Directors on behalf of the Association, unless any such contract shall have been made in bad faith or contrary to the provisions of the Condominium Act, the Declaration,

Articles of Incorporation, or these Bylaws, in which case those persons dealing in bad faith or dealing knowingly in a manner contrary to the aforesaid provisions shall not be indemnified. Other than has previously been stated in this Section, Officers and members of the Board of Directors shall have no personal liability with respect to any contract made by them on behalf of the Association and shall be considered as only acting as agents for the Association. The liability, if any, of any Unit Owner arising out of any contract made by the Officers or Board of Directors or out of the aforesaid indemnity in favor of the members of the Board of Directors or Officers, or for damages as a result of injuries arising in connection with the Common Elements solely by virtue of his ownership of a Percentage Interest therein or for liabilities incurred by the Association, shall be limited to the total liability multiplied by his Percentage Interest. Every agreement made by the Officers, the Board of Directors or the Managing Agent on behalf of the Association shall, if obtainable, provide that the Officers, the members of the Board of Directors or the Managing Agent, as the case may be, are acting only as agents of the Association and shall have no personal liability thereunder (except as Unit Owners), and that each Unit Owner's liability thereunder shall be limited to the

total liability thereunder multiplied by his Percentage Interest.

(b) The Association shall not be liable for any failure of water supply or other services to be obtained by the Association or paid for as a Common Expense, or for injury or damage to any person or property caused by the elements or by the Unit Owner of any Condominium Unit, or any other person, or resulting from electricity or water, snow or ice which may leak or flow from any portion of the Common Elements or from any pipe, drain, conduit, appliance or equipment. The Association shall not be liable to any Unit Owner for loss or damage, by theft or otherwise, of articles which may be stored upon any of the Common Elements. No diminution or abatement of any assessments, as elsewhere provided herein, shall be claimed or allowed for inconvenience or discomfort arising from the making of repairs or improvements to the Common Elements or from any action taken by the Association to comply with any law, ordinance or with the order or directive of any municipal or other governmental authority.

Section P. Common or Interested Members. Each Officer of the Association shall exercise his powers and duties in good faith and with a view to the interests of the

Condominium. No contract or other transaction between the Association and any of its members, or between the Association and any corporation, firm or association (including the Declarant) in which any of the members of the Association are members or officers or are pecuniarily or otherwise interested, is either void or voidable because any such member is present at the meeting of the Board of Directors or any committee thereof which authorizes or approves the contract or transaction, or because his vote is counted for such purpose, if any of the conditions specified in any of the following subparagraphs exist:

(a) The fact of the common membership or interest is disclosed or known to the majority of the Board of Directors or noted in the minutes, and the Board of Directors authorizes, approves or ratifies such contract or transaction in good faith by a vote sufficient for the purpose; or

(b) The fact of the common membership or interest is disclosed or known to at least a majority of the Unit Owners, and the Unit Owners approve or ratify the contract or transaction in good faith by a vote sufficient for the purpose; or

(c) The contract or transaction is commercially reasonable to the Association at the time it is authorized, ratified, approved or executed.

Any common or interested members may be counted in determining the presence of a quorum of any meeting of the Board of Directors or committee thereof which authorizes, approves or ratifies any contract or transaction, and may vote at any such meeting to authorize or disallow any contract or transaction with like force and effect as if such member were not such member or Officer of the Association or not so interested.

Section Q. Execution of Documents. All agreements, contracts, deeds, leases, checks and other instruments of the Association for expenditures or obligations in excess of Two Thousand Dollars (\$2,000.00) shall be executed by any two (2) persons designated by the Board of Directors. All such instruments for expenditures or obligations of Two Thousand Dollars (\$2,000.00) or less may be executed by any one (1) person designated by the Board of Directors.

Section R. Managing Agent. The Board of Directors may employ for the Condominium a "Managing Agent" at a compensation to be established by it.

(a) Requirements. The Managing Agent shall be a bona fide business enterprise which is experienced in managing residential properties. Such firm shall have a minimum of two (2) years' experience in residential real estate management and shall employ persons possessing a high level of competence in the technical skills necessary for proper management of the Condominium. The Managing Agent must be able to advise the Board of Directors regarding the administrative operations of the Condominium and may with the consent of the Board of Directors employ personnel expert in the areas of condominium insurance, accounting and condominium regulations.

(b) Duties. The Managing Agent shall perform such duties and services as the Board of Directors shall authorize. The Board of Directors may delegate to the Managing Agent all of the powers granted to the Board of Directors by these Bylaws other than the powers set forth in paragraphs (b), (m), and (n) of Section 3 of this Article 3 and other than its power to make and amend any Rules and Regulations issued by the Board of Directors. The Managing Agent shall perform the obligations, duties and services relating to management of the Condominium, relating to the rights of Mortgagees and relating to the maintenance of reserve funds in compliance with the provisions of these Bylaws.

(c) Standards. The Board of Directors shall impose appropriate standards of performance upon the Managing Agent. Unless the Managing Agent is instructed otherwise by the Board of Directors:

(i) Cash accounts of the Association shall not be commingled with any other accounts except with the express permission of the Board of Directors;

(ii) No remuneration shall be accepted by the Managing Agent from vendors, independent contractors or others providing goods or services to the Association whether in the form of commissions, finders fees, service fees or otherwise;

(iii) Any discounts received shall benefit the Association;

(iv) Any financial or other interest which the Managing Agent may have in any firm providing goods or services to the Association shall be disclosed promptly to the Board of Directors; and

(v) A monthly financial report shall be prepared for the Unit Owners Association disclosing:

a. All income and disbursements activity for the preceding month;

b. The status of all accounts in an "actual" versus "projected" (budget) format; and

c. Any actual or pending obligations which are in excess of budgeted amounts by an amount exceeding the operating reserves or ten percent (10%) of a major budget category (as distinct from a specific line item in an expanded chart of accounts).

(d) Limitations. Subject to the provisions of §55-79.74(b) of the Condominium Act, during the period when persons designated by the Declarant constitute a majority of the Board of Directors, the Board of Directors may employ a Managing Agent for a term not to exceed one (1) year. Any contract with the Managing Agent must provide that it may be terminated with cause on not more than thirty (30) days' written notice and without cause on no more than ninety (90) days' written notice; and the contract must be terminable without payment of a termination fee.

When professional management has been previously required by any first Mortgagee or insurer or guarantor of such mortgage, whether such entity became a Mortgagee, insurer or guarantor at that time or later, any decision to establish self-management by the Association shall require the prior consent of Unit Owners to which at least

sixty-seven percent (67%) of the votes of the Association are allocated and the approval of Mortgagees holding first liens on Units which have at least fifty-one percent (51%) of the votes of the Units subject to such mortgages.

Section 5. Covenants Committee. The Board of Directors may establish a Covenants Committee, consisting of three (3) members appointed by the Board of Directors, each to serve for a term of one year, in order to assure that the Condominium shall always be maintained in a manner:

- (1) providing for visual harmony and soundness of repair;
- (2) avoiding activities deleterious to the aesthetic or property values of the Condominium;
- (3) furthering the comfort of the Unit Owners, their guests and tenants; and
- (4) promoting the general welfare of the Condominium community.

(a) Powers. The Covenants Committee shall regulate the external design, appearance, use and maintenance of the Common Elements. The Covenants Committee shall have the power to issue a cease and desist request to

a Unit Owner, his guests, invitees, or lessees whose actions are inconsistent with the provisions of the Condominium Act, the Condominium Instruments, the Rules and Regulations or resolutions of the Board of Directors (upon petition of any Unit Owner or upon its own motion). The Covenants Committee shall from time to time, as required, provide interpretations of the Condominium Instruments, Rules and Regulations and resolutions pursuant to the intents, provisions and qualifications thereof when requested to do so by a Unit Owner or the Board of Directors. Any action, ruling or decision of the Covenants Committee may be appealed to the Board of Directors by any party deemed by the Board of Directors to have standing as an aggrieved party and a vote of a quorum of the Board of Directors may modify or reverse any such action, ruling or decision.

(b) Authority. The Covenants Committee shall have such additional duties, power and authority as the Board of Directors may from time to time provide by resolution. The Board of Directors may relieve the Covenants Committee of any of its duties, powers and authority either generally or on a case by case basis by vote of a quorum thereof. The Covenants Committee shall carry out its duties and exercise its powers and authority in the manner provided for in the Rules and Regulations or by resolution of the Board of Directors.

ARTICLE 4. OFFICERS. NOV. 304 PAGE 647

Section A. Number of Officers. The Officers of the Association shall be a President, who shall be a Director, a Vice-President, a Treasurer, and a Secretary, all of whom shall be elected annually by the Board of Directors and who may be peremptorily removed by a vote of the Directors at any meeting with or without cause. Any person may hold two (2) or more offices except that the President shall not also be Vice-President, Secretary or an Assistant Secretary. The Board of Directors shall, from time to time, elect such other Officers and designate their powers and duties as the Board shall find to be required to manage the affairs of the Association.

Section B. President. The President shall be the chief executive Officer of the Association. He shall have all of the powers and duties which are usually vested in the office of the president of any association, including, but not limited to, the power to appoint committees from among the members from time to time, as he may, in his discretion, determine appropriate to assist in the conduct of the affairs of the Association.

Section C. Vice-President. The Vice-President shall, in the absence or disability of the President, exercise the

powers and perform the duties of the President. He shall also generally assist the President and exercise such other powers and perform such other duties as shall be prescribed by the Directors.

Section D. Secretary. The Secretary shall keep the minutes of all proceedings of the Directors and the members. He shall attend to the giving and serving of all notices to the members and Directors, and such other notices required by law. He shall have custody of the seal of the Association and affix the same to instruments requiring a seal when duly signed. He shall keep the records of the Association, except those of the Treasurer, and shall perform all other duties incident to the office of secretary of an association and as may be required by the Directors or the President.

Section E. Treasurer. The Treasurer shall have custody of all of the property of the Association, including funds, securities and evidences of indebtedness. He shall keep, or supervise the keeping of, the assessment rolls and accounts of the members; he shall keep the books of the Association in accordance with good accounting practices; and he shall perform all other duties incident to the office of Treasurer.

Section F. Compensation. The compensation of all Officers, if any, and employees of the Association shall be fixed by the Directors. This provision shall not preclude the Board of Directors from employing a Director as an employee of the Association, nor preclude their contracting with a Director in the capacity of a Managing Agent.

Section G. Vacancies. Vacancies in any office of the Association shall be filled by a vote of the majority of the Board of Directors at a special meeting held for such purpose promptly after the occurrence of such vacancy. Each person so elected shall be an Officer of the Association for the remainder of the term of the Officer being replaced and until a successor shall be elected at the next Annual Meeting of the Board of Directors.

ARTICLE 5. OPERATION OF THE CONDOMINIUM.

Section A. Determination of Common Expenses and Assessments Against Unit Owners.

(a) Fiscal Year. The fiscal year of the Association shall be the calendar year unless otherwise determined by the Board of Directors, except that in the initial year of the Condominium's operation, the fiscal year shall commence with the closing of the sale of the first Condominium Unit.

(b) Preparation and Approval of Budget.

(i) During the thirty (30) days preceeding the end of the fiscal year, the Board of Directors shall adopt a budget for the Association containing an estimate of the total amount considered necessary to pay the cost of maintenance, management, operation, repair and replacement of the 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 Condominium Act, the Declaration, these Bylaws 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 Condominium and the rendering to the Unit Owners of all related services.

(ii) Such budget shall also include such reasonable amounts as the Board of Directors considers necessary to provide working capital, a general operating reserve and reserves for contingencies and replacements. At least seven (7) days before the date of the Association's Annual Meeting, the Board of Directors shall deliver to each Unit Owner a copy of the budget in a reasonably itemized form which sets forth the amount of the Common Expenses and

any special assessment payable by each Unit Owner. Such budget shall constitute the basis for determining each Unit Owner's assessment for the Common Expenses of the Association.

(c) Assessment and Payment of Common Expenses.

Subject to the provisions of Section A of Article 9 hereof pertaining to expense caused by carelessness, conscious act or neglect of a Unit Owner and certain other persons, the total amount of the estimated funds required for the operation of the Condominium set forth in the budget adopted by the Board of Directors shall be assessed against each Unit Owner equally and shall be a lien against each Unit Owner's Unit as provided in Article 9, Section B of these Bylaws. 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 Unit Owner shall be obligated to pay to the Board of Directors or the Managing Agent (as determined by the Board of Directors), one-twelfth (1/12) of such assessment. Within ninety (90) days after the end of each fiscal year, the Board of Directors shall supply to all Unit Owners and to each Mortgagee an itemized accounting of the Common Expenses for such fiscal year actually incurred and paid.

together with a tabulation of the amounts collected pursuant to the budget adopted by the Board of Directors for such fiscal year, and showing the net amount over or short of the actual expenditures plus reserves. Any amount accumulated in excess of the amount required for actual expenses and reserves shall, if the Board of Directors deems it advisable, be credited to the next monthly installments due from Unit Owners under the current fiscal year's budget, until exhausted. Any net shortage shall be assessed promptly against the Unit Owners and shall be payable either: (i) in full with payment of the next monthly assessment due; or (ii) in not more than six (6) equal monthly installments, as the Board of Directors may determine. All such credits and additional assessments charged to Unit Owners shall be made in proportion to the number of votes in the Unit Owners Association appertaining to each such Unit.

(d) Reserves. The Association through the Board of Directors shall build up and maintain reasonable reserves for working capital, operations, contingencies and replacements. Extraordinary expenditures not originally included in the annual budget which may become necessary during the year shall be charged first against such reserves. If the reserves are inadequate for any reason,

Including nonpayment of any Unit Owner's assessment, the Board of Directors may at any time levy a further assessment, which shall be assessed against the Unit Owners in proportion to the number of votes in the Unit Owners Association appertaining to each such Unit. Such additional assessment 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 Unit 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 no more than ten (10) days after the delivery of such notice of further assessment. Such assessment shall be a lien as of the effective date as set forth in preceding paragraph (c).

(e) Initial Capital Payment.

(i) Upon taking office, the first Board of Directors elected or designated pursuant to these Bylaws shall determine the budget, as defined in this Section, for the period commencing thirty (30) days after such election or designation, and ending on the last day of the fiscal year in which such election or designation occurs. Assessments shall be levied and become a lien against the Unit Owners during such period as provided in paragraph (c) of this Section.

(ii) The Declarant, as the agent of the Board of Directors, will collect from each initial purchaser at the time of settlement an "initial capital payment" equivalent to twice the estimated monthly assessment for Common Expenses for such purchaser's Unit and the Declarant shall deliver same forthwith to the Association. Within sixty (60) days after the date of the conveyance of the first Unit in the Condominium, the Declarant will advance to the Board of Directors an initial capital payment computed on the same basis for each unsold Unit. Thereafter all initial capital payments collected from initial purchasers at settlement shall be used to reimburse the Declarant for its advance to the Association. All such funds shall be maintained as a working capital fund in a segregated account for the use and benefit of the Association. Amounts paid into the fund shall not be considered as advance payment of regular assessments.

(f) Effect of Failure to Prepare or Adopt Budget.

The failure or delay of the Board of Directors to prepare or adopt a budget for any fiscal year shall not constitute a waiver or release in any manner of a Unit 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 or adjusted budget, each Unit Owner shall continue to pay each monthly installment at the

monthly rate established for the previous fiscal year until notice of the monthly payment is received that is based on the new annual or adjusted budget.

(g) Accounts. All sums collected by the Board of Directors with respect to assessments against the Unit Owners or from any other source may be commingled into a single fund, but shall be held for each Unit Owner in proportion to the number of votes in the Association appertaining to his Unit.

(h) Association's Units. Should the Association be the Owner of a Unit or Units, any assessment which would be otherwise due and payable to the Association by the Owner of such Unit or Units, reduced by the amount of income which might be derived from the leasing of such Unit or Units by the Association, shall be apportioned and an assessment therefor levied ratably among the other Owners of all Units not owned by the Association in proportion to the number of votes in the Association appertaining to their Units.

Section B. Payment of Common Expenses.

(a) Each Unit Owner shall pay the Common Expenses assessed by the Board of Directors pursuant to the provisions of Section A of this Article. 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 by abandonment of his Unit. No Unit Owner shall be liable for the payment of any part of the Common Expenses assessed against his Unit subsequent to the date of recordation of a conveyance by him in fee of such Unit. Prior to or at the time of any such conveyance, all liens, unpaid charges and assessments shall be paid in full and discharged. The purchaser of a Unit shall be jointly and severally liable with the selling Unit Owner for all unpaid assessments against the latter for his proportionate share of the Common Expenses up to the time of such recordation, without prejudice to the purchaser's right to recover from the selling Unit Owner amounts paid by the purchaser therefor. In accordance with Va. Code Ann. §55-79.97, any such purchaser shall be entitled to a statement setting forth, among other things, the amount of the unpaid assessments against the selling Unit Owner within five (5) days following a written request therefor to the Board of Directors or Managing Agent and such purchaser 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. The form of such statement is attached as Exhibit B to these Bylaws. Any Mortgagee who comes into possession of a Condominium Unit by virtue of foreclosure or by deed of assignment in lieu of foreclosure or any purchaser at a foreclosure sale shall take the

Condominium Unit free of any claims for unpaid assessments or charges against such Unit which accrue prior to the time such Mortgagee comes into possession thereof.

(b) When an Owner ceases to be a member of the Association by reason of his divestment of ownership of a Unit or Units, by whatever means, the Association shall not be required to account to that Owner for any share of the fund or assets of the Association or which may have been paid by that Owner to the Association since all monies which any Owner has paid to the Association shall be an asset of the Association to be used in the operation and management of the Condominium.

Section C. Collection of Assessments. The Board of Directors or the Managing Agent at the request of the Board of Directors, shall take prompt action to collect any assessments for Common Expenses due from any Unit Owner which remain unpaid for more than thirty (30) days from the due date for payment thereof. Any assessment, or installment thereof, not paid within five (5) days after due shall accrue a late charge in the amount of Ten Dollars (\$10.00) or such other amount as may be established by the Board of Directors.

Section D. Statement of Common Expenses. The Board of Directors shall promptly provide any Unit Owner, contract purchaser or Mortgagee so requesting the same in writing with a written statement of all unpaid assessments for

Common Expenses due from such Unit Owner. The Board of Directors may impose a reasonable charge for the preparation of such statement to cover the cost of preparation to the extent permitted by the Condominium Act.

Section E. Maintenance, Repair, Replacement and Other Common Expenses.

(a) By the Board of Directors. The Board of Directors shall be responsible for all maintenance, repair and replacement of the Common Elements whether located inside or outside of the Units. The Board of Directors shall be responsible for structural repairs and replacements of the Limited Common Elements. The Board of Directors shall be responsible for paving and striping all parking spaces. The cost of all such maintenance, repairs and replacements made by the Board of Directors shall be a common expense unless in the opinion of not less than two-thirds (2/3) of the Board of Directors, such expense was necessitated by the negligence, misuse or neglect of a Unit Owner, in which event such expense may be charged to the responsible Unit Owner.

(b) By the Unit Owner. Each Unit Owner shall keep his Unit and its equipment, appliances, appurtenances and Limited Common Elements in good order, condition and

repair and in a clean and sanitary condition, including keeping them free and clear of all trash, ice and any accumulation of water, 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 and Limited Common Elements. Each Unit Owner shall be responsible for all damage to his Unit and Limited Common Elements or to any other Units or to the Common Elements resulting from his negligence, misuse or failure to make any of the maintenance, repairs and replacements required of him by this Section. Each Unit Owner shall perform his responsibility in such manner as shall not unreasonably disturb or interfere with the other Unit Owners. Each Unit 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. The Unit Owner will have total responsibility for all maintenance, repairs and replacements required to be made to window screens and other items designated by §55-79.50(e) of the Condominium Act as Limited Common Elements. Each Unit Owner shall be responsible for keeping clean the interior and exterior of all windows and doors in the Unit. Such maintenance, repairs and replacements shall only be performed in accordance with such specifications (if any) as may be prescribed by the Rules and Regulations.

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(c) Manner of Repair and Replacement. All repairs and replacements shall be of first-class quality and shall meet all provisions of the building codes used by the county or municipality where the Condominium is located. The method of approving payment vouchers for all repairs and replacements shall be determined by the Board of Directors.

Section F. Additions, Alterations or Improvements by Board of Directors. Except during the period of Declarant's control, whenever in the judgment of the Board of Directors the Common Elements shall require additions, alterations or improvements amounting to greater than Ten Thousand Dollars (\$10,000.00) during any period of twelve (12) consecutive months, the making of such additions, alterations or improvements shall be approved by a majority of the Unit Owners, and the Board of Directors shall proceed with such additions, alterations or improvements and shall assess all Unit 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 Unit Owners and the cost thereof shall constitute a Common Expense. Notwithstanding the foregoing, if, in the opinion of a majority of the members of the Board of Directors, such additions, alterations or

improvements are exclusively or substantially exclusively for the benefit of the Unit Owner or Unit Owners requesting the same, such requesting Unit Owners shall be assessed therefor in such proportion as they jointly approve or, if they are unable to agree thereon, in such proportions as may be determined by the Board of Directors.

Section G. Additions, Alterations or Improvements by Unit Owners.

(a) Units located within buildings: No Unit Owner shall make any structural addition, alteration or improvement in or to any load bearing wall surrounding or within his Unit without first obtaining the prior written consent of the Board of Directors, and the approval of necessary county or municipal authorities. No Unit Owner shall paint or alter the exterior of his Unit, including the doors and windows, nor shall any Unit Owner paint or alter the exterior of the building, or install electrical wiring, television or radio antennae or other object, machines or air conditioning units which may protrude through the walls, roof or windows of the Condominium or in any manner alter the appearance of any exterior portion of the Condominium without such permission. The Board of Directors shall be obligated to answer any written request by a Unit Owner for improvement in such Unit Owner's Unit within forty-five (45)

days after such request, and failure to do so within the stipulated time shall constitute a consent by the Board of Directors to the proposed structural addition, alteration or improvement. If any application to any governmental authority for a permit to make any such structural addition, alteration or improvement in or to any Unit requires execution by the Association, and provided consent has been given by the Board of Directors, then the application shall be executed on behalf of the Association by the Board of Directors only; without, however, incurring any liability on the part of the Board of Directors or Association or any of them to any government, municipality, contractor, subcontractor or materialman on account of such addition, alteration or improvement, or to any person having claim for injury to persons or damage to property arising therefrom. The Unit Owner shall pay the costs of filing any such applications.

The provisions of this part (a) of Section G shall not apply to Units owned by the Declarant until deeds of conveyance of such Units shall have been recorded; provided, however, that Declarant's construction or alteration shall be architecturally compatible with existing Units. The Declarant shall have the right to make such construction or alterations without the consent of the Board of Directors

and the Board of Directors shall execute any application to any governmental authority which may be required.

(b) Condominium lots in Additional Land: The Declarant has reserved the right to create Units in the Additional Land in the form of lots or parcels of real estate. If any such Units are created in the Additional Land no improvements may be made to such Units without the prior written consent of the Board of Directors. Any improvements permitted by the Board of Directors shall be subject to all the same restrictions in the Condominium Instruments and Rules and Regulations applicable to Units located within buildings in the Condominium. The Board of Directors shall be obligated to answer any written request by a Unit Owner for improvement to such Unit within forty-five (45) days after such request, and failure to do so within the stipulated time shall constitute a consent by the Board of Directors to the proposed improvement. If any application to any governmental authority for a permit to make any such improvement requires execution by the Association, and provided consent has been given by the Board of Directors, then the application shall be executed on behalf of the Association by the Board of Directors only; without, however, incurring any liability on the part of the Board of Directors or Association or any of them to any

government, municipality, contractor, subcontractor or materialman on account of such improvement, or to any person having claim for injury to persons or damage to property arising therefrom. The Unit Owner shall pay the costs of filing any such applications.

The provisions of this part (b) of Section G shall not apply to Units owned by the Declarant until deeds of conveyance of such Units shall have been recorded. The Declarant shall have the right to make such improvements without the consent of the Board of Directors and the Board of Directors shall execute any application to any governmental authority which may be required. The Declarant shall pay the costs of filing such applications.

Section H. Restrictions on Use; Rules and Regulations.

(a) Each Unit, the Common Elements and Limited Common Elements shall be occupied and used as follows:

(1) Units shall not be used for other than residential housing and the related common purposes for which the Property was designed. The Board of Directors may permit reasonable, temporary nonresidential uses in Units from time to time.

Nothing in these Bylaws shall be construed to prohibit the Declarant from using any Unit owned by

Declarant for promotional, marketing or display purposes or from using any appropriate portion of the Common Elements for settlement of sales of Condominium Units.

(2) Nothing shall be done or kept in any Unit, the Common Elements or Limited Common Elements which will increase the rate of insurance for the Property without the prior written consent of the Board of Directors. No Unit Owner shall permit anything to be done or kept in his Unit, the Common Elements or Limited Common Elements which will result in the cancellation of insurance on the Property or any part thereof or which would be in violation of any law, regulation or administrative ruling. No waste will be committed in the Common Elements.

(3) 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, and, if the latter then the cost of such compliance shall be a Common Expense.

(4) No Unit Owner shall obstruct any of the Common Elements nor shall any Unit Owner store anything upon any of the Common Elements (except those areas designated for such storage by the Board of Directors) without the approval of the Board of Directors. Vehicular parking upon the Common Elements may be regulated or assigned by the Board of Directors. Nothing shall be altered or constructed in or removed from the Common Elements except upon the prior written consent of the Board of Directors or the Covenants Committee, as appropriate. The installation of clothes lines and the outside storage of equipment on the Limited Common Elements shall be prohibited.

(5) The Common Elements shall be used only for the furnishing of the services and facilities and for which the same are reasonably suited and which are incident to the use and occupancy of the Units.

(6) No portion of a Unit (other than the entire Unit) shall be leased for any period. No Unit Owner shall lease a Unit other than on a written form of lease requiring the lessee to comply with the Condominium Instruments and the Rules and Regulations, and providing

that failure to comply constitutes a default under the lease, and providing further that the Board of Directors shall have a power of attorney from the lessor to terminate such lease if the lessee fails to comply with the Condominium Instruments and the Rules and Regulations. The Board of Directors may provide a suggested standard form lease for use by Unit Owners. Each Unit Owner shall, promptly following the execution of any lease of a Condominium Unit, forward a conformed copy thereof to the Board of Directors. The Rules and Regulations may provide additional restrictions on the leasing of Units. The foregoing provisions of this subparagraph shall not apply to the Declarant, or to a Mortgagee in possession of a Unit as a result of a foreclosure or other judicial sale or as a result of any proceeding in lieu of foreclosure.

(7) Trailers, campers, recreational vehicles, and boats may be parked only on those portions of the Property designated for such use by the Rules and Regulations. No junk or derelict vehicles or other vehicles on which current license plates or inspection stickers are not displayed shall be kept upon any part of the Property.

(8) The maintenance, keeping, boarding and/or raising of animals, livestock, poultry or reptiles of any

kind, regardless of number, shall be and is prohibited within any Unit or upon the Common Elements, except that the keeping of small, orderly domestic pets (e.g., dogs, cats or caged birds) not to exceed one (1) per Unit without the approval of the Board of Directors, is permitted, subject to the Rules and Regulations adopted by the Board of Directors; provided, however, that such pets are not kept or maintained for commercial purposes or for breeding and provided, further, that any such pet causing or creating a nuisance or unreasonable disturbance or noise shall be permanently removed from the Property upon ten (10) days' written notice from the Board of Directors. Such pets shall not be permitted upon the Common Elements unless accompanied by an adult and unless carried or leashed. Any Unit Owner who keeps or maintains any pet upon any portion of the Property shall be deemed to have indemnified and agreed to hold the Condominium, each Unit Owner and the Declarant free and harmless from any loss, claim or liability of any kind or character whatever arising by reason of keeping or maintaining such pet within the Condominium. All pets shall be registered with the Board of Directors and shall otherwise be registered and inoculated as required by law. The Board of Directors may establish reasonable fees for registration of pets not to exceed the additional costs

incurred by the Unit Owners Association resulting from the presence of such pets.

(9) Except for such signs as may be posted by the Declarant for promotional or marketing purposes, no signs of any character shall be erected, posted or displayed upon, in, from or about any Unit, Common Element or Limited Common Element without the prior written approval of the Board of Directors. The provisions of this subparagraph shall not be applicable to the institutional holder of any first mortgage which comes into possession of any Unit by reason of any remedies provided for in the mortgage, foreclosure of any mortgage or any deed of trust or other proceeding in lieu of foreclosure.

(b) Each Unit and the Common Elements and Limited Common Elements shall be occupied and used in compliance with the Rules and Regulations which may be promulgated and amended by the Board of Directors. Copies of the Rules and Regulations shall be furnished by the Board of Directors to each Unit Owner. Amendments to the Rules and Regulations shall be conspicuously posted prior to the time when the same shall become effective and copies thereof shall be furnished to each Unit Owner upon request.

Section 1. Right of Access. By acceptance of a deed of conveyance, each Unit Owner thereby grants a right of access

to his Unit, as provided by Va. Code Ann. §55-79.79(a) and Article IV, Section 2 (b) of the Declaration, to the Board of Directors or the Managing Agent, or any other person authorized by the Board of Directors or the Managing Agent, or any group of the foregoing, for the purpose of enabling the exercise and discharge of their respective powers and responsibilities, including without limitation making inspections, correcting any condition originating in his Unit and threatening another Unit or the Common Elements, performing installations, alterations or repairs to the technical or electrical services or the Common Elements in his Unit or elsewhere in the Property or to correct any condition which violates any mortgage or deed of trust of an institutional lender having a valid lien on all or any part of the Condominium; provided, however, that requests for entry are made in advance and that any such entry is at a time reasonably convenient to the Unit Owner. In case of an emergency, such right of entry shall be immediate, whether the Unit Owner is present at the time or not.

Section J. Utility Charges. The cost of utilities serving the Condominium not individually metered to each Unit shall be a Common Expense.

Section K. Parking Spaces. One parking space has been assigned as a Limited Common Element appurtenant to each

Unit as shown on the Plans and Plans. All parking spaces not so assigned shall be used by the Unit Owners for self-service parking purposes on a "first come, first served" basis, provided, however, that no Unit Owner shall park more than two vehicles (owned or leased by such Unit Owner, a member of his family or a tenant residing in his Unit) on the Common Element parking spaces without the prior written consent of the Board of Directors. The cost of maintenance and repair of all parking areas shall be a Common Expense.

Section L. Use of Common Elements. No Unit Owner shall place or cause or permit to be placed on the Common Elements any furniture, packages or objects of any kind.

Section M. Access to Books and Records. The Association shall make available to Unit Owners and lenders, and to holders, insurers or guarantors of any first mortgage on Units, current copies of the Declaration, Bylaws, Rules and Regulations and the books, records and financial statements of the Association. As used herein "available" means available for inspection, upon request, during normal business hours.

Section N. Condemnation. To the extent permitted by the Condominium Act, the Association shall represent the

Unit Owners in any condemnation proceedings or in negotiations, settlements and agreements with the condemning authority for acquisition of the Common Elements or any part thereof, and the Association shall have the irrevocable power as attorney in fact to act on behalf of the Unit Owners for all such purposes. To the extent permitted by the Condominium Act, the condemnation award or proceeds of settlement resulting from the taking or acquisition of all or any part of the Common Elements shall be payable to the Association for the use and benefit of the Unit Owners and their Mortgagees as their interests may appear.

ARTICLE 6. INSURANCE.

Section A. Authority to Purchase.

(a) Except as otherwise provided in Section E of this Article 6, all insurance policies relating to the Condominium shall be purchased by the Board of Directors. Neither the Board of Directors nor the Managing Agent nor the Declarant shall be liable for failure to obtain any coverages required by this Article 6 or for any loss or damage resulting from such failure if such failure is due to the unavailability of such coverage from an insurance company having the qualifications set forth in subsection (d) of this Section or if, in the opinion of the Board of Directors, such coverage is prohibitively expensive.

(b) Each such policy shall provide that:

(i) The insurer waives any right to claim by way of subrogation against the Declarant, the Association, the Board of Directors, the Managing Agent or the Unit Owners, and their respective agents, employees, guests and, in the case of the Unit Owners, the members of their households.

(ii) Such policy shall not be cancelled, invalidated or suspended due to the conduct of any Unit Owner (including his invitees, agents and employees) or of any member, officer or employee of the Board of Directors or the Managing Agent without a prior demand in writing that the Board of Directors or the Managing Agent cure the defect and without sixty (60) days having elapsed after such a demand without a cure of the defect.

(iii) Such policy may not be cancelled or substantially modified (including cancellation for nonpayment of premium) without at least sixty (60) days' prior written notice to the Board of Directors and the Managing Agent and, in the case of physical damage insurance, to all Mortgagees.

(c) The Declarant, so long as it shall own any Unit, shall be protected by all such policies as a Unit Owner.

(d) All policies of insurance shall be written by reputable companies licensed to do business in the Commonwealth of Virginia and having a rating by Best's Key Rating Guide of B+ or better. Physical damage policies shall be in form and substance acceptable to the Mortgagees of the Condominium.

Section B. Physical Damage Insurance.

(a) The Board of Directors shall obtain and maintain a blanket, "all-risk" form policy of fire insurance with extended coverage, vandalism, malicious mischief, windstorm, debris removal, and water damage endorsements, insuring the entire Condominium (excluding all furniture, wall coverings, furnishings or other personal property supplied or installed by Unit Owners, and all heating or air conditioning equipment and other service machinery and fixtures which are parts of the Units) and covering the interests of the Association, the Board of Directors and all Unit Owners and their Mortgagees, as their interests may appear (subject, however, to loss payment and adjustment provisions in favor of the Board of Directors and the

Insurance Trustee contained in Section F of this Article), in an amount equal to one hundred percent (100%) of the then current replacement cost of the Condominium (exclusive of the land, excavations, foundations and other items normally excluded from such coverage), without deduction for depreciation (such amount to be redetermined annually by the Board of Directors with the assistance of the insurance company affording such coverage).

(b) The Board of Directors shall make every reasonable effort to have such policy also provide:

(i) an endorsement (or equivalent) for "agreed amount" or elimination of co-insurance clause; and

(ii) That any "no other insurance" clause expressly exclude individual Unit Owners' policies from its operation so that the physical damage policy purchased by the Board of Directors shall be deemed primary coverage and any individual Unit Owners' policies shall be deemed excess coverage, and in no event shall the insurance coverage obtained and maintained by the Board of Directors hereunder provide for or be brought into contribution with insurance purchased by individual Unit Owners or their Mortgagees, unless otherwise required by law.

(c) A duplicate original of the policy of physical damage insurance, all renewals thereof, and any subpolicies or certificates and endorsements issued thereunder together with proof of payment of premiums shall be delivered by the insurer to any Mortgagee so requesting them at least thirty (30) days prior to expiration of the then current policy. Prior to obtaining any policy of physical damage insurance or any renewal thereof the Board of Directors shall obtain an appraisal from an insurance company, or such other source as the Board of Directors may determine, of the current replacement cost of the Condominium, without deduction for depreciation, for the purpose of determining the amount of physical damage insurance to be secured pursuant to this Section B. All Mortgagees shall be notified promptly of any event giving rise to a claim under such policy.

Section C. Liability Insurance. The Board of Directors shall obtain and maintain comprehensive general liability (including libel, slander, false arrest and invasion of privacy coverage and errors and omissions coverage for Officers) and property damage insurance with limits of at least One Million Dollars (\$1,000,000.00) as the Board of Directors may from time to time determine, insuring each member of the Board of Directors, the Officers, the Managing Agent, each Unit Owner and the Declarant against

any liability to the public or to the Unit Owners (and their invitees, agents and employees) arising out of, or incident to the ownership and/or use of the Common Elements. Such insurance shall be issued on a comprehensive liability basis and shall contain: (a) a cross liability endorsement under which the rights of a named insured under the policy shall not be prejudiced with respect to his action against another named insured; (b) hired and nonowned vehicle coverage; (c) host liquor liability coverage with respect to events sponsored by the Association; (d) deletion of the normal products exclusion with respect to events sponsored by the Association; and (e) a "severability of interest" endorsement which shall preclude the insurer from denying liability to a Unit Owner because of negligent acts of the Association or of another Unit Owner. The Board of Directors shall review such limits once each year, but in no event shall such insurance be less than One Million Dollars (\$1,000,000.00) covering all claims for bodily injury or property damage arising out of one occurrence. At least One Million Dollars (\$1,000,000.00) of "umbrella" liability insurance in excess of the primary limits shall also be obtained.

Section D. Other Insurance. The Board of Directors shall obtain and maintain:

(a) Adequate fidelity coverage to protect against dishonest acts on the part of Officers, members, trustees and employees of the Association and all others who handle, or are responsible for handling, funds of the Association, including the Managing Agent. Such fidelity bonds shall: (i) name the Association as an obligee; (ii) be written in the amount of Twenty-Five Thousand Dollars (\$25,000.00) or such other amount as the Board of Directors deems appropriate; provided, however, the aggregate amount of such bonds shall not be less than the greater of (x) the estimated maximum of funds, including reserve funds, in the custody of the Association or the Managing Agent at any given time during the term of the bond, or (y) a sum equal to three (3) months' aggregate assessment on all Units plus reserve funds; and (iii) contain waivers of any defense based upon the exclusion of persons who serve without compensation from any definition of "employee" or similar expression;

(b) Workmen's compensation insurance if and to the extent necessary to meet the requirements of law;

(c) If required by any governmental or quasi governmental agency including without limitation the Federal National Mortgage Association or the Federal Home Loan

Mortgage Corporation, flood insurance in accordance with the then applicable regulations of such agency; and

(d) Such other insurance as the Board of Directors may determine or as may be requested from time to time by a majority of the Unit Owners.

Section E. Separate Insurance. Each Unit Owner shall have the right, at his own expense, to obtain insurance for his own Unit and for his own benefit and to obtain insurance coverage upon his personal property and for his personal liability as well as upon any improvements made by him to his Unit under coverage normally called "tenants improvements and betterments coverage"; provided, however, that no Unit Owner shall be entitled to exercise his right to acquire or maintain such insurance coverage so as to decrease the amount which the Board of Directors, on behalf of all Unit Owners, may realize under any insurance policy maintained by the Board of Directors to be brought into contribution with insurance coverage obtained by a Unit Owner. All such policies shall contain waivers of subrogation. No Unit Owner shall obtain separate insurance policies on the Condominium except as provided in this Section E.

Section F. Insurance Trustee.

(a) All physical damage insurance policies purchased by the Board of Directors shall be for the benefit of the Association, the Unit Owners, their Mortgagees and the Declarant, as their interests may appear, and shall provide that, with respect to any single loss, if the proceeds thereof exceed Twenty-Five Thousand Dollars (\$25,000.00) then all such proceeds shall be paid in trust to such lending institution in the Clarksville, Virginia area with trust powers as may be designated by the Board of Directors (which Trustee is herein referred to as the Insurance Trustee). If such proceeds do not exceed Twenty-Five Thousand Dollars (\$25,000.00) then all such proceeds shall be paid to the Board of Directors to be applied pursuant to the terms of Article 7.

(b) The Board of Directors may enter into an Insurance Trust Agreement with the Insurance Trustee which shall provide that the Insurance Trustee shall not be liable for payment of premiums, the renewal of the policies, the sufficiency of coverage, the form or contents of the policies, the correctness of any amounts received on account of the proceeds of any insurance policies nor for the failure to collect any insurance proceeds. The sole duty of the Insurance Trustee shall be to receive such proceeds as

are paid to it and to hold the same in trust for the purposes elsewhere stated in these Bylaws for the benefit of the insureds and their beneficiaries thereunder.

Section G. Board of Directors as Agent. The Board of Directors is hereby irrevocably appointed the agent for each Unit Owner, each Mortgagee, other named insureds and their beneficiaries and any other holder of a lien or other interest in the Condominium to adjust and settle all claims arising under insurance policies purchased by the Board of Directors and to execute and deliver releases upon the payment of claims.

ARTICLE 7. REPAIR AND RECONSTRUCTION AFTER FIRE OR OTHER CASUALTY.

Section A. When Repair and Reconstruction are Required. Except as otherwise provided in Section D of this Article, in the event of damage to or destruction of the Condominium as a result of fire or other casualty in excess of Twenty-Five Thousand Dollars (\$25,000.00), the Board of Directors with the cooperation of the Insurance Trustee shall arrange for and supervise the prompt repair and restoration of the Condominium (including any damaged Units, but excluding all furniture, furnishings, fixtures, equipment or other personal property supplied or installed

by the Unit Owners or which are parts of the Units).
Notwithstanding the foregoing, each Unit Owner shall have the right to supervise the redecorating of his own Unit.

Section B. Procedure for Reconstruction and Repair.

(a) Cost Estimates. Immediately after a fire or other casualty causing damage in excess of Twenty-Five Thousand Dollars (\$25,000.00), the Board of Directors with the cooperation of the Insurance Trustee shall obtain reliable and detailed estimates of the cost of repairing and restoring the Condominium (including any damaged Units but excluding all furniture, furnishings, fixtures, equipment or other personal property supplied or installed by the Unit Owner or which are part of the Unit) to a condition as good as that existing before such casualty. Such costs may also include professional fees and premiums for such bonds as the Insurance Trustee determines may be necessary.

(b) Assessments. If the proceeds of insurance are not sufficient to defray such estimated costs of reconstruction and repair, or if upon completion of reconstruction and repair the funds for the payment of the costs thereof are insufficient, the amount necessary to complete such reconstruction and repair may be obtained from the appropriate reserve for replacement funds and/or shall

be deemed a Common Expense and a special assessment therefor shall be levied.

(c) Plans and Specifications. Any such reconstruction or repair shall be substantially in accordance with the Declaration and the original plans and specifications of the Condominium.

Section C. Disbursements of Construction Funds.

(a) Construction Fund and Disbursement. The proceeds of insurance collected on account of casualty, and the sums received by the Board of Directors or Insurance Trustee from collections of assessments against Unit Owners on account of such casualty, shall constitute a construction fund which shall be disbursed in payment of the costs of reconstruction and repair in the following manner:

(i) If the estimated cost of reconstruction and repair is less than Twenty-Five Thousand Dollars (\$25,000.00), then the construction fund shall be disbursed in payment of such costs upon order of the Board of Directors.

(ii) If the estimated cost of reconstruction and repair is Twenty-Five Thousand Dollars (\$25,000.00) or more, then the construction fund shall be disbursed in

payment of such costs upon approval of the Insurance Trustee or its representative employed to supervise such work, with payment to be made from time to time as the work progresses. The architect shall be required to furnish a certificate giving a brief description of the services and materials furnished by various contractors, subcontractors, materialmen, the architect and other persons who have rendered services or furnished materials in connection with the work and stating that (aa) the sums requested by them in payment are justly due and owing and that such sums do not exceed the value of the services and material furnished; (bb) there is no other outstanding indebtedness known to such architect for the services and materials described; and (cc) the cost as estimated by such architect for the work remaining to be done subsequent to the date of such certificate does not exceed the amount of the construction fund remaining after payment of the sum so requested.

(b) 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 the payment of all of the costs of the reconstruction and repair for which the fund is established, such balance shall be divided among all Unit Owners in proportion to their Percentage Interests and

shall be distributed in accordance with the priority of interest at law or in equity in each Unit.

(c) Common Elements. When the damage is to both Common Elements and Units, the insurance proceeds shall be applied first to the cost of repairing those portions of the Common Elements which enclose and service the Units, then to the cost of repairing the other Common Elements and thereafter to the cost of repairing the Units.

(d) Certificate. The Insurance Trustee shall be entitled to rely upon a certificate executed by the President and the Secretary, certifying: (i) the name of the payee and the amount to be paid with respect to disbursement from any construction fund or whether surplus funds to be distributed are less than the assessments paid by the Unit Owners; and (ii) all other matters concerning the holding and disbursing of any construction fund. Any such certificate shall be delivered to the Insurance Trustee promptly after request.

Section D. When Construction is Not Required. In the event that two-thirds (2/3) or more of the Condominium is rendered untenable and Unit Owners to which at least eighty percent (80%) of the votes of the Association are allocated shall vote at a special meeting of the Association

(to be held for such purpose within thirty (30) days after such casualty) that the Condominium not be repaired and in the event that the insurance policy covering such damage does not require otherwise, and the agreement of Mortgagees holding first liens on Units to which at least sixty-seven percent (67%) of the votes of the Units subject to such mortgages is obtained then any insurance proceeds received on account of such damage along with the net assets of the Condominium shall be divided by the Board of Directors or the Insurance Trustee, as the case may be, among all Unit Owners in proportion to their respective Percentage Interests, after first paying out of the share of each Unit Owner, to the extent sufficient therefor, the amount of any unpaid liens on that Owner's Unit in the order of priority of such liens.

ARTICLE 8. MORTGAGEES.

Section A. Notice to Board of Directors. A Unit Owner who mortgages his Unit shall notify the Board of Directors of the name and address of his Mortgagee (and any insurer or guarantor of such mortgage) and shall file a conformed copy of the note and mortgage with the Board of Directors. In the event of a sale or transfer of a Unit to a third party, the purchaser or transferee shall notify the Association in writing of his interest in the Unit purchased or received.

Section B. Notice of Default, Casualty or Condemnation.

Upon written request to the Association, identifying the name and address of the holder, insurer or guarantor and the Unit number or address, any first Mortgagee, or insurer or guarantor of such mortgage, will be entitled to timely written notice of:

(a) Any condemnation loss or any casualty loss which affects a material portion of the Condominium or any Unit on which there is a first mortgage held, insured or guaranteed by such Mortgagee or insurer or guarantor, as applicable;

(b) Any delinquency in the payment of assessments or charges owed by the Owner of a Unit subject to a first mortgage held, insured or guaranteed by such first Mortgagee or insurer or guarantor of such mortgage, which remains uncured for a period of sixty (60) days;

(c) Any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association;

(d) Any proposed action which would require the consent of a specified percentage of first Mortgagees of Units as specified in Section E below.

For purposes of this Section only, when notice is to be given to a Mortgagee (or insurer or guarantor of such mortgage), the Board of Directors shall also give notice to the Federal Home Loan Mortgage Corporation, the Veterans Administration, the Federal Home Administration, the Government National Mortgage Association and any other public or private secondary mortgage market entity participating in purchasing or guaranteeing mortgages of Units in the Condominium if the Board of Directors has notice of such participation.

Section C. Notice of Amendment of Declaration or Bylaws. The Board of Directors shall give notice to all Mortgagees seven (7) days prior to the date on which the Unit Owners, in accordance with the provisions of these Bylaws, materially amend any Condominium Instruments.

Section D. Notice of Change in Managing Agent. The Board of Directors shall give notice to all Mortgagees thirty (30) days prior to undertaking self-management or changing the Managing Agent and no such change shall be adopted without the written consent of all Mortgagees.

Section E. Mortgagee's Approvals. Except as provided in the Condominium Act in case of condemnation or substantial loss to the Units and/or Common Elements, unless

Mortgagees holding first liens on Units which have at least sixty-seven percent (67%) of the votes of the Units subject to such mortgages and Unit Owners to which at least sixty-seven percent (67%) of the votes of the Association are allocated (which shall include at least sixty-seven percent (67%) of the votes allocated to Units not owned by the Declarant) shall have given their written approval, neither the Association nor any Unit Owner shall:

(a) By act or omission seek to abandon or terminate the Condominium project.

(b) Change the Percentage Interest or obligations of any individual Condominium Unit for the purpose of:

(i) levying assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards; or

(ii) determining the prorata share of ownership of each Condominium Unit in the Common Elements.

(c) Partition or subdivide any Condominium Unit.

(d) By act or omission seek to abandon, partition, subdivide, encumber, sell or transfer the Common Elements. (The granting of easements for public utilities or for other

public purposes consistent with the intended use of the Common Elements shall not be deemed a transfer within the meaning of this clause.)

(e) Use hazard insurance proceeds for losses to any Condominium Property (whether to Units or to Common Elements) for other than the repair, replacement or reconstruction of such Condominium Property.

(f) Make any material amendment to the Condominium Instruments which would establish, provide for, or govern or regulate any of the following:

- (1) Voting;
- (2) Assessments, assessment liens or subordination of such liens;
- (3) Reserves for maintenance, repair and replacements of the Common Elements;
- (4) Insurance or Fidelity Bonds;
- (5) Rights to use of Common Elements;
- (6) Responsibility for maintenance and repair of the Units' Common Elements and Limited Common Elements.
- (7) Boundaries of any Unit;

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(8) The interest in the Common Elements or Limited Common Elements;

(9) Leasing of Units;

(10) Imposition of any right of first refusal or similar restriction on the right of a Unit Owner to sell, transfer or otherwise convey his or her Unit or the interest in the Common Elements applicable thereto;

(11) Any provisions which are for the express benefit of Mortgagees holding a first lien on Units or insurers or guarantors of such mortgages.

To the extent permitted by applicable secondary market requirements, a Mortgagee who receives a written request to approve additions or amendments to the Condominium Instruments and who does not deliver or post to the requesting party a negative response within thirty (30) days shall be deemed to have approved such request.

Section F. Other Rights of Mortgagees. All Mortgagees or their representatives shall be entitled to attend meetings of the Association and shall have the right to speak at such meetings and upon request shall have the right to receive written notice of all meetings. All such Mortgagees shall have the right to examine the books and

records of the Condominium, to receive copies of the Declaration, Bylaws, Rules and Regulations and the annual report filed by the Declarant pursuant to Va. Code Ann. §55-79.93 and to require the submission free of charge of the annual audited financial statement of the Association for the immediately preceding year. Any financial statement requested pursuant to this section shall be furnished within a reasonable time following such request.

ARTICLE 9. COMPLIANCE AND DEFAULT.

Section A. Relief. Each Unit Owner shall be governed by, and shall comply with, all of the terms of the Declaration, Articles of Incorporation, these Bylaws, any Rules and Regulations and the Condominium Act as any of the same may be amended from time to time. In addition to the remedies provided in Va. Code Ann. §55-79.53, a default by a Unit Owner shall entitle the Association, acting through its Board of Directors or through the Managing Agent, to the relief as set forth in the following paragraphs:

(a) Additional Liability. Each Unit Owner shall be liable for the expense of all maintenance, repair or replacement rendered necessary by his conscious act, neglect or carelessness of any member of his family or his employees, tenants, agents, licensees, guests or invitees,

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 casualty 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 an insurance company of its rights of subrogation.

(b) Charges, Costs and Attorney's Fees. The Board of Directors shall have the power to assess charges against any Unit Owner for any violation of the Condominium Instruments or of the Rules and Regulations of the Association 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 Va. Code §55-79.75. The amount of any charges so assessed shall not exceed Fifty Dollars (\$50.00) for a single offense or Ten Dollars

(\$10.00) per diem for any offense of a continuing nature, and shall be treated as an assessment against such Unit Owner's Condominium Unit for the purposes of Va. Code §55-79.84.

In any court proceedings arising out of any alleged default by a Unit Owner, the prevailing party shall be entitled to recover the costs of such proceeding and such reasonable attorney's fees as may be determined by the court.

(c) No Waiver of Rights. The failure of the Declarant, the Association, the Board of Directors or of the Unit Owner to enforce any right, provisions, covenant or condition which may be granted by the Condominium Instruments or the Condominium Act shall not constitute a waiver of the right of the Declarant, the Association, the Board of Directors or the Unit 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 Unit Owner pursuant to any term, provisions, covenant or condition of the Condominium Instruments or the Condominium Act 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 other privileges as may be granted to such party by the aforesaid documents or Act or at law or in equity.

(d) Interest. In the event of a default by any Unit Owner in paying any sum assessed against his Condominium Unit or for Common Expenses which continues for a period in excess of fifteen (15) days, the principal amount unpaid shall bear interest from the date due until paid at the higher of (i) twelve percent (12%) per annum, or (ii) one percent (1%) over the prime lending rate announced by Dominion National Bank, Richmond, Virginia, adjusted on the first day of each month or (iii) the highest rate permitted by law.

(e) Abating and Enjoining Violations by Unit Owners. The violations of any of the Rules and Regulations adopted by the Board of Directors, the breach of any Bylaws contained herein or the breach of any provision of the Declaration, Articles of Incorporation or the Condominium Act shall give the Board of Directors the right, in addition to any other rights set forth in these Bylaws: (i) 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

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the defaulting Unit 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 (ii) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity the continuance of any such breach.

(f) Legal Proceedings. Failure to comply with any of the terms of the Declaration, the Articles, these Bylaws and the Rules and Regulations shall be grounds for relief, including without limitation, an action to recover any sums due for money damages, injunctive relief, foreclosure of the lien for payment of all assessments, any other relief provided for in these Bylaws or any combination thereof and any other relief afforded by a court of competent jurisdiction, all of which relief may be sought by the Association, the Board of Directors, the Managing Agent or, if appropriate, by any aggrieved Unit Owner and shall not constitute an election of remedies.

Section B. Lien for Assessments.

(a) The total annual assessment of each Unit Owner for Common Expenses or any special assessment made pursuant to these Bylaws is hereby declared to be a lien levied

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against the Unit of such Unit Owner as provided in Va. Code Ann. §55-79.84, which lien shall, with respect to annual assessments, be effective on the first day of each fiscal year of the Condominium and, as to special assessments, on the first day of the next month which begins more than ten (10) days after delivery to the Unit Owner of notice of such special assessment. The Board of Directors or the Managing Agent may file or record such other or further notice of any such lien, or such other or further document, as may be required by the aforesaid section of the Condominium Act or by the laws of the Commonwealth of Virginia to confirm the establishment and priority of such lien.

(b) In any case where an assessment against a Unit Owner is payable in installments, upon a default by such Unit Owner in the timely payment of any two (2) consecutive installments, the maturity of the remaining total of the unpaid installments of such assessments may be accelerated, at the option of the Board of Directors, and the entire balance of the annual assessment may be declared due and payable in full by the service of notice to such effect upon the defaulting Unit Owner and his Mortgagee by the Board of Directors or the Managing Agent.

(c) The lien for assessments may be enforced and foreclosed in the manner provided by the laws of the

Commonwealth of Virginia by action in the name of the Board of Directors or the Managing Agent, acting on behalf of the Association. During the pendency of such suit the Unit 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 laws of the Commonwealth of Virginia.

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

Section C. Supplemental Enforcement of the Lien. In addition to the proceedings at law or in equity for the enforcement of the lien established by the Condominium Instruments or the Condominium Act, all of the Unit Owners may be required by the Declarant or the Board of Directors to execute bonds conditioned upon the faithful performance and payment of the installments of the lien established thereby and may likewise be required to secure the payment of such obligations by a declaration of trust recorded among

the Land records of the County of Mecklenburg, granting unto a trustee or trustees appropriate powers to the end that, upon default in the performance of such bond the aforesaid declaration of trust may be foreclosed by the trustee or trustees acting at the direction of the Board of Directors. In the event any such bonds have been executed and the declaration of trust is recorded, then any subsequent purchaser of a Unit shall take title subject to the declaration of trust and shall assume the obligations provided for therein.

Section D. Subordination and Mortgagee Protection.

Notwithstanding any other provisions hereof to the contrary, the lien of any assessment levied pursuant to these Bylaws upon any Unit (and any penalties, interest on assessments, late charges or the like) shall be subject to, and shall in no way affect the rights of a first Mortgagee on a Unit so long as such mortgage or deed of trust was made in good faith for value received. Such liens shall not be affected by a sale or transfer of the Unit, except as provided in §55-79.84(h) of the Condominium Act, and except that a sale or transfer pursuant to a foreclosure of a first mortgagee or deed of trust shall extinguish a subordinate lien for assessments which became payable prior to such sale or transfer. Any delinquent assessments which are extinguished

pursuant to the foregoing provision may be reallocated and assessed to all Unit Owners as a common expense.

ARTICLE 10. AMENDMENT TO BYLAWS AND CONDOMINIUM TERMINATION.

Section A. Amendments and Termination. Except as otherwise provided in these Bylaws or in the Condominium Act, the Declaration or these Bylaws may not be modified, amended or terminated except as provided in Va. Code Ann. §55-79.72, which requires sixty-seven percent (67%) of the aggregate Percentage Interests to amend and eighty percent (80%) of the aggregate Percentage Interests to terminate. Until the expiration of the maximum time permitted by Va. Code Ann. §55-79.74(a), the following Sections, namely: (a) Section C of Article 2 of these Bylaws, (b) Section K of Article 2 of these Bylaws, (c) Section A of Article 3 of these Bylaws and (d) Section A of this Article 10, may not be amended without the consent in writing of the Declarant, so long as the Declarant shall be the Unit Owner of Units representing twenty-five percent (25%) or more of the aggregate Percentage Interests of the Condominium.

Section B. Method of Amending.

(a) Except as otherwise provided in these Bylaws or in the Condominium Act, the Declaration and these Bylaws

may be amended in the following manner: An amendment or amendments may be proposed by the Board of Directors of the Association acting upon a vote of a majority of the Directors, or by a majority of the Unit Owners whether meeting as members or by instrument in writing signed by them. Upon any amendment or amendments being proposed by the Board of Directors or members, such proposed amendment or amendments shall be transmitted to the President of the Association, or other Officer of the Association in the absence of the President, who shall thereupon call a special meeting of the members of the Association. It shall be the duty of the Secretary to give to each member written or printed notice of the special meeting, stating the time and place thereof, and reciting the proposed amendment or amendments in reasonably detailed form. Any member may by written waiver of notice signed by such member waive such notice, and such waiver when filed in the records of the Association, whether before or after the holding of the meeting, shall be deemed equivalent to the giving of notice to such member. At the meeting the amendment or amendments proposed must be approved by an affirmative vote of sixty-seven percent (67%) of the Owners of the Units in order for such amendment or amendments to become effective. Thereupon such amendment or amendments shall be transcribed

and certified by the President and Secretary of the Association as having been duly adopted. The original or an executed copy of such amendment or amendments, certified and executed by the requisite number of Unit Owners and Mortgagees in accordance with Va. Code Ann. §§5-79.49, shall be recorded in the Clerk's Office, Circuit Court of the County of Mecklenburg, within ten (10) days from the date on which the same were approved by the Unit Owners, such amendment or amendments to specifically refer to the recording date identifying the Declaration or Bylaws which are affected by such amendment or amendments. Thereafter, a copy of the amendment or amendments in the form in which the same were placed of record by the Officers of the Association shall be delivered to all the Owners, but delivery of a copy thereof shall not be a condition precedent to the effectiveness of the amendment or amendments. At any meeting held to consider the amendment or amendments, the written vote of any members of the Association shall be recognized if such member is not in attendance at such meeting or represented thereat by proxy, provided such written vote is delivered to the Secretary of the Association prior to such meeting or at such meeting. Instead of calling the special meeting described above the President may prepare an agreement of the Unit Owners

approving the amendment, and when signed by the requisite number of Unit Owners such agreement shall have the same effect as if such Unit Owners had approved the amendment by voting at such special meeting.

(b) No amendment in the percentage of ownership in Common Elements appurtenant to each Condominium Unit or amendment that would change Unit boundaries or amendment to the basis of sharing Common Expenses and other apportionment of assessments which may be levied by the Association in accordance with the provisions hereof, or amendment to the basis of ownership of any reserve funds, shall be made without the written approval of first Mortgagees and Unit Owners as set forth in Article 8, Section E, of the Bylaws.

(c) No alteration, amendment or modification of the rights and privileges granted and reserved hereunder in favor of a Mortgagee shall be made without prior written consent of such Mortgagee.

(d) No alteration, amendment or modification of the rights and privileges granted and reserved hereunder in favor of the Declarant shall be made without the written consent of the Declarant.

Section C. Termination. BOOK 304 PAGE 704

(a) Except as otherwise provided in these Bylaws or in the Condominium Act, termination of the Condominium may be effected only by an agreement of eighty percent (80%) of the Unit Owners and only after a termination agreement has been executed by such Unit Owners and recorded in the Clerk's Office, Circuit Court of the County of Mecklenburg, in accordance with Va. Code Ann. §55-79.49. In addition to the foregoing, termination shall not be allowed unless each of the holders of all mortgages or deeds of trust that are liens on the Condominium or any of its Units consent in the aforesaid termination agreement that their liens may be transferred to the Unit and its appurtenant interests on which their lien rests once that Unit becomes separated and owned as a tenancy in common by operation of law due to the termination or, in the event of a termination due to casualty, that their liens may be satisfied as set forth in Article 7, Section D.

(b) In the event of termination where there is no casualty as set forth in Article 7, Section D, the Unit Owners shall, as previously stated, own the Condominium as tenants in common in undivided shares with any holders of mortgages or deeds of trust having a lien on such undivided shares. Such undivided share of each Owner shall be in the

entire Condominium in proportion to that Owner's undivided share or Percentage Interest in the Common Elements immediately prior to recording an instrument terminating the Condominium. So long as the tenancy in common lasts, each Unit Owner or his heirs, successors or assigns shall have an exclusive right of occupancy of that portion of the Property which formerly constituted his Unit. All funds held by the Association, including insurance proceeds, if any, shall be held for the Unit Owners in the same proportion as their former Percentage Interests. Any costs incurred by the Association in connection with the termination shall be considered a Common Expense.

(c) Following termination, the Property that was formerly the Condominium may be partitioned and sold upon the application of any Unit Owner. Following a termination if the Board of Directors determines by not less than a majority vote to accept an offer for the sale of the Property, each Unit Owner shall be bound to execute such deeds and other documents reasonably required to effect such sale at such times and in such form as the Board of Directors directs. In such event, any action for partition or other division of the Property shall be held in abeyance pending such sale, and upon the consummation thereof shall be discontinued by all parties thereto.

(d) The members of the Board of Directors acting collectively as agent for all Unit Owners, shall continue to have such powers as are granted in this Article notwithstanding the fact that the Association itself may be dissolved upon termination.

ARTICLE 11. MISCELLANEOUS

Section A. Notices. All notices, demands, statements or other communications under these Bylaws shall be in writing and shall be deemed to have been duly given if delivered personally (pursuant to Va. Code Ann. §55-79.75) or otherwise as the Condominium Act may permit: (a) if to a Unit Owner, at the address which Unit Owner shall designate in writing and file with the Secretary or, if no such address is designated, at the address of the Unit of such Unit Owner; or (b) if to the Association, the Board of Directors or to the Managing Agent, at the principal office of the Managing Agent or at such other address as shall be designated by notice in writing to the Unit Owners pursuant to this Section. If a Unit is owned by more than one person, each person who so designated an address in writing to the Secretary shall be entitled to receive all notices hereunder.

Section B. Captions. The captions used herein are inserted only as a matter of convenience and for reference.

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and in no way define, limit or describe the scope of these
Bylaws or the intent of any provision thereof.

Section C. Gender, Singular/Plural. The use of the
masculine gender in these Bylaws shall be deemed to include
the feminine and neuter genders and the use of the singular
shall be deemed to include the plural, and vice versa,
whenever the context so requires.

THE MOORINGS ASSOCIATION

By: 

EXHIBIT A

TO BYLAWS

THE MOORINGS ASSOCIATION

As a Member of The Moorings Association (the "Association"),

I hereby appoint _____
 (name)

as my proxy, for and in my name, with full power of substitution, and with all powers I would possess if personally present, to attend the meeting of The Moorings Association, to be held in Clarksville, Virginia, on _____, 19____, and I authorize _____
 (name) to cast my vote or votes at

such meeting and at any adjournments thereof:

1. (list of topics, such as "on the election of Directors")
- 2.
- 3.

WITNESS my hand and seal this _____ day of _____, 19____.

 Signature (SEAL)

WITNESS:

 Signature (SEAL)

 Address

THE MOORINGS ASSOCIATION
CERTIFICATE OF RESALE

TO: _____
FROM: The Moorings Association (the "Association")
RE: Condominium Unit No. _____ (and Limited Common
Element parking space(s) _____), The Moorings
at Clarkville, A Condominium, Mecklenburg County,
Virginia.

Pursuant to Section 55-79.97 of the Condominium Act, as amended, we hereby certify that as of the date hereof, except as herein stated:

A. The status of assessments with respect to the Condominium Unit is as follows:

Current assessment due _____	\$ _____
Assessment in arrears _____	\$ _____
TOTAL DUE	\$ _____

B. The Condominium Instruments do not create any rights of first refusal or other restraints on free alienability of any of the Condominium Units.

C. The following, if any, is a list of all capital expenditures anticipated by the Association within the current or succeeding two fiscal years:

[Fill in if applicable.]

D. As of the date of this Certificate, there is an outstanding balance in the reserve for replacement fund (reserve account) of approximately \$ _____. Of that balance, the following amounts, if any, have been

designated by the Board of Directors for the following specific projects:

[Fill in if applicable.]

E. Attached to this Certificate is a copy of the statement of financial condition (Balance Sheet) of the Association for the year ended _____, 19____, the most recent fiscal year for which such statement is available.

F. There are no unsatisfied judgments against the Association nor any pending suits in which the Association is a party except as follows:

[Fill in if applicable.]

G. The Association holds hazard, property damage and liability insurance policies covering the Common Elements and the Units as required by the Bylaws. It is suggested that each Unit Owner obtain insurance covering property damage to betterments and improvements installed in the Unit and personal property contained therein (not covered by the Association policy) as well as insurance covering personal liability. You are urged to consult with your insurance agent.

H. Improvements or alterations, if any, made to the Condominium Unit or the Limited Common Elements assigned thereto are not in violation of the Condominium Instruments except as follows:

[Fill in if applicable.]

I. There is no leasehold estate affecting the Condominium.

The information contained in this Certificate of Resale, issued pursuant to Section 55-79.97 of the Condominium Act, as amended, based on the best knowledge and belief of the Association, is current as of the date hereof.

FORM 304 REV 711

The name and address of the President of the Association
is: _____

The Association may charge a fee for the preparation of
this Certificate of Resale as allowed by law.

Dated this ____ day of _____, 19__.

THE MOORINGS ASSOCIATION

By _____
Officer:

I hereby acknowledge that I received this Certificate of
Resale on the ____ day of _____, 19__.

Unit Owner

I hereby acknowledge that I have received and read the
information contained in this Certificate of Resale on this
____ day of _____, 19__.

Purchaser

Purchaser

ADDITIONAL LAND

PARCEL 1

ALL that certain lot, piece or parcel of land with improvements thereon and appurtenances thereunto belonging, lying and being in the Town of Clarksville, Mecklenburg County, Virginia, shown to contain 0.964 acre and designated as Parcel 2 on a certain plat of survey dated June 8, 1982 and revised August 11, 1982 made by Crutchfield & Associates, and titled "Exhibit B-1, The Moorings At Clarksville, A Condominium", and upon which plat the property is bound and described as follows:

BEGINNING at the point of intersection of the northeasterly right-of-way line of Second Street (unopened and unimproved) with the northwesterly right-of-way line of East Street (unopened and unimproved) and thence extending along said northeasterly right-of-way line of Second Street N. $32^{\circ} 17' 12''$ W. a distance of 90.61 feet to a point; thence along a curve to the right having a radius of 80.01 feet an arc length or distance of 63.44 feet to a point; thence N. $48^{\circ} 57' 39''$ E. a distance of 155.31 feet to a point; thence along a curve to the right having a radius of 50 feet an arch length or distance of 26.60 feet to a point; thence along a curve to the left having a radius of 45.66 feet an arch length of distance of 22.68 feet to a point; thence along a curve to the right having a radius of 20 feet an arch length or distance of 32.97 feet to a point; thence S. $35^{\circ} 44' 45''$ E. a distance of 76.25 feet to a point; thence N. $54^{\circ} 15' 15''$ E. a distance of 41.79 feet to a point; thence S. $35^{\circ} 44' 45''$ E. a distance of 86.56 feet to a point; thence S. $58^{\circ} 52' 40''$ W. a distance of 30.88 feet to a point; thence N. $46^{\circ} 30' 09''$ W. a distance of 17.83 feet to a point; thence S. $72^{\circ} 45' 31''$ W. a distance of 30.36 feet to a point; thence N. $56^{\circ} 02' 57''$ W. a distance of 6.22 feet to a point; thence S. $58^{\circ} 52' 40''$ W. a distance of 262.58 feet to the point and place of beginning.

LESS AND EXCEPT, however, those certain easements for the construction, operation and maintenance of sewer, water, electric power and telephone utility lines reserved in the description of "Submitted Land" of The Moorings at Clarksville, A Condominium.

PARCEL 11

ALL that certain lot, piece or parcel of land with improvements thereon and appurtenances thereunto belonging, lying and being in the Town of Clarksville, Mecklenburg County, Virginia, and shown to contain 2.301 acres and designed as Parcel 3 on a certain plat of survey dated June 8, 1982 and revised August 11, 1982, made by Crutchfield & Associates, and titled "Exhibit B-1, The Moorings At Clarksville, A Condominium", and upon which plat the property is bound and described as follows:

BEGINNING at a point on the northeasterly right-of-way line of Second Street (unopened and unimproved) at a point distant thereon N. 32 degrees 17' 12" W. a distance of 133.42 feet from the point of intersection of the said northeasterly right-of-way line of Second Street with the northwesterly right-of-way line of East Street and thence from said point of beginning extending N. 32° 17' 12" W. a distance of 286.58 feet to a point; thence N. 58° 52' 40" E. a distance of 315.50 feet to a point; thence N. 31° 55' 34" E. a distance of 46.19 feet to a point; thence N. 55 degrees 19' 45" E. a distance of 40.94 feet to a point; thence S. 76° 43' 17" E. a distance of 33.54 feet to a point; thence N. 58° 52' 40" E. a distance of 9.00 feet to a point; thence S. 32° 17' 12" E. a distance of 144.68 feet to a point; thence S. 15° 57' 50" E. a distance of 83.91 feet to a point; thence S. 64° 00' 00" W. a distance of 112.76 feet to a point; thence along a curve to the left having a radius of 45.66 feet an arc length or distance of 115.76 feet to a point; thence along a curve to the right having a radius of 50.00 feet an arc length or distance of 52.53

feet to a point; thence ^{BOOK 304 PAGE 714} S. 48° 37' 39" W. a distance of 120.83 feet to a point; thence along a curve to the left having a radius of 110.01 feet an arc length or distance of 54.01 feet to the point and place of beginning.

VIRGINIA: in the Clerk's Office of Mecklenburg Circuit Court

the 28th day of September 1982 at 4:45 P. M.

The foregoing instrument together with the certificate of acknowledgment therein endorsed was this day admitted to record and all state and local taxes paid thereon.

Testes

N. B. Hutcherson Clerk

FIRST AMENDMENT TO DECLARATION
OF
THE MOORINGS AT CLARKSVILLE, A CONDOMINIUM

THIS AMENDMENT, made this 10th day of April, 1984, by Investors Service Corporation, a Virginia corporation, with its principal office at 5008 Monument Avenue, Richmond, Virginia ("Declarant").

W I T N E S S E T H:

WHEREAS, Newmar Corporation, a Virginia corporation, executed certain Condominium Instruments establishing The Moorings At Clarksville, A Condominium, in Clarksville, Virginia, and caused such documents to be recorded on the 28th day of September, 1982, among the land records of the County of Mecklenburg, Virginia, in Deed Book 304, at Page 582; and

WHEREAS, the Additional Land into which the Condominium could be expanded was encumbered by a deed of trust in favor of Investors Savings and Loan Association; and

WHEREAS, Investors Savings and Loan Association acquired the Additional Land at foreclosure by deed dated September 15, 1983, and recorded October 14, 1983, among the land records of the County of Mecklenburg, Virginia, in Deed Book 311, at Page 499, as corrected and restated in a deed dated January 25, 1984, and recorded in the aforesaid Clerk's Office on February 1, 1984, in Deed Book 314, at Page 70; and

WHEREAS, as a result of such foreclosure Investors Savings and Loan Association became the successor Declarant of the Condominium pursuant to §55-79.74:3 of the Condominium Act; and

WHEREAS, by deed dated January 25, 1984, and recorded February 1, 1984, among the land records of the County of Mecklenburg, Virginia, in Deed Book 314, at Page 77, Investors Savings and Loan Association transferred all its special declarant rights in the project to Investors Service Corporation, which thereupon became the successor Declarant of the Condominium pursuant to §55-79.74:3 of the Condominium Act; and

WHEREAS, pursuant to §55-79.63 of the Condominium Act, Article VI of the Declaration permits the Declarant to unilaterally expand the Condominium from time to time by adding all or any portion of the Additional Land until the seventh anniversary date of the recordation of the Declaration; and

WHEREAS, Declarant is now the owner in fee simple absolute of certain real property described by metes and bounds on Exhibit I hereto and being a portion of the Additional Land described in Exhibit G to the Declaration; and

WHEREAS, Declarant has complied with the provisions of Article V of the Declaration and Section 55-79.63 of the Condominium Act and wishes to amend the Declaration to expand the Condominium by adding Phase II and the improvements erected thereon as hereinafter provided;

NOW, THEREFORE, pursuant to and in compliance with Article V of the Declaration and Section 55-79.63 of the Condominium Act, Declarant hereby amends the Declaration as follows:

1. Phase II, being the land described on Exhibit 1 hereto and a portion of the Additional Land described in Exhibit C to the Declaration, is hereby submitted to the provisions of the Condominium Act, together with all easements, rights and appurtenances thereunto belonging, to become part of the Condominium.

2. Pursuant to Section 55-79.56(b) of the Condominium Act, the Percentage Interests in the Condominium are hereby reallocated to each Unit in accordance with Exhibit 2 attached hereto.

3. Additional plats and plans pursuant to Section 55-79.58 of the Condominium Act are attached hereto as Exhibits B, C-3 and C-4 and are hereby incorporated as part of the Plats and Plans of the Condominium.

EXCEPT as modified by this Amendment, all of the terms and provisions of the Condominium Instruments are hereby expressly ratified and confirmed and shall remain in full force and effect.

IN WITNESS WHEREOF, Declarant has caused this Amendment to be executed by its principal officer as of the date first written above.

INVESTORS SERVICE CORPORATION

By Walter L. Blunt
President

STATE OF VIRGINIA)
) To-wit:
COUNTY OF HENRICO)

The foregoing instrument was acknowledged before me this 10th day of APRIL, 1984, by WALTER L. BLUNT, the President of Investors Service Corporation, be behalf of the Corporation.

My commission expires: 1-12-87

Margaret P. Dupont
Notary Public

EXHIBIT 1
(Phase II)

546

All that certain piece or parcel of land with improvements thereon and appurtenances thereunto belonging, lying and being in the Town of Clarksville, Mecklenburg County, Virginia, designated as Phase II on a certain plat of survey dated June 8, 1982 and last revised September 21, 1983, made by Crutchfield & Associates, and titled "Exhibit B, The Moorings at Clarksville, a Condominium" and upon which plat the property is bound and described as follows:

BEGINNING at a point on the northwesterly right of way line of East Street (unimproved and unopened) distant thereon 204.58 feet in a northeasterly direction from its point of intersection with the northeasterly right of way line of Second Street (unimproved and unopened), and from said point of beginning extending north $37^{\circ} 37' 21''$ west a distance of 150.36 feet to a point; thence north $48^{\circ} 57' 39''$ east a distance of 17.00 feet to a point; thence along a curve to the right having a radius of 50 feet an arc length or distance of 26.60 feet to a point; thence along a curve to the left having a radius of 45.66 feet an arc length or distance of 22.68 feet to a point; thence along the curve to the right having a radius of 20 feet an arc length or distance of 32.97 feet to a point; thence south $35^{\circ} 44' 45''$ east a distance of 76.25 feet to a point; thence north $54^{\circ} 15' 15''$ east a distance of 41.79 feet to a point; thence south $35^{\circ} 44' 45''$ east a distance of 86.56 feet to a point; thence south $58^{\circ} 52' 40''$ west a distance of 30.88 feet to a point; thence north $46^{\circ} 30' 09''$ west a distance of 17.83 feet to a point; thence south $72^{\circ} 45' 31''$ west a distance of 30.36 feet to a point; thence north $56^{\circ} 02' 57''$ west a distance of 6.22 feet to a point; thence south $58^{\circ} 52' 40''$ west a distance of 58.00 feet to the point and place of beginning.

TOGETHER WITH the benefit and the burden of certain easements as shown on a certain plat of survey (the "Plat") dated June 8, 1982, and revised August 11, 1982, recorded with the condominium declaration of The Moorings at Clarksville, a Condominium, recorded in Deed Book 306, Page 582, in the Mecklenburg County Circuit Court Clerk's office, said easements being for construction, operation and maintenance of utility lines as follows: (a) sewer line easement 8 feet in width, the center line of which is indicated by the heavy broken line and the legend "Gravity Sewer Line" on the Plat; (b) water line easement 8 feet in width, the center line of which is indicated by a broken line and the legend "Water Line" on the Plat; (c) an easement for underground electric lines and cables 8 feet in

width, the center line of which is indicated by a broken line labeled with the letter "E" on the Plat, as well as an easement for the electric transformer and replacements thereof as shown on the Plat, and (d) an easement for underground telephone lines and cables 8 feet in width, the center line of which is indicated by an unlabeled broken line on the Plat roughly parallel with the foregoing electric line easement, as well as an easement for a telephone pedestal and related telephone facilities as shown on the Plat.

EXHIBIT 2
REV. 3/19/81 5-47
THE MOORINGS AT CLARKSVILLE, A CONDOMINIUM

ESTIMATED % INTEREST

PHASE I

<u>UNIT NO.</u>	<u>AREA (S.F.)</u>	<u>% INTEREST</u>
30	1,220	5.868
31	1,252	6.022
32	1,353	6.508
33	1,353	6.508
34	1,497	7.200
35	1,353	6.508
36	1,353	6.508
37	1,353	6.508
38	1,220	5.868
39	1,252 (13,206)	6.022

PHASE II

<u>UNIT NO.</u>	<u>AREA (S.F.)</u>	<u>% INTEREST</u>
20	1,249	6.008
21	1,275	6.133
22	1,268	6.099
23	1,268	6.099
24	1,249	6.008
25	1,275 (7,584)	6.133
	<u>20,790 (20,790)</u>	<u>100.000</u>

EXHIBIT 2
 NOV 23 1988 548

THE MOORINGS AT CLARVILLE, A CONDOMINIUM

ESTIMATED % INTEREST

PHASE I

<u>UNIT NO.</u>	<u>AREA (S.F.)</u>	<u>% INTEREST</u>
30	1,220	5.868
31	1,252	6.022
32	1,353	6.508
33	1,353	6.508
34	1,497	7.200
35	1,353	6.508
36	1,353	6.508
37	1,353	6.508
38	1,220	5.868
39	1,252 (13,206)	6.022

PHASE II

<u>UNIT NO.</u>	<u>AREA (S.F.)</u>	<u>% INTEREST</u>
26	1,249	6.008
21	1,275	6.133
22	1,268	6.099
23	1,268	6.099
24	1,249	6.008
25	1,275 (7,584)	6.133
	<u>20,790 (20,790)</u>	<u>100.000</u>

BOOK 316 PAGE 550



FIRST FLOOR PLAN
 SEE SHEET 509 AND 510 FOR OTHER SHEETS

Dimensions of 1st Floor shown above
 \$1000.00 PER SQ. FT.

NOTES:
 1. THIS PLAN IS THE PROPERTY OF THE ARCHITECT & ENGINEER.
 2. IT IS TO BE USED ONLY FOR THE PROJECT AND SITE SPECIFICALLY IDENTIFIED HEREON.
 3. NO PART OF THIS PLAN IS TO BE REPRODUCED OR TRANSMITTED IN ANY FORM OR BY ANY MEANS, ELECTRONIC OR MECHANICAL, INCLUDING PHOTOCOPYING, RECORDING, OR BY ANY INFORMATION STORAGE AND RETRIEVAL SYSTEM, WITHOUT THE WRITTEN PERMISSION OF THE ARCHITECT & ENGINEER.
 4. THE ARCHITECT & ENGINEER ASSUMES NO LIABILITY FOR THE ACCURACY OF THE INFORMATION PROVIDED BY OTHERS.
 5. THE ARCHITECT & ENGINEER ASSUMES NO LIABILITY FOR THE ACCURACY OF THE INFORMATION PROVIDED BY OTHERS.
 6. THE ARCHITECT & ENGINEER ASSUMES NO LIABILITY FOR THE ACCURACY OF THE INFORMATION PROVIDED BY OTHERS.
 7. THE ARCHITECT & ENGINEER ASSUMES NO LIABILITY FOR THE ACCURACY OF THE INFORMATION PROVIDED BY OTHERS.
 8. THE ARCHITECT & ENGINEER ASSUMES NO LIABILITY FOR THE ACCURACY OF THE INFORMATION PROVIDED BY OTHERS.
 9. THE ARCHITECT & ENGINEER ASSUMES NO LIABILITY FOR THE ACCURACY OF THE INFORMATION PROVIDED BY OTHERS.
 10. THE ARCHITECT & ENGINEER ASSUMES NO LIABILITY FOR THE ACCURACY OF THE INFORMATION PROVIDED BY OTHERS.

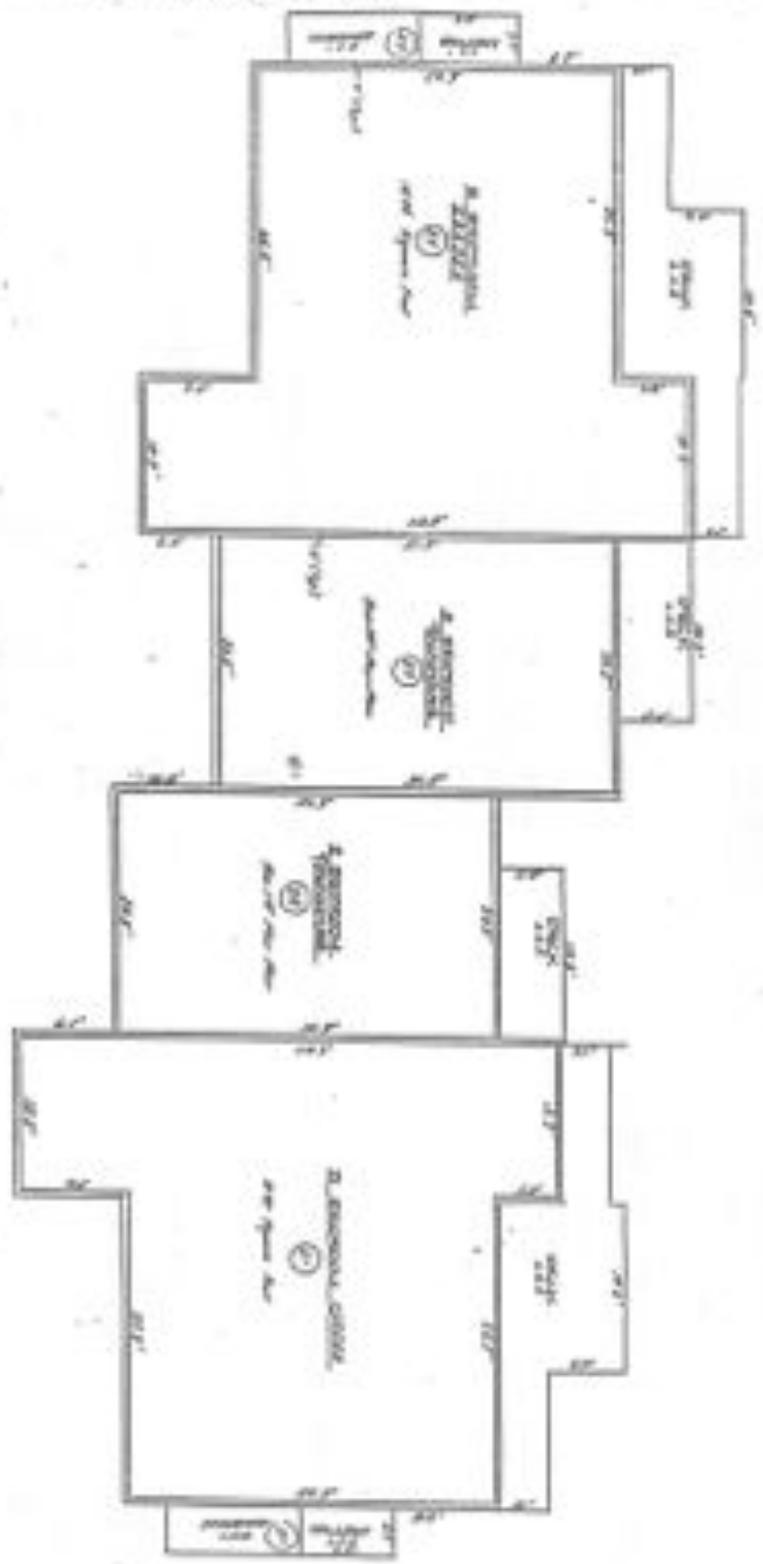
THOMAS E. BERRY, AIA

THE MORNINGSIDE AT CLARKSVILLE
A CONDOMINIUM PHASE II

Located at the Point of Clarksville, Virginia

Architect: *Thomas E. Berry, AIA*
 DATE: JUL 2, 1988

ALL RIGHTS ARE RESERVED. THOMAS, BERRY ARCHITECTS, P.C.



SECOND FLOOR PLAN
 UNIT NO'S (1) (2) (3) (4)

THIS FLOOR PLAN IS A SUMMARY OF THE INFORMATION CONTAINED IN THE ARCHITECTURAL RECORDS OF THE PROJECT AND IS NOT TO BE USED AS A BASIS FOR CONSTRUCTION. THE ARCHITECT ASSUMES NO LIABILITY FOR THE ACCURACY OF THIS PLAN.

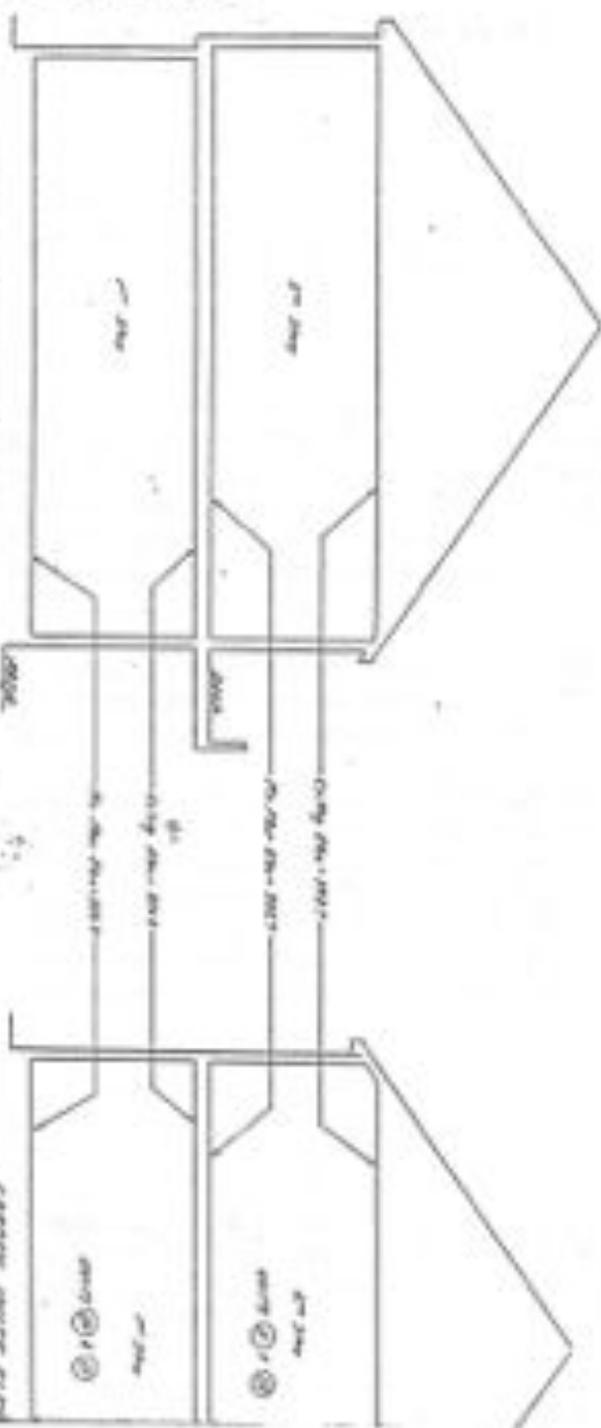
Architect's Office

Scale: 1/8" = 1'-0"

OWNER: *SA. JERRY'S, INC.*
 THE MOORHILLS AT CLARKSVILLE, TN
 A CONDOMINIUM - PHASE II
 ARCHITECT: *THE STONE ARCHITECTURE, INC.*
 1000 N. 10TH STREET, SUITE 100
 CLARKSVILLE, TN 37040
 DATE: 03/15/00

PL. 01.01.01 - SECOND FLOOR PLAN - UNIT NO'S (1) (2) (3) (4)

318 552



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ELEVATORS
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THE MOORINGS AT ...
A CONDOMINIUM ...
 ...

EXHIBIT II
SECOND AMENDMENT TO DECLARATION
OF
THE MOORINGS AT CLARKSVILLE, A CONDOMINIUM

THIS AGREEMENT, made this _____ day of _____, 1984, by Investors Service Corporation, a Virginia corporation, with its principal office at 5008 Monument Avenue, Richmond, Virginia ("Declarant").

WITNESSETH:

WHEREAS, Newmar Corporation, a Virginia corporation, executed certain Condominium Instruments establishing The Moorings At Clarksville, A Condominium, in Clarksville, Virginia, and caused such documents to be recorded on the 28th day of September, 1982, among the land records of the County of Mecklenburg, Virginia, in Deed Book 304, at Page 582; and

WHEREAS, the Additional Land into which the Condominium could be expanded was encumbered by a deed of trust in favor of Investors Savings and Loan Association; and

WHEREAS, Investors Savings and Loan Association acquired the Additional Land at foreclosure by deed dated September 15, 1983, and recorded October 14, 1983, among the land records of the County of Mecklenburg, Virginia, in Deed Book 311, at page 499, as corrected and restated in a deed dated January 25, 1984, and recorded in the aforesaid Clerk's Office on February 1, 1984, in Deed Book 314, at Page 70; and

WHEREAS, as a result of such foreclosure Investors Savings and Loan Association became the successor Declarant of the Condominium pursuant to §55-79.74:3 of the Condominium Act; and

WHEREAS, by deed dated January 25, 1984, and recorded February 1, 1984, among the land records of the County of Mecklenburg, Virginia, in Deed Book 314, at Page 77, Investors Savings and Loan Association transferred all its special declarant rights in the project to Investors Service Corporation, which thereupon became the successor Declarant of the Condominium pursuant to §55-79.74:3 of the Condominium Act; and

WHEREAS, the Declarant executed certain Condominium Instruments establishing Phase II of The Moorings At Clarksville, A Condominium in the County of Mecklenburg, Virginia, and caused such documents to be recorded on the 10th day of May, 1984, among the land records of the County of Mecklenburg, Virginia, in Deed Book 316, Page 544; and

WHEREAS, pursuant to §55-79.63 of the Condominium Act, Article VI of the Declaration permits the Declarant to unilaterally expand the Condominium from time to time by adding all or any portion of the Additional Land until the seventh anniversary of the recordation of the Declaration; and

WHEREAS, Declarant is now the owner in fee simple absolute of certain real property described by metes and bounds as Phase III on Exhibit 1 hereto and being a portion of the Additional Land described in Exhibit G to the Declaration; and

WHEREAS, Declarant has complied with the provisions of Article V of the Declaration and Section 55-79.63 of the Condominium Act and wishes to amend the Declaration to expand the Condominium by adding Phase II and the improvements erected thereon as hereinafter provided;

NOW, THEREFORE, pursuant to and in compliance with Article V of the Declaration and Section 55-79.63 of the Condominium Act, Declarant hereby amends the Declaration as follows:

1. Phase III, being the land described on Exhibit 1 hereto and a portion of the Additional Land described in Exhibit G to the Declaration, is hereby submitted to the provisions of the Condominium Act, together with all easements, rights and appurtenances thereunto belonging, to become part of the Condominium.
2. Pursuant to Section 55-79.56(b) of the Condominium Act, the Percentage Interests in the Condominium are hereby reallocated to each Unit in accordance with Exhibit 2 attached hereto.
3. Additional plats and plans, and certificates pursuant to Section 55-79.59 of the Condominium Act of plans previously recorded, are attached hereto as Exhibits B, C-5 and C-6 and are hereby incorporated as part of the Plats and Plans of the Condominium.

EXCEPT as modified by this Amendment, all of the terms and provisions of the Condominium Instruments are hereby expressly ratified and confirmed and shall remain in full force and effect.

IN WITNESS WHEREOF, Declarant has caused this Amendment to be executed by its principal officer as of the date first written above.

INVESTORS SERVICE CORPORATION

By _____ (SEAL)
President

STATE OF VIRGINIA)

OF)

To-wit:

The foregoing instrument was acknowledged before me this
day of _____, 19____, by _____
the President of Investors Service Corporation, on behalf of the
Corporation.

My commission expires: _____

Notary Public

EXHIBIT 1

First Parcel

ALL that certain piece or parcel of land, with improvements thereon and appurtenances thereunto belonging, lying and being at the point of intersection of the north right of way line of East Street with the east right of way line of Second Street in the town of Clarksville, Mecklenburg County, Virginia, designated as "Phase III" on a certain plat of survey entitled "Exhibit B, The Moorings at Clarksville, a Condominium", made by Crutchfield & Associates, last revised May 10, 1984, and upon which plat the property is bound and described as follows:

BEGINNING at the point of intersection of the north line of East Street with the east line of Second Street and extending N 32° 17' 12" west along the eastern right of way line of Second Street a distance of 90.61 feet to a point; thence along a curve to the right having a radius of 80.01 feet, an arc length or distance of 65.44 feet to a point; thence N 48° 57' 39" east a distance of 138.31 feet to a point; thence S 37° 37' 21" east a distance of 150.36 feet to a point on the northern right of way line of East Street; thence S 58° 52' 40" west along the north line of East Street a distance of 204.58 feet to the point and place of beginning.

Second Parcel

ALL that certain piece or parcel of land, with improvements thereon and appurtenances thereunto belonging, lying and being in the town of Clarksville, Mecklenburg County, Virginia, and shown to contain 0.41 acre on a certain plat of survey entitled "Exhibit B, The Moorings at Clarksville, a Condominium", made by Crutchfield & Associates, last revised May 10, 1984, and upon which plat the property is bound and described as follows:

FROM the point of intersection of the north line of East Street with the east line of Second Street proceed N 32° 17' 12" west along the east line of Second Street a distance of 133.42 feet, and then proceed along a curve to the right having a radius of 110.01 feet for an arc length of 54.01 feet, and then proceed N 48° 57' 39" east a distance of 35.99 feet to the point and place of BEGINNING. From the point and place of beginning thus located, proceed N 54° 27' 44" west a distance of 165.39 feet to a point; thence N 35° 32' 16" east a distance of 153.74 feet to a point; thence S 54° 27' 44" east a distance of 69.31 feet; thence S 35° 32' 16" west a distance of 83.00 feet to a point; thence S 54° 27' 44" east a distance of 112.83 feet to a point; thence S 48° 57' 39" west a distance of 71.97 feet to the point and place of beginning.

Third Parcel

A certain non-exclusive easement of ingress and egress appurtenant to Phase I, Phase II, and Phase III of The Moorings at Clarksville, a condominium. The purpose of the easement is for pedestrian ingress and egress to and from the northernmost corner of the parcel described as "Second Parcel" above, and the area of the easement is shown to contain 0.02 acre on a certain plat of survey entitled "Exhibit B, The Moorings at Clarksville, a Condominium", made by Crutchfield & Associates, last revised May 10, 1984, upon which plat the easement area is identified by the legend "Access Easement to Boat Dock", and upon which plat the area of the easement is bound and described as follows:

BEGINNING at the northernmost corner of the property described as "Second Parcel" above extending N 52° 17' 21" east a distance of 65.61 feet to a point; thence N 31° 25' 12" east a distance of 83.07 feet to a point; thence N 58° 52' 40" east a distance of 10.84 feet to a point; thence S 31° 25' 12" west a distance of 93.61 feet to a point; thence S 52° 17' 21" west a distance of 65.80 feet to a point; thence N 46° 05' 02" west a distance of 5.05 feet to the point and place of beginning.

EXHIBIT 2

THE MOORINGS AT CLARKSVILLE, A CONDOMINIUM

ESTIMATED % INTERESTPHASE I

<u>UNIT NO.</u>	<u>AREA (S.F.)</u>	<u>% INTEREST</u>
30	1,220	3.540
31	1,252	3.633
32	1,353	3.926
33	1,353	3.926
34	1,497	4.383
35	1,383	3.926
36	1,353	3.926
37	1,353	3.926
38	1,220	3.540
39	1,252 (13,206)	3.633

PHASE II

<u>UNIT NO.</u>	<u>AREA (S.F.)</u>	<u>% INTEREST</u>
20	1,249	3.624
21	1,275	3.699
22	1,268	3.679
23	1,268	3.679
24	1,249	3.624
25	1,275 (7,584)	3.699
	(20,790)	

THE MOORINGS AT CLARKSVILLE, A CONDOMINIUM

ESTIMATED % INTERESTPHASE III

<u>UNIT NO.</u>	<u>AREA (S. F.)</u>	<u>% INTEREST</u>
	PHASES I & II (20,790)	
8	1,186	3.441
9	1,311	3.804
10	936	2.716
11	1,123	3.258
12	936	2.716
13	1,311	3.804
14	1,311	3.804
15	936	2.716
16	1,123	3.258
17	936	2.716
18	1,311	3.804
19	1,256 (13,676)	3.644
	34,466 (34,466)	100%

828 - KENNEDY CHANGE OFFICES
 4000 ALL NORTH BLDG - LIMITED
 BOSTON, MASSACHUSETTS



1st Floor Office

2nd Floor Office

This is a copy of the original plan as shown on the
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1st Floor Office
 2nd Floor Office



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EXHIBIT II

THIRD AMENDMENT TO DECLARATION
OF
THE MOORINGS AT CLARKSVILLE, A CONDOMINIUM

THIS AMENDMENT, made this _____ day of _____, 1985, by Investors Service Corporation, a Virginia corporation, with its principal office at 5008 Monument Avenue, Richmond, Virginia ("Declarant").

W I T N E S S E T H:

WHEREAS, Newmar Corporation, a Virginia corporation, executed certain Condominium Instruments establishing The Moorings At Clarksville, A Condominium, in Clarksville, Virginia, and caused such documents to be recorded on the 28th day of September, 1982, among the land records of the County of Mecklenburg, Virginia, in Deed Book 304, at Page 582; and

WHEREAS, the Additional Land into which the Condominium could be expanded was encumbered by a deed of trust in favor of Investors Savings and Loan Association; and

WHEREAS, Investors Savings and Loan Association acquired the Additional Land at foreclosure by deed dated September 15, 1983, and recorded October 14, 1983, among the land records of the County of Mecklenburg, Virginia, in Deed Book 311, at Page 499, as corrected and restated in a deed dated January 25, 1984, and recorded in the aforesaid Clerk's Office on February 1, 1984, in Deed Book 314, at Page 70; and

WHEREAS, as a result of such foreclosure Investors Savings and Loan Association became the successor Declarant of the Condominium pursuant to §55-79.74:3 of the Condominium Act; and

WHEREAS, by deed dated January 25, 1984, and recorded February 1, 1984, among the land records of the County of Mecklenburg, Virginia, in Deed Book 314, at Page 77, Investors Savings and Loan Association transferred all its special declarant rights in the project to Investors Service Corporation, which thereupon became the successor Declarant of the Condominium pursuant to §55-79.74:3 of the Condominium Act; and

WHEREAS, the Declarant executed certain Condominium Instruments establishing Phase II of The Moorings At Clarksville,

A Condominium, in the County of Mecklenburg, Virginia, and caused such documents to be recorded on the 10th day of May, 1984, among the land records of the County of Mecklenburg, Virginia, in Deed Book 316, at Page 544; and

WHEREAS, the Declarant executed certain Condominium Instruments establishing Phase III of The Moorings At Clarksville, A Condominium, in the County of Mecklenburg, Virginia, and caused such documents to be recorded on the ____ day of _____, 1985, among the land records of the County of Mecklenburg, Virginia, in Deed Book _____, at Page _____; and

WHEREAS, pursuant to §§5-79.63 of the Condominium Act, Article VI of the Declaration permits the Declarant to unilaterally expand the Condominium from time to time by adding all or any portion of the Additional Land until the seventh anniversary of the recordation of the Declaration; and

WHEREAS, Declarant is now the owner in fee simple absolute of certain real property described by metes and bounds as Phase IV on Exhibit 1 attached hereto and being a portion of the Additional Land described in Exhibit G to the Declaration; and

WHEREAS, Declarant has complied with the provisions of Article V of the Declaration and §§5-79.63 of the Condominium Act and wishes to amend the Declaration to expand the Condominium by adding Phase IV and the improvements erected thereon as hereinafter provided:

NOW, THEREFORE, pursuant to and in compliance with Article V of the Declaration and §§5-79.63 of the Condominium Act, Declarant hereby amends the Declaration as follows:

1. Phase IV, being the land described on Exhibit 1 hereto and a portion of the Additional Land described in Exhibit G to the Declaration, is hereby submitted to the provisions of the Condominium Act, together with all easements, rights and appurtenances thereunto belonging, to become part of the Condominium.
2. Pursuant to §§5-79.56(b) of the Condominium Act, the Percentage Interests in the Condominium are hereby reallocated to each Unit in accordance with Exhibit 2 attached hereto.
3. Additional plats and plans are attached hereto as Exhibits B, C-7 and C-8 and are hereby incorporated as part of the Plats and Plans of the Condominium.

EXCEPT as modified by this Amendment, all of the terms and provisions of the Condominium Instruments are hereby expressly ratified and confirmed and shall remain in full force and effect.

IN WITNESS WHEREOF, Declarant has caused this Amendment to be executed by its principal officer as of the date first written above.

INVESTORS SERVICE CORPORATION

By: _____
President

STATE OF VIRGINIA)
) To-wit:
 OF)

The foregoing instrument was acknowledged before me this _____ day of _____, 1985, by _____, the President of Investors Service Corporation, on behalf of the Corporation.

My commission expires: _____

Notary Public

EXHIBIT 1

SUBMITTED LAND
PHASE IV

ALL that certain piece or parcel of land, with improvements thereon and appertences thereto belonging, lying and being in the town of Clarksville, Mecklenburg, County, Virginia, shown to contain 0.399 acres, and designated as Parcel IV on a certain plat of survey dated June 8, 1982, last revised April 10, 1985, made by Crutchfield and Associates, entitled "Exhibit B, The Moorings At Clarksville, A Condominium", and upon which plat the property is shown to be bound and described as follows:

Locate a point on the northeasterly right-of-way line of Second Street (unopened and unimproved) at a point distant thereon $N32^{\circ}17'12''W$ a distance of 133.42 feet from the point of intersection of the said northeasterly right-of-way line of Second Street with the northwesterly right-of-way line of East Street, and from said point thus located proceed in an easterly direction along a curve to the right having a radius of 110.01 feet an arc length or distance of 54.01 feet to a point, then proceed $N48^{\circ}57'39''E$ a distance of 120.84 feet to a point, then proceed along a curve to the left having a radius of 50 feet an arc length or distance of 52.53 feet to a point, then proceed along a curve to the right having a radius of 45.66 feet an arc length or distance of 77.66 feet to the point and place of BEGINNING. From the point of beginning thus located extend $N10^{\circ}11'59''W$ a distance of 98.92 feet to a point; thence $N80^{\circ}18'40''E$ a distance of 41.59 feet to a point; thence $N09^{\circ}27'44''E$ a distance of 48.66 feet to a point; thence $N77^{\circ}33'11''E$ a distance of 53.41 feet to a point; thence $S32^{\circ}17'12''E$ a distance of 55.00 feet to a point; thence $S15^{\circ}57'50''E$ a distance of 83.91 feet to a point; thence $S64^{\circ}00'00''W$ a distance of 112.76 feet to a point; thence in a westerly direction along a curve to the left having a radius of 45.66 feet an arc length or distance of 38.10 feet to the point and place of beginning.

EXHIBIT 2

THE MOORINGS AT CLARKSVILLE, A CONDOMINIUM

LIST OF UNITS, AREAS, ESTIMATED PERCENTAGE INTERESTS
AND ASSIGNED PARKING SPACES

<u>UNIT NO.</u>	<u>AREA (S.F.)</u>	<u>PERCENTAGE INTEREST</u>	<u>ASSIGNED PARKING SPACE</u>
<u>PHASE I</u>			
30	1,220	2.794	30
31	1,252	2.867	31
32	1,353	3.099	32
33	1,353	3.099	33
34	1,497	3.420	34
35	1,353	3.099	35
36	1,353	3.099	36
37	1,353	3.099	37
38	1,220	2.794	38
39	1,252	2.867	39
<u>PHASE II</u>			
20	1,249	2.860	20
21	1,275	2.920	21
22	1,268	2.904	22
23	1,268	2.904	23
24	1,249	2.860	24
25	1,275	2.920	25
<u>PHASE III</u>			
8	1,186	2.716	8
9	1,311	3.002	9
10	936	2.144	10
11	1,123	2.572	11
12	936	2.144	12
13	1,311	3.002	13
14	1,311	3.002	14
15	936	2.144	15
16	1,123	2.572	16
17	936	2.144	17
18	1,311	3.002	18
19	1,256	2.876	19

<u>UNIT NO.</u>	<u>AREA (S.F.)</u>	<u>PERCENTAGE INTEREST</u>	<u>ASSIGNED PARKING SPACE</u>
<u>PHASE IV</u>			
40	1,290	2.954	40
41	1,315	3.011	41
42	1,334	3.055	42
43	1,334	3.055	43
44	1,322	3.028	44
45	1,290	2.954	45
46	1,315	3.011	46
	<hr/>	<hr/>	
	43,666	100%	

DATE: FEB 10, 1985
FILE NO: 001-82

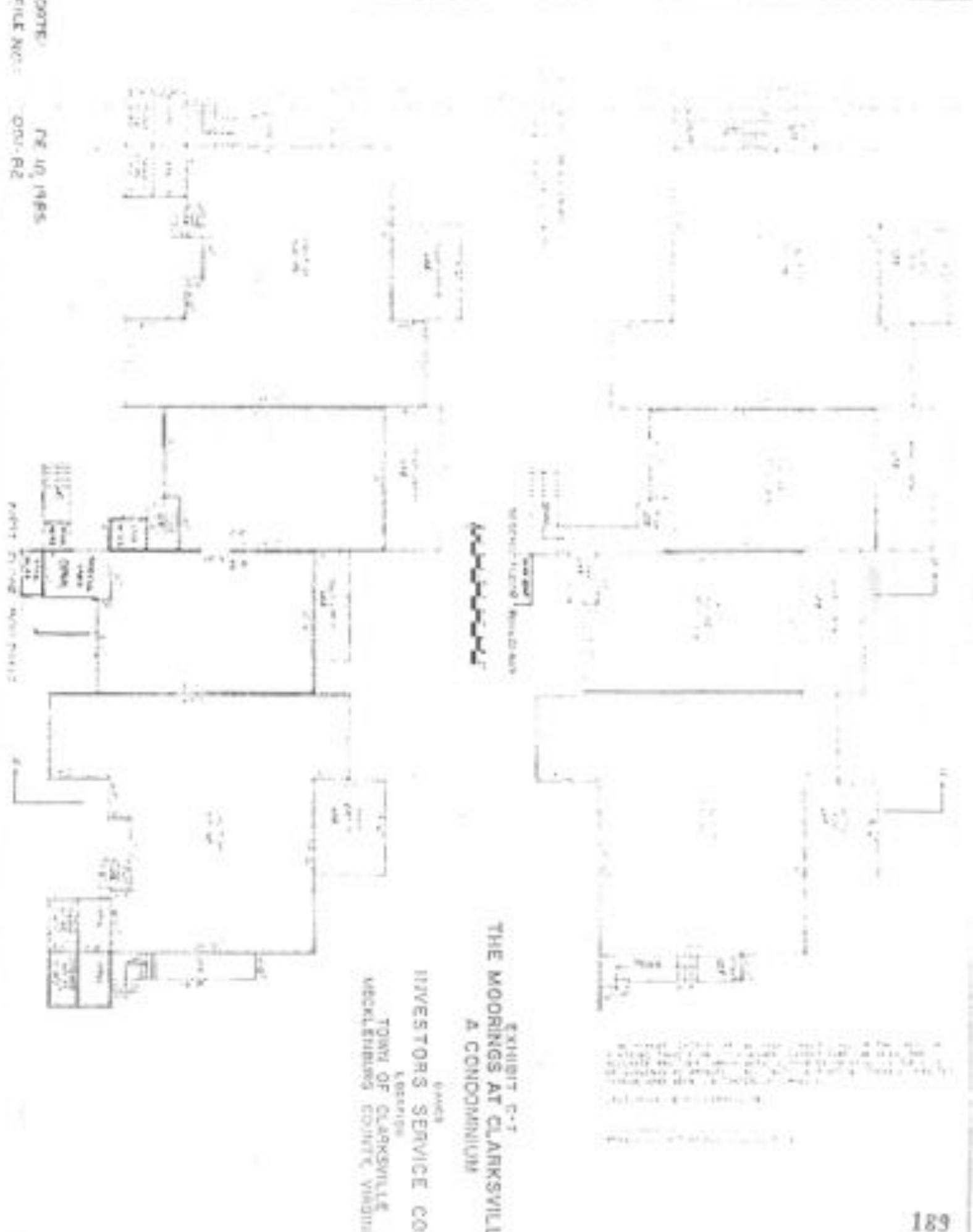


EXHIBIT C-1
THE MOORINGS AT CLARKSVILLE
A CONDOMINIUM

INVESTORS SERVICE CORP
TOWN OF CLARKSVILLE
MECKLENBURG COUNTY, VIRGINIA

EXHIBIT C-11
 THE MOORINGS AT CLARKSVILLE,
 A CONDOMINIUM

NAME
 RIVERSIDE SERVICE CORP
 LOCATION
 TOWN OF CLARKSVILLE,
 WESCH, TOWNSHIP, CLARK COUNTY, MISSISSIPPI

DATE:
 FILE NO.:

APR 10, 1985
 CSR-82

THIRD FLOOR BUILDING



SECTION A-B
 REFLECTED VIEW



SECTION C-D
 REFLECTED VIEW



NOT TO SCALE
 DRAWN BY: [illegible]
 CHECKED BY: [illegible]
 DATE: APR 10, 1985
 PROJECT: THE MOORINGS AT CLARKSVILLE, A CONDOMINIUM

EXHIBIT III
PUBLIC OFFERING STATEMENT

Estimated common expenses for first year of operation are as set forth in the Consolidated Fiscal Year Budget (Exhibit IV).

EXHIBIT IV

THE MOORINGS AT CLARKSVILLE, A CONDOMINIUM

Consolidated Fiscal Year Budget

Phases I, II, III & IV

INCOME

Assessment Income	\$28,976.00
Developer Contribution	7,365.00
	<u>\$36,341.00</u>

EXPENSES AND RESERVES

Expenses:

Administration

Insurance	\$ 3,500.00
Accounting-Legal	1,500.00
Administrative Supplies	500.00

Operating

Grounds Maintenance	6,300.00
Pool, Tennis Court Maintenance	1,701.00
Minor Exterior Building Repairs	2,100.00
Pool Supplies	1,500.00
Supplies-General	1,000.00
Utilities-Electric	2,000.00
Water/Sewer	7,525.00
Pest Control	750.00
Boat Dock Lease	600.00

Total Expenses	\$28,976.00
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Replacement Reserves:

Pool Painting (\$500 - 5 yrs.)	\$ 100.00
Tennis Court Resurfacing (\$1,500 - 5 yrs.)	300.00
Street Repairs & Paving (\$15,000 - 8 yrs.)	1,875.00
Exterior Staining (\$10,950 - 5 yrs.)	2,190.00
Roofs (\$80,000 - 25 yrs.)	2,000.00
Wood Steps, Decks, etc. (\$2500 - 15 yrs.)	500.00
Pool Equipment (\$6,000 - 15 yrs.)	400.00

Total Replacement Reserves	\$ 7,365.00
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Total Expenses and Reserves	\$36,341.00
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EXHIBIT IV --contd.

THE MOORINGS AT CLARKSVILLE, A CONDOMINIUM

Consolidated Fiscal Year Budget Per Unit

Phases I, II, III & IV

<u>Unit No.</u>	<u>Assessments</u>		<u>Unit No.</u>	<u>Assessments</u>	
	<u>Annual</u>	<u>Monthly</u>		<u>Annual</u>	<u>Monthly</u>
<u>PHASE I</u>			<u>PHASE III</u>		
30	\$827.89	\$ 68.99	8	\$827.89	\$ 68.99
31	\$827.89	\$ 68.99	9	\$827.89	\$ 68.99
32	\$827.89	\$ 68.99	10	\$827.89	\$ 68.99
33	\$827.89	\$ 68.99	11	\$827.89	\$ 68.99
34	\$827.89	\$ 68.99	12	\$827.89	\$ 68.99
35	\$827.89	\$ 68.99	13	\$827.89	\$ 68.99
36	\$827.89	\$ 68.99	14	\$827.89	\$ 68.99
37	\$827.89	\$ 68.99	15	\$827.89	\$ 68.99
38	\$827.89	\$ 68.99	16	\$827.89	\$ 68.99
39	\$827.89	\$ 68.99	17	\$827.89	\$ 68.99
			18	\$827.89	\$ 68.99
			19	\$827.89	\$ 68.99
<u>PHASE II</u>			<u>PHASE IV</u>		
20	\$827.89	\$ 68.99	40	\$827.89	\$ 68.99
21	\$827.89	\$ 68.99	41	\$827.89	\$ 68.99
22	\$827.89	\$ 68.99	42	\$827.89	\$ 68.99
23	\$827.89	\$ 68.99	43	\$827.89	\$ 68.99
24	\$827.89	\$ 68.99	44	\$827.89	\$ 68.99
25	\$827.89	\$ 68.99	45	\$827.89	\$ 68.99
			46	\$827.89	\$ 68.99

EXHIBIT V

TABLE OF RESERVES

<u>ITEM</u>	<u>ESTIMATED USEFUL LIFE</u>	<u>ESTIMATED REPLACEMENT COST IN CURRENT DOLLARS</u>	<u>ANNUAL RESERVE</u>
Pool Painting	5 yrs.	\$ 500.00	\$ 100.00
Tennis Court Resurfacing	5 yrs.	1,500.00	300.00
Street Repairs & Paving	8 yrs.	15,000.00	1,875.00
Exterior Staining	5 yrs.	10,950.00	2,190.00
Roofs	25 yrs.	50,000.00	2,000.00
Wood Steps, Decks, etc.	15 yrs.	7,500.00	500.00
Pool Equipment	15 yrs.	6,000.00	400.00
			<u>\$7,365.00</u>

EXHIBIT VI
MULTI-YEAR FEASIBILITY BUDGET

The Multi-Year Feasibility Budget is obtained by applying an inflation factor of 101 per annum to the expenses set forth in the Consolidated Fiscal Year Budget (Exhibit IV).

EXHIBIT II

FOURTH AMENDMENT TO DECLARATION
OF
THE MOORINGS AT CLARKSVILLE, A CONDOMINIUM

THIS FOURTH AMENDMENT TO DECLARATION, made this _____ day of _____, 1987, by Investors Service Corporation, a Virginia corporation, with its principal office at 9201 Forest Hill Avenue, Richmond, Virginia ("Declarant").

WITNESSETH:

WHEREAS, Newmar Corporation, a Virginia corporation, executed certain Condominium Instruments establishing The Moorings At Clarksville, A Condominium (the "Condominium"), in Clarksville, Virginia, and caused such documents to be recorded on the 28th day of September, 1982, in the Clerk's Office of the Circuit Court of the County of Mecklenburg, Virginia (the "Clerk's Office"), in Deed Book 304, at page 582; and

WHEREAS, the Additional Land into which the Condominium could be expanded was encumbered by a deed of trust in favor of Investors Savings and Loan Association; and

WHEREAS, Investors Savings and Loan Association acquired the Additional Land at foreclosure by deed dated September 15, 1983, and recorded October 14, 1983, in the Clerk's Office, in Deed Book 311, at page 499, as corrected and restated in a deed dated January 25, 1984, and recorded in the Clerk's Office on February 1, 1984, in Deed Book 314, at page 70; and

WHEREAS, as a result of such foreclosure Investors Savings and Loan Association became the successor Declarant of the Condominium pursuant to §55-79.74:3 of the Condominium Act; and

WHEREAS, by deed dated January 25, 1984, and recorded February 1, 1984, in the Clerk's Office, in Deed Book 314, at page 77, Investors Savings and Loan Association transferred all its special declarant rights in the project to Investors Service Corporation, which thereupon became the successor Declarant of the Condominium pursuant to §55-79.74:3 of the Condominium Act; and

WHEREAS, by First Amendment to Declaration dated April 10, 1984, recorded May 10, 1984 in the Clerk's Office in Deed Book 316, page 544, the Declarant expanded the Condominium by adding Phase II; and

WHEREAS, by Second Amendment to Declaration dated May 20, 1985 and recorded June 3, 1985 in the Clerk's Office in Deed Book 326, page 686, the Declarant added Phase III; and

WHEREAS, by Third Amendment to Declaration dated July 18, 1984 and recorded July 25, 1985 in the Clerk's Office in Deed Book 328, page 218, the Declarant added Phase IV; and

WHEREAS, pursuant to §55-79.63 of the Condominium Act, Article V of the Declaration permits the Declarant to unilaterally expand the Condominium from time to time by adding all or any portion of the Additional Land until the seventh anniversary of the recordation of the Declaration; and

WHEREAS, Declarant is now the owner in fee simple absolute of certain real property described by metes and bounds as Phase V on Exhibit 1 attached hereto and being a portion of the Additional Land described in Exhibit G to the Declaration; and

WHEREAS, Declarant has complied with the provisions of Article V of the Declaration and §55-79.63 of the Condominium Act and wishes to amend the Declaration to expand the Condominium by adding Phase V and the improvements erected thereon as hereinafter provided;

NOW, THEREFORE, pursuant to and in compliance with Article V of the Declaration and §55-79.63 of the Condominium Act, Declarant hereby amends the Declaration as follows:

1. Phase V, being the land described on Exhibit 1 hereto and a portion of the Additional Land described in Exhibit G to the Declaration, is hereby submitted to the provisions of the Condominium Act, together with all easements, rights and appurtenances thereunto belonging, to become part of the Condominium.

2. Pursuant to §55-79.56(b) of the Condominium Act, the Percentage Interests in the Condominium are hereby reallocated to each Unit in accordance with Exhibit 2 attached hereto.

3. Additional plats and plans are attached hereto as Exhibits B, C-9, C-10 and C-11 and are hereby incorporated as part of the Plats and Plans of the Condominium.

EXCEPT as modified by this Amendment, all of the terms and provisions of the Condominium Instruments are hereby expressly ratified and confirmed and shall remain in full force and effect.

IN WITNESS WHEREOF, Declarant has caused this Amendment to be executed by its principal officer as of the date first written above.

INVESTORS SERVICE CORPORATION

By: _____
President

STATE OF VIRGINIA)
) to-wit:
____ OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 1987, by _____, the President of Investors Service Corporation, on behalf of the Corporation.

My commission expires: _____.

Notary Public

EXHIBIT 1

SUBMITTED LAND
PHASE V

ALL that certain piece or parcel of land, with improvements thereon and appurtenances thereunto belonging, lying and being in the Town of Clarksville, Mecklenberg County, Virginia, shown to contain 0.987 acres, and designated as Phase V on a certain plat of survey dated June 8, 1982, most recently revised April 28, 1987, made by Crutchfield and Associates, styled "Exhibit B, The Moorings at Clarksville, A Condominium", and upon which plat the property is shown to be bound and described as follows:

BEGINNING at a point located N 58° 52' 40" E a distance of 153.51 feet from the point of intersection of the east right-of-way line of Second Street and the south right-of-way line of Commerce Street; thence N 58° 52' 40" E a distance of 161.99 feet to a point; thence N 31° 55' 34" E a distance of 46.19 feet to a point; thence N 55° 19' 45" E a distance of 40.94 feet to a point; thence S 76° 43' 17" E a distance of 33.54 feet to a point; thence N 58° 52' 40" E a distance of 9.00 feet to a point; thence S 32° 17' 12" E a distance of 89.68 feet to a point; thence S 77° 31' 11" W a distance of 53.41 feet to a point; thence S 09° 27' 44" W a distance of 48.66 feet to a point; thence S 80° 18' 40" W a distance of 41.59 feet to a point; thence S 10° 11' 59" E a distance of 98.92 feet to a point; thence in a southwesterly direction along a curve to the left having a radius of 45.66 feet a distance of 77.66 feet to a point; thence along a curve to the right having a radius of 50.00 feet a distance of 52.53 feet to a point; thence S 48° 57' 39" W a distance of 12.88 feet to a point; thence N 54° 27' 44" W a distance of 112.83 feet to a point; thence N 35° 32' 16" E a distance of 83.00 feet to a point; thence N 54° 27' 44" W a distance of 64.26 feet to a point; thence N 46° 05' 02" W a distance of 52.49 feet to the point of beginning.

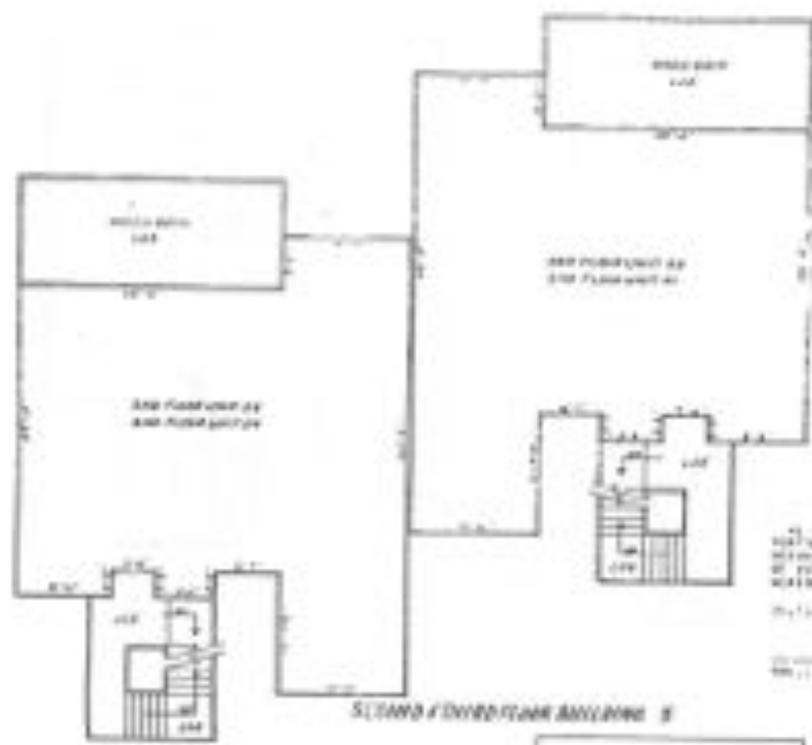
EXHIBIT 2

THE MOORINGS AT CLARKSVILLE, A CONDOMINIUM

LIST OF UNITS, AREAS, ESTIMATED PERCENTAGE INTERESTS
AND ASSIGNED PARKING SPACES

<u>UNIT NO.</u>	<u>AREA (S.F.)</u>	<u>PERCENTAGE INTEREST</u>	<u>ASSIGNED PARKING SPACE</u>
<u>Phase I</u>			
30	1,220	1.936	30
31	1,252	1.987	31
32	1,353	2.147	32
33	1,353	2.147	33
34	1,497	2.376	34
35	1,353	2.147	35
36	1,353	2.147	36
37	1,353	2.147	37
38	1,220	1.936	38
39	1,252	1.987	39
<u>Phase II</u>			
20	1,249	1.982	20
21	1,275	2.023	21
22	1,268	2.012	22
23	1,268	2.012	23
24	1,249	1.982	24
25	1,275	2.023	25
<u>Phase III</u>			
8	1,186	1.882	8
9	1,311	2.080	9
10	936	1.485	10
11	1,123	1.782	11
12	936	1.485	12
13	1,311	2.080	13
14	1,311	2.080	14
15	936	1.485	15
16	1,123	1.782	16
17	936	1.485	17
18	1,311	2.080	18
19	1,256	1.993	19

<u>UNIT NO.</u>	<u>AREA (S.F.)</u>	<u>PERCENTAGE INTEREST</u>	<u>ASSIGNED PARKING SPACE</u>
<u>Phase IV</u>			
40	1,290	2.047	40
41	1,315	2.087	41
42	1,334	2.117	42
43	1,334	2.117	43
44	1,322	2.098	44
45	1,290	2.047	45
46	1,315	2.087	46
<u>Phase V</u>			
50	1,290	2.047	50
51	1,290	2.047	51
52	1,290	2.047	52
53	1,290	2.047	53
54	1,290	2.047	54
55	1,290	2.047	55
60	1,290	2.047	60
61	1,290	2.047	61
62	1,290	2.047	62
63	1,290	2.047	63
64	1,290	2.047	64
65	1,290	2.047	65
66	1,290	2.047	66
67	1,290	2.047	67
68	<u>1,290</u>	<u>2.047</u>	68
	68,016	100%	



SECOND FLOOR PLAN BUILDING B

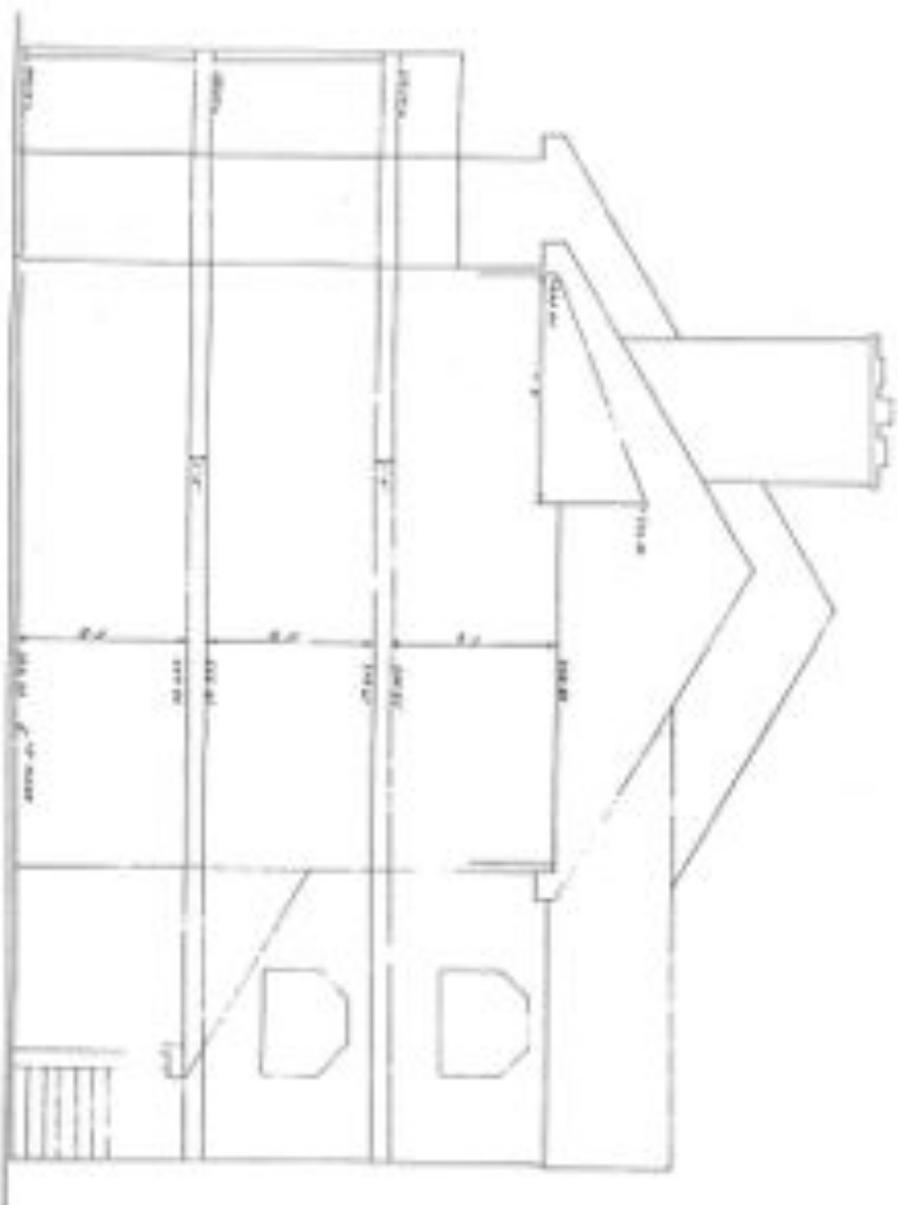
ALL STAIRS TO BE CONFINED TO COMMON AREAS



FIRST FLOOR BUILDING B



EXHIBIT C-5
 THE MOORINGS AT CLARKSVILLE,
 A CONDOMINIUM
 PHASE V
 OWNED BY
 INVESTORS SERVICE CORP.
 LOCATED
 TOWN OF CLARKSVILLE
 MIDDLEBURG COUNTY, VIRGINIA
 CRUTCHFIELD & ASSOCIATES, INC.
 SUPERVISOR-DESIGNER-PLANNER
 CHASE CITY, VIRGINIA 24314



TYPICAL SECTION
OF
ENCLOSURE #114



ENCLOSURE #114

EREBT LLC
THE WOODS AT CLARKSVILLE,
A CONDOMINIUM

INVESTORS SERVICE GROUP

MEMBER

TEAM OF CLARKSVILLE

WORLDWIDE CONSTRUCTION

CONTRACTORS & ASSOCIATES, INC.

SERVICES-DESIGNERS-PLANNERS

CONTRACTORS-ARCHITECTS

2022-11-17

EXHIBIT III

Estimated common expenses for the coming fiscal year are as set forth in the Consolidated Fiscal Year Budget (Exhibit IV)

EXHIBIT IV
 THE MOORINGS ASSOCIATION
 CONSOLIDATED FISCAL YEAR BUDGET
 Phases I, II, III, IV & V
50 Units

INCOME:

Assessment Income - \$100.00/Month/Unit	\$60,000.00
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EXPENSES:

Insurance	\$ 9,000.00
Accounting	1,000.00
Legal	1,000.00
Admin. Supplies	200.00
Management Fee	7,200.00
Grounds Maint. (Labor) (Pool, Tennis Ct., Etc.)	15,000.00
Grounds Maint. (Materials)	2,000.00
Pool Supplies	1,000.00
Utilities-Electricity	3,000.00
Water/Sewer	8,200.00
Pest Control	200.00
Lease - Boat Dock	600.00
Total	\$48,400.00

REPLACEMENT RESERVES:

Pool Painting (\$1,000/5 yrs.)	\$ 200.00
Tennis Court Resurfacing (\$1,500/5 yrs.)	300.00
Street Repair (\$20,800/8 yrs.)	2,600.00
Exterior Staining (\$20,000/5 yrs.)	4,000.00
Roofs (\$62,500/25 yrs.)	2,500.00
Wood Steps, Decks, Etc. (\$22,500/15 yrs.)	1,500.00
Pool Equipment (\$7,500/15 yrs.)	500.00
Total	\$11,600.00

TOTAL EXPENSES/RESERVES	\$60,000.00
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EXHIBIT IV--cont'd.

THE MOORINGS AT CLARKSVILLE, A CONDOMINIUM

Consolidated Fiscal Year Budget Per Unit

Phases I, II, III, IV & V

Unit No.	Assessments		Unit No.	Assessments	
	Annual	Monthly		Annual	Monthly
<u>Phase I</u>			<u>Phase IV</u>		
30	\$1,200.00	\$100.00	40	\$1,200.00	\$100.00
31	\$1,200.00	\$100.00	41	\$1,200.00	\$100.00
32	\$1,200.00	\$100.00	42	\$1,200.00	\$100.00
33	\$1,200.00	\$100.00	43	\$1,200.00	\$100.00
34	\$1,200.00	\$100.00	44	\$1,200.00	\$100.00
35	\$1,200.00	\$100.00	45	\$1,200.00	\$100.00
36	\$1,200.00	\$100.00	46	\$1,200.00	\$100.00
37	\$1,200.00	\$100.00	47	\$1,200.00	\$100.00
38	\$1,200.00	\$100.00	48	\$1,200.00	\$100.00
39	\$1,200.00	\$100.00	49	\$1,200.00	\$100.00
<u>Phase II</u>			<u>Phase V</u>		
20	\$1,200.00	\$100.00	50	\$1,200.00	\$100.00
21	\$1,200.00	\$100.00	51	\$1,200.00	\$100.00
22	\$1,200.00	\$100.00	52	\$1,200.00	\$100.00
23	\$1,200.00	\$100.00	53	\$1,200.00	\$100.00
24	\$1,200.00	\$100.00	54	\$1,200.00	\$100.00
25	\$1,200.00	\$100.00	55	\$1,200.00	\$100.00
<u>Phase III</u>			60	\$1,200.00	\$100.00
8	\$1,200.00	\$100.00	61	\$1,200.00	\$100.00
9	\$1,200.00	\$100.00	62	\$1,200.00	\$100.00
10	\$1,200.00	\$100.00	63	\$1,200.00	\$100.00
11	\$1,200.00	\$100.00	64	\$1,200.00	\$100.00
12	\$1,200.00	\$100.00	65	\$1,200.00	\$100.00
13	\$1,200.00	\$100.00	66	\$1,200.00	\$100.00
14	\$1,200.00	\$100.00	67	\$1,200.00	\$100.00
15	\$1,200.00	\$100.00	68	\$1,200.00	\$100.00
16	\$1,200.00	\$100.00			
17	\$1,200.00	\$100.00			
18	\$1,200.00	\$100.00			

EXHIBIT V

TABLE OF RESERVES

<u>ITEM</u>	<u>ESTIMATED USEFUL LIFE</u>	<u>ESTIMATED REPLACEMENT COST IN CURRENT DOLLARS</u>	<u>ANNUAL RESERVE</u>
Pool Painting	5 yrs.	\$ 1,000.00	\$ 200.00
Tennis Court Resurfacing	5 yrs.	\$ 1,500.00	300.00
Street Repairs & Paving	8 yrs.	\$20,800.00	\$ 2,600.00
Exterior Staining	5 yrs.	\$20,000.00	\$ 4,000.00
Roofs	25 yrs.	\$62,500.00	\$ 2,500.00
Wood Steps, Decks, etc.	15 yrs.	\$22,500.00	\$ 1,500.00
Pool Equipment	15 yrs.	\$ 7,500.00	\$ 500.00
			<u>\$11,600.00</u>

EXHIBIT VI

MULTI-YEAR FEASIBILITY BUDGET

The Multi-Year Feasibility Budget is obtained by applying an inflation factor of 10% per annum to the expenses set forth in the Consolidated Fiscal Year Budget (Exhibit IV).

EXHIBIT VII

THE MOORINGS AT CLARKSVILLE, A CONDOMINIUM
LIMITED WARRANTY CERTIFICATE

Issued To and Accepted By

Condominium Unit No. _____

Declarant has designed and constructed for you a value-engineered home. Your Unit has been constructed in accordance with the local building code. Your Unit has been inspected by Declarant and the architect during construction and, where required, by appropriate municipal authorities. In any new construction, however, certain items may require adjustment. This Limited Warranty Certificate describes Declarant's obligations to make such adjustments and outlines the methods for you to follow to obtain such adjustments.

I. COVERAGE AND DURATION

A. Non-Consumer Products

1. Declarant will correct any structural defect, which shall be those defects in components constituting any Unit which reduces the stability or safety of the Unit below accepted standards or which restricts the normal intended use of all or part of the structure and which requires

repair, renovation, restoration or replacement, brought to Declarant's attention in writing within two years from the date hereof.

2. Declarant will warrant against any structural defects in any Common Element for the longer of (i) two years after the date of recordation of the deed to the first Unit to be conveyed in the Condominium, or (ii) one year from the time Units presenting sixty (60) percent of the votes in the Association have been transferred, if such defects are brought to the Declarant's attention in writing, provided the warranties shall not extend beyond the period required by the Condominium Act.

Declarant gives no warranty on appliances or other equipment sold with the Unit. By separate instrument you have agreed to reduce the statute of limitations for all warranty claims to two years from the date the warranty period begins.

II. DECLARANT'S RESPONSIBILITY

In the event of any defect in any item, or component thereof covered by the Declarant's warranty, the Declarant, at its option, will repair or replace the affected item or component at no cost to the Unit Owner. Replacement items or components will be substantially comparable to those replaced (although identical colors and other features may not necessarily be available). Declarant will correct the warranted defect in such manner as to restore the component

to the condition which would have existed had the defect not been present.

III. EXCLUSIONS

A. Declarant's warranty does not include cracks, popping nails or other effects of normal settlement, or expansion, contraction, shrinkage or warping of materials that may occur in walls, floors, ceilings, doors or any of the components of the Unit, as long as such defect will not prevent the normal, intended use of all or part of the Unit.

B. Declarant's warranty does not include defects or smudges in painted surfaces, chipping and/or cracking of marble, formica, fiberglass, or tiles, defective or broken glass, or similar defects.

C. Declarant's warranty does not cover normal maintenance items or conditions resulting from wear and tear and/or misuse or negligence. Declarant's warranty does not apply where use or maintenance was contrary to the Declaration, Bylaws or Rules and Regulations of the Condominium or where any defect resulting from damage by the Unit Owner or by negligence or unreasonable use (including failure to provide reasonable and necessary maintenance).

D. The Declarant specifically disclaims any liability for incidental or consequential (secondary) damage to any

person, the Unit, other components or any other real or personal property, resulting from a defect. Some states do not allow the exclusion or limitation of incidental or consequential damages, so the above limitation or exclusion may not apply to you.

IV. LIMITATION AND DISCLAIMER OF IMPLIED WARRANTIES

A. On consumer products finally determined by a court to be within the statutory warranty described above, all implied warranties are limited in duration to the period of this written warranty. This includes, without limitation, the implied warranties of merchantability and fitness created by Sections 8.2-314 and 8.2-315 of the Code of Virginia, and the implied warranty of habitability if recognized in the future in Virginia. Some states do not allow limitations on how long an implied warranty lasts, so the above limitation may not apply to you.

B. On all other consumer products and on all non-consumer products, whether or not warranted by manufacturers, all implied warranties are expressly disclaimed and do not apply including without limitation the implied warranties of merchantability and fitness created by Sections 8.2-314 and 8.2-315 of the Code of Virginia, and the implied warranty of habitability if recognized in the future in Virginia.

V. WARRANTY PROCEDURES

A. The following procedures have been established to permit maximum efficiency in administering work under warranty.

1. If Purchaser has discovered defects that are covered by the Limited Warranty Certificate, in order to obtain performance of any of the Declarant's warranty obligations, a written statement of all warranty claims should be sent to: James A. Toombs, Investors Service Corporation, 5008 Monument Avenue, Richmond, Virginia 23230.

2. Upon receipt of such claim, Declarant's representative will respond to Purchaser and, when necessary, meet Purchaser, inspect the Unit and list the warranted defects on the "Warranty Inspection Form", a copy of which is attached, to be signed by both Purchaser and Declarant's representative.

B. This Limited Warranty Certificate may be assigned by a Unit Owner to a subsequent owner of the Unit effective on the date that the subsequent owner notifies Declarant in writing of such assignment.

VI. INTERPRETATION

This Limited Warranty Certificate is not transferable except as provided in subsection V above. Nothing contained herein shall be deemed to be in derogation of the warranties required by Section 55-79.79(b) of the Code of Virginia, as amended, as of this date. No action taken to correct defects shall extend this warranty. The written warranties set forth herein and the implied warranties limited herein are in lieu of all other warranties which may otherwise be implied. This Limited Warranty Certificate shall be governed by the laws of Virginia. This warranty gives you specific legal rights, and you may also have other rights.

INVESTORS SERVICE CORPORATION
5008 Monument Avenue
Richmond, Virginia 23230
Telephone (804) 254-1300

DATE: _____

By: _____

THE MOORINGS AT CLARKSVILLE, A CONDOMINIUM
WARRANTY INSPECTION FORM

Purchaser _____ Unit Number _____

Listed below are all of the defects discovered to date in my
Unit in accordance with the terms and conditions of my
Limited Warranty Certificate dated _____

_____ Date _____ Purchaser _____

Declarant agrees to correct in a workmanlike manner, the
items listed above.

INVESTORS SERVICE CORPORATION

Date: _____ By: _____

I acknowledge that the above items have been completed in a
workmanlike manner.

_____ Date _____ Purchaser _____

EXHIBIT VIII

PUBLIC OFFERING STATEMENT

THE HUGRINGS AT CLARKSVILLE, A CONDOMINIUM

UNIT INSPECTION FORM

Purchaser

Unit Number

My Unit is hereby accepted in accordance with the terms and conditions of Section 7 of the Purchase Agreement. Acceptance is subject to correction in a workmanlike manner of the items listed below in accordance with the procedure set forth on the reverse side of this form.

Date

Purchaser

Declarant agrees to correct in a workmanlike manner, the items listed above.

INVESTORS SERVICE CORPORATION
5008 Monument Avenue
Richmond, Virginia 23230

Date

By _____

I acknowledge that the above items have been completed in a workmanlike manner.

Date

Purchaser

UNIT INSPECTION PROCEDURE

The following procedures have been established to efficiently identify and complete incomplete items and correct possible defects existing at time of inspection and acceptance of the Unit.

1. All incomplete items and defects readily visible to the human eye shall be noted for completion or correction upon this Unit Inspection Form.

2. If Purchaser and Declarant's representative fail to agree upon the defects to be noted on the Unit Inspection Form or the workmanlike completion or correction of such defects, Declarant will, within five days after the date of inspection, submit the disagreement to the Project Architect for decision, and such decision shall be final and binding on Declarant and Purchaser. The Project Architect will render his decision based on the plans and specifications for the Unit, the Public Offering Statement, the Condominium Instruments and the Purchase Agreement. The charge by the Project Architect for this service will be paid one-half by Declarant and one-half by Purchaser prior to resolution.

3. The signature of Declarant's representative on the Unit Inspection Form constitutes agreement by Declarant to complete or correct in a workmanlike manner all items noted on such form. Work shall start promptly and be carried on expeditiously by Declarant. If such work is not completed prior to settlement and occupancy by Purchaser, then Purchaser agrees to grant reasonable access to the Unit for the purpose of such work during normal working hours and as required by the work schedule of Declarant's contractor. If Purchaser fails to grant such access, Declarant will so notify Purchaser in writing. If Purchaser still fails to grant access five days after receipt of such notice, then Purchaser waives any right to the work noted on the Unit Inspection Form.

4. Upon completion of all work noted on the Unit Inspection Form, Declarant will so notify Purchaser in writing and Purchaser shall acknowledge such completion by signing the second part of the form. If Purchaser and Declarant fail to agree on the satisfactory completion of the work referred to above, Declarant, within five days after notifying Purchaser, will submit the disagreement to the Project Architect and the same provisions established for disagreement concerning the items to be noted on the Unit Inspection Form will govern.

Disclaimer: This is an abridged version created as a reference document from the larger official document that has been filed with the circuit court. For legal purposes the official document should be used.

The Moorings at Clarksville Bylaws

**Abridged Version
Created: July 2006
Author: Russ Beaman**

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Article 1 – Identity

These are Bylaws of The Moorings Association, (the "Association"), which has been organized for the purpose of operating and managing The Moorings at Clarksville, a Condominium (the "Condominium") established in accordance with the laws of the Commonwealth of Virginia upon property in the County of Mecklenburg, Virginia.

Section A – Provision of Declaration and Articles of Incorporation in Control

The Articles of Incorporation and Declaration control in the event of a conflict.

Section B – Defined Terms and Coverage

Refer to Article 1 of the Declaration.

Section C – Office

To be defined by the Board of Directors. Currently, MHOA, #1 The Moorings, Clarksville, Virginia, 23927.

Article 2 – Unit Owners Association

Section A – Qualification of Members

For purposes having to do with the administration of the Condominium, the Association will act as an agent for the owners of all the units of the Condominium as a group.

Section B – Powers of the Association

The Association has all the powers necessary to implement and effectuate the rules and objectives set forth in the Condominium Instruments, including without limitation:

- a. the reasonable right of entry to any unit to make repairs and to do other work reasonably necessary for the proper maintenance or operation of the Condominium
- b. the right to grant permits, licenses and easements over the common elements

Section C – Annual Meeting

The annual meeting of the Association will be held on a date selected by the Board of Directors during the month of June. At the annual meeting, the Board of Director shall be elected by ballot of the Unit Owners.

Section D – Place of Meeting

The meeting will be held at a place convenient to the Unit Owners and selected by the Board of Directors.

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Section E – Special Meetings

The President of the Association can call a special meeting if so directed by a resolution from the Board or upon a petition signed and presented to the Secretary by Unit Owners of not less than one-third of the unit owners. The notice of any special meeting will state the time, place and purpose of the meeting. No business can be conducted other than that stated in the notice.

Section F – Notice of Meetings

The Secretary will mail to each Unit Owner a notice of each annual meeting at least 21 but not more than 30 days and for special meetings at least 7 but not more than 30 days prior to the meeting. The notice of any meeting at which members of the Board of Directors are to be elected will describe the procedure by which nominations must be filed with the Secretary in advance of the meeting.

Section G – Adjournment of Meetings

If at any meeting a quorum is not present the majority of those present can adjourn the meeting.

Section H – Order of Business

The Order of Business at all meetings of the Association will be as follows:

- (a) Roll Call and Certifying of Proxies
- (b) Proof of notice of meeting
- (c) Reading of minutes of preceding meeting
- (d) Report of the BOD and Officers
- (e) Report of Committees, if any
- (f) Election or appointment of inspectors of election (when so required)
- (g) Election of Directors
- (h) Unfinished business
- (i) New Business
- (j) Adjournment

Section I – Title to Units

The Association may acquire, hold and transfer full legal title to one or more Units in its own name.

Section J – Proxies

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Votes may be cast in person or by proxy. Proxies will be valid only for a particular meeting and must be filed with the Secretary before the appointed time of the meeting. Proxies will be void if not dated and signed in substantially the same form as the sample proxy attached to these bylaws as Exhibit A.

Section K – Voting

Voting at all meeting of the Association will be on an equal basis with the owner of each unit entitled to one vote. Any unit owner past due in Association Dues is not entitled to vote.

Section L – Quorum

Except as otherwise provided in these bylaws, the presence in person or by proxy of Unit Owners having 50% or more of the total votes of the Association shall constitute a quorum at all meetings of the Association.

Section M – Conduct of Meetings

The President will preside over all meetings of the Association and the Secretary will keep the minutes of the meeting and record in a minute book all resolutions adopted and all transactions occurring at the meeting. The then current edition of Robert's Rules of Order shall govern the conduct of all meetings of the Association when not in conflict with the Condominium Instruments or the Condominium Act. Inspectors appointed by the president or other officer presiding over the meeting will tally all votes.

Article 3 – Board of Directors

Section A – Number and Qualification

The Board of Directors will govern the affairs of the Association. The Board of Directors will be composed of 5 persons. All directors will be Unit Owners (or spouses of Unit Owners).

Section B – Powers and Duties

The Board of Directors will have all of the powers and duties necessary for the administration of the affairs of the Association. The Board of Directors will have the power from time to time to adopt any rules and regulations deemed necessary for the benefit and enjoyment of the Condominium; provided, however, that such rules are not in conflict with the Condominium Act or the Condominium Instruments. The BOD can delegate authority to a Managing Agent to act of behalf of the Board. The Board of Directors will, on behalf of the Association:

- (a) Prepare an annual budget, which will include an assessment of each Unit Owner for the Common Expenses.

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- (b) Make assessments against Unit Owners to defray the costs and expenses of the Condominium, establish the means and methods of collecting such assessments from the Unit Owners and establish the period of the installment payment of the annual assessment for Common Expenses. Unless otherwise determined by the BOD the annual assessment against each Unit Owner for their proportionate share of the Common Expenses shall be payable in equal monthly installments, each such installment to be due and payable in advance on the first day of each month.
- (c) Provide for the operation, care, upkeep and maintenance of all of the Property and services of the Condominium.
- (d) Designate, hire and dismiss the personnel necessary for the maintenance, operation, repair and replacement of the Common Elements and provide services for the Condominium and, where appropriate, provide 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 are part of the property owned by the Condominium.
- (e) Collect the assessments against the Unit Owners, deposit the proceeds in a bank designated by the BOD and use the proceeds to carry out the administration of the Condominium.
- (f) To pay all taxes, charges and assessments which are or may become liens against any part of the Condominium, other than Condominium Units and the appurtenances thereto, and to assess the same against the members and their respective Condominium Units subject to such liens.
- (g) Make or contract repairs, additions and improvements to or alterations of the Condominium and repairs to and restoration of the Condominium, in accordance with these bylaws, after damage or destruction by fire or other casualty or as a result of condemnation or eminent domain proceedings.
- (h) Enforce by legal means the provisions of the Declaration, the Articles of Incorporation, these Bylaws and the Rules and Regulations and act on behalf of the Unit Owners to all matters arising out of any eminent domain proceedings.
- (i) Obtain and carry insurance against casualties and liabilities as provided in these Bylaws, pay the premiums and adjust and settle any claims.
- (j) Pay the cost of all authorized services rendered to the Association and not billed to the Unit Owners of individual Units.
- (k) Keep books with detailed accounts in chronological order of the receipts and expenditures affecting the Property and the administration of the Condominium, specifying the expenses of maintenance and repair of the Common Elements and any other expenses incurred. The books will be available for examination by the Unit Owners, or their duly authorized agents or attorneys, during general business hours on working days at times and in the manner set by the BOD for the general knowledge of the Unit Owners. All books will be kept in accordance with accepted accounting practices, and will be audited at least once a year by an independent accountant retained by

the BOD who will not be a resident or a Unit Owner. The cost of the audit will be a common expense.

- (l) Notify all Mortgagees of all or any Units of the Condominium of any default by any Unit Owner subject to such mortgage, in the event such default continues for a period exceeding thirty days.
- (m) Acquire, lease, manage, hold and dispose of Units and mortgage the same if such expenditures are included in the budget adopted by the Association.
- (n) Furnish the statement required by Va. Code Ann. 55-79.97 of the Condominium Act, within ten days after the receipt of a written request from any Unit Owner in the form set forth on Exhibit B attached to these Bylaws and designated "Certificate for Resale".
- (o) Borrow money on behalf of the Condominium when required in connection with any one instance relating to the operation, care, upkeep and maintenance of the Common Elements; provided, however, that the consent of a majority of the Unit Owners, obtained at a meeting duly called and held for such purpose in accordance with the provisions of these Bylaws, will be required to borrow any sum in excess of \$5,000.
- (p) In its sole discretion, designate from time to time certain Common Elements as "Reserved Common Elements" and impose such restrictions and conditions on the use as the Board of Directors deems appropriate.
- (q) Do such other things and acts not inconsistent with the Condominium Act or the Condominium Instruments with the BOD may be authorized to do by its own resolution.

Section C – Election and Term of Office

- (a) One vote will be taken on the entire slate of nominees and the nominees receiving the highest plurality of votes for the numbers of open Director positions will be elected. One Director will serve a three year term, two Directors will serve a two year term and two Directors will serve a one year term. Directors will hold office until their respective successors have been elected by the Unit Owners, and each successor Director shall be elected to the term of office of his predecessor.
- (b) Persons qualified to be members of the Board of Directors may be nominated for election only as follows:
 - 1. Any Unit Owner may submit to the Secretary a nominating petition signed by Unit Owners owning at least two units, a statement that the person is willing to serve on the BOD and a biographical sketch of the nominee. Nominating petitions must be filed with the Secretary on or before the date for such filing set forth in the notice of the meeting; or
 - 2. Nominations may be submitted from the floor at the meeting at which the election is held for each vacancy on the Board of Directors for which not more than one person has been nominated by petition.

Section D – Removal or Resignation of Members of the Board of Directors

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At any regular or special meeting duly called any one of the BOD may be removed with or without cause by a majority of the Unit Owners and a successor may then be elected to fill the vacancy. Any Director whose removal has been proposed by the Unit Owners will be given at least seven days notice of the time, place and purpose of the meeting and will be given an opportunity to be heard at the meeting. A member of the BOD may resign at any time and will be deemed to have resigned upon the disposition of his unit.

Section E – Vacancies

Vacancies in the BOD caused by any reason other than the removal of a Director by a vote of the Unit Owners Association will be filled by a vote of a majority of the remaining Directors at a special meeting of the BOD held for such purpose promptly after the occurrence of any such vacancy, even though the Directors present at such meeting may constitute less than a quorum. Each person so elected will be a member of the BOD for the remainder of the term of the member being replaced.

Section F – Organizational Meeting

No longer applicable.

Section G – Regular Meetings

Regular meetings of the BOD will be held at such time and place as determined by a majority of the members of the Board, but such meetings will be held at least once every three months during each fiscal year. Notice of regular meetings of the BOD will be given to each member of the Board by mail or email at least seven days prior to the day named for such meeting. Unit Owners will also be informed of meeting dates and be able to attend meetings.

Section H – Special Meetings

No longer applicable.

Section I – Waiver of Notice

No longer applicable.

Section J – Quorum of Board of Directors

At all meetings of the BOD a majority of the Board will constitute a quorum for the transaction of business, and the votes of a majority of the Board present at a meeting at which a quorum is present will constitute the decision of the BOD. If at any meeting of the BOD there shall be less than a quorum present, the meeting may be adjourned to a subsequent time.

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Section K – Fidelity Bonds

No longer applicable.

Section L – Compensation

Directors' compensation, if any, will be determined by the members of the Association.

Section M – Conduct of Meetings

The President who will be a Director will preside over all meetings of the BOD and the Secretary, who may but does not have to be a Director, will keep a minute book for the BOD, recording all resolutions adopted by the BOD and a record of all transactions and proceedings occurring at such meetings. The then current edition of Robert's Rules of Order will govern the conduct of the meetings of the BOD when not in conflict with the Condominium Instruments or the Condominium Act.

Section N – Action Without Meeting

Any action by the BOD required or permitted to be taken at any meeting may be taken without a meeting if all of the members of the BOD will individually or collectively consent in writing to such action. Any such written consent will be filed with the minutes of the proceedings of the BOD.

Section O – Liability of the Board of Directors, Officers, Unit Owners and Association

- (a) The Officers and members of the BOD of the Association will not be liable to the Association for any mistake of judgment caused by negligence or otherwise, except for their own individual willful misconduct or bad faith. The Association will indemnify and hold harmless each member of the Association (including Officers and Board of Directors' members that are not Unit Owners) from and against all contractual liability to other arising out of contracts made by the Officers or the BOD on behalf of the Association, unless any such contract will have been made in bad faith or contrary to the provisions of the Condominium Act, the Declaration, Articles of Incorporation, or these Bylaws, in which case these persons dealing in bad faith or dealing knowingly in a manner contrary to the aforesaid provisions will not be indemnified. Other than has previously been stated in this section, Officers and members of the BOD will have no personal liability with respect to any contract made by them on behalf of the Association and will be considered as only acting as agents for the Association. The liability, if any, of any Unit Owner arising out of any contract made by the Officers or BOD or out of the aforesaid indemnity in favor of the members of the BOD or Officers, or for damages as a result of injuries arising in connection with the Common Elements solely by virtue of his ownership of a percentage interest therein or for liabilities incurred by the Association, will be limited to the total

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liability multiplied by the percentage interest. Every agreement made by the Officers, the BOD or the Managing Agent on behalf of the Association will, if obtainable, provide that the Officers, the BOD or the Managing Agent are acting only as agents of the Association and will have no personal liability.

- (b) The Association will not be liable for any failure of water supply or other services to be obtained by the Association or paid for as a Common Expense, or for injury or damage to any person or property caused by the elements or by the Unit Owner of any Condominium Unit, or any other person, or resulting from electricity or water, snow or ice which may leak or flow from any portion of the Common Elements or from any pipe, drain, conduit, appliance or equipment. The Association will not be liable to any Unit Owner for loss or damage, by theft or otherwise, of articles which may be stored upon any of the Common Elements. No diminution or abatement of any assessments, as elsewhere provided herein, will be claimed or allowed for inconvenience or discomfort arising from the making of repairs or improvements to the Common Elements or from any action taken by the Association to comply with any Law, ordinance or with the order or directive of any municipal or other governmental authority.

Section P - Common or Interested Members

Each Officer of the Association will exercise powers and duties in good faith and with a view to the interests of the Condominium. No contract or other transaction between the Association and any of its members, or between the Association and any corporation, firm or association in which any of the members of the Association are members or officers or otherwise interested, is either void or voidable because any such member is present at the meeting of the BOD or any committee which authorizes or approves the contract or transaction, or because his vote is counted for such purpose, if any of the conditions specified in any of the following subparagraphs exist:

- (a) The fact of the common membership or interest is disclosed or known to the majority of the BOD or noted in the minutes, and the BOD authorizes, approves or ratifies such contract or transaction in good faith by a vote sufficient for the purpose; or
- (b) The fact of the common membership or interest is disclosed or known to at least a majority of the Unit Owners, and the Unit Owners approve or ratify the contract or transaction in good faith by a vote sufficient for the purpose; or
- (c) The contract or transaction is commercially reasonable to the Association at the time it is authorized, ratified, approved or executed.

Any common or interested members may be counted in determining the presence of a quorum of any meeting of the BOD or committee thereof which authorizes, approves or ratifies any contract or transaction, and may vote at any such meeting to authorize or disallow any contract or transaction with like force and effect as if such member were not such member or Officer of the Association or not so interested.

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Section Q – Execution of Documents

All agreements, contracts, deeds, leases, checks and other instruments of the Association for expenditures or obligations in excess of Two Thousand Dollars will be executed by any two persons designated by the BOD. All such instruments for expenditures or obligations of Two Thousand Dollars or less may be executed by any one person designated by the BOD.

Section R – Managing Agent

The BOD may employ for the Condominium a "Managing Agent" at compensation to be established by it.

- (a) Requirements – The Managing Agent will be a bona fide business enterprise, which is experienced, in managing residential properties. Such firm will have a minimum of two years experience in residential real estate management and employ persons possessing a high level of competence in the technical skills necessary for proper management of the Condominium. The Managing Agent must be able to advise the BOD regarding administrative operations of the Condominium and may with the consent of the BOED employ personnel expert in the areas of condominium insurance, accounting and regulations.
- (b) Duties – The Managing Agent will perform such duties and services as the BOD may delegate.
- (c) Standards – The BOD will impose appropriate standards of performance upon the Managing Agent.
- (d) Limitations – No longer applicable.

Section S – Covenants Committee

The BOD may establish a Covenants Committee, consisting of three members appointed by the BOD, each to serve for a one year term, in order to assure that the Condominium will always be maintained in a manner:

1. Providing for visual harmony and soundness of repair
2. Avoiding activities deleterious to the esthetic or property values
3. Furthering the comfort of the Unit Owners, their guests and tenants
4. Promoting the general welfare of the community

- (a) Powers – The Covenants Committee will regulate the external design, appearance, use and maintenance of the Common Elements. The Covenants Committee will have the power to issue cease and desist request to a Unit Owner, guest, invitees or lessees whose actions are inconsistent with the Bylaws, rules and regulations and Condominium Act. Any ruling by the Committee may be appealed to the BOD.
- (b) Authority – The Committee may have additional duties and powers as provided by the BOD.

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Article 4 – Officers

Section A – Number of Officers

The officers of the Association will be a President, who will be a Director, a Vice-President, a Treasurer and a Secretary, all of whom will be elected annually by the BOD and who may be removed by a vote of the Directors at any meeting with or without cause. Any person can hold two offices except the President will not be Vice-President, Secretary or Assistant Secretary. The BOD may elect such other officers and designate their powers and duties as the Board may find to be required to manage the affairs of the Association.

Section B – President

The President will be the chief executive officer of the Association.

Section C – Vice President

The VP will, in the absence or disability of the President, exercise the powers and perform the duties of the President. The VP will also generally assist the President and exercise such other duties as prescribed by the Directors.

Section D – Secretary

The Secretary will keep the minutes of all proceedings of the Directors and the members. Attend to the giving and serving of all notices to the Directors and members. Keep the records of the Association, except those of the Treasurer perform other duties as required by the Directors or the President.

Section E – Treasurer

The Treasurer will have custody of all of the property of the Association, including funds, securities and evidences of indebtedness. Keep or supervise the keeping of assessment rolls and accounts of the members, the books of the association with good accounting practices and perform other duties incident to the office of the Treasurer.

Section F – Compensation

The Directors will fix the compensation of all officers, if any, and employees of the Association.

Section G – Vacancies

Vacancies in any office will be filled by a vote of the majority of the BOD at a special meeting held promptly after the occurrence of the vacancy. Each person elected will serve the remainder of the term of the officer being replaced.

Article 5 – Operation of the Condominium

Section A – Determination of Common Expenses and Assessments Against Unit Owners

- (a) **Fiscal Year** – The fiscal year of the Association is the calendar year unless otherwise determined by the BOD.
- (b) **Preparation and Approval of Budget** – Thirty days before the end of the fiscal year the BOD will adopt a budget for the Association containing an estimate of the total amount considered necessary to pay the cost of maintenance, repair and replace, and the cost of wages, material, insurance premiums, services, supplies and other expenses. The budget will also include such reasonable amounts the BOD considers necessary to provide working capital, a general operating reserve and reserves for contingencies and replacement.

At least seven days before the Associations Annual Meeting, the BOD will provide each Unit Owner a copy of the budget which sets forth the amount of the Common Expenses and any special assessments payable by each Unit Owner.

- (c) **Assessment and Payment of Common Expenses** – On or before the first day of each fiscal year, and the first day of each of the succeeding eleven months in each fiscal year, each Unit Owner will be obligated to pay one-twelfth of the assessment. Within ninety days after the end of each fiscal year the BOD will supply each Unit Owner with an itemized accounting of the Common Expenses. Any net shortage will be assessed promptly against the Unit Owner and will be payable in the next monthly assessment or in not more than the next six monthly installments.
- (d) **Reserves** – The Association through the BOD will build up and maintain reasonable reserves for working capital, operation, contingencies and replacements. Extraordinary expenditures not originally included in the annual budget will be first charged against reserves. If the reserves are inadequate for any reason, the BOD may at any time levy a further assessment. Such additional assessment may be payable in lump sum or in installments.
- (e) No longer applicable
- (f) **Effect of Failure to Prepare or Adopt Budget** – The failure or delay of the BOD to prepare or adopt a budget does not constitute a waiver or release on the Unit Owner to pay the allocable share of the assessment. In the absence of a budget the Unit Owner should continue to pay the monthly assessment until a new budget is received.
- (g) **Accounts** – All sums collected can be commingled.
- (h) No longer applicable.

Section B – Payment of Common Expenses

- (a) No Unit Owner is exempt from liability for their contribution toward Common Expenses. Prior to any conveyance all liens, unpaid charges and assessments will be paid in full. The purchaser of a Unit will be jointly and severally liable with the selling Unit Owner for all unpaid assessments up to the time of reconciliation, without prejudice to the purchaser's right to recover from the seller. In accordance with Virginia Code any purchaser will be entitled to a statement setting forth, among other things, the amount of unpaid assessments against the seller within five days of a written request to the BOD.
- (b) When an owner ceases to be a member of the Association, the Association is not required to account to that owner for their share of funds or assets.

Section C – Collection of Assessments

The BOD will take prompt action to collect assessments due from any owner that remain unpaid for a period of thirty days from the due date. Any assessment not paid within five days will accrue a late charge in the amount of \$10.00 or such amount as may be established by the BOD.

Section D – Statement of Common Expenses

The BOD will promptly provide any Unit Owner so requesting in writing with a written statement of all unpaid assessments due from such Unit Owner. The BOD can charge a reasonable fee for the preparation.

Section E – Maintenance, Repair, Replacement and Other Common Expenses

- (a) **By the Board of Directors** – The BOD is responsible for all maintenance, repair and replacement of the common elements whether located inside or outside of the Units. The BOD is responsible for structural repairs and replacements of the Limited Common Elements. The BOD is responsible for paving and striping all parking spaces. The cost of all maintenance and repairs will be a Common Expense unless in the opinion of two-thirds of the BOD the expense was due to the negligence of a Unit Owner, in which case the Unit Owner may be charged.
- (b) **By the Unit Owner** – Each Unit Owner is responsible to keep the unit and its equipment, appliances, appurtenances and limited common elements in good order, condition and repair and in a clean and sanitary condition, including keeping them free and clear of all trash, ice, and any accumulation of water, and will do all redecorating and painting which may at any time be necessary to maintain the good appearance and condition of the Unit and limited common elements. Only braided hoses can be used on clothes washers. The Unit Owner is responsible for window screens. The Units Owner will

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promptly report to the BOD any defect or need for repair which is the responsibility of the Board.

- (c) **Manner of Repair and Replacement** – All repairs and replacements will be of first-class quality and will meet all provisions of the building code. The method of approving payment will be determined by the BOD.

Section F – Additions, Alterations or Improvements by Board of Directors

Whenever in the judgment of the BOD the Common Elements need additions, alterations or improvements amounting to greater than \$10,000 during any twelve month period it requires the approval of a majority of the Unit Owners and will be considered a Common Expense. Notwithstanding the foregoing, if, in the opinion of a majority of the members of the BOD, the additions, alterations or improvements are exclusively for the benefit of a Unit Owner or Unit Owners requesting same, the Owner will be assessed in such proportion as they jointly approve or, if they can not agree, in such proportion as determined by the BOD.

Section G – Additions, Alterations or Improvements by Unit Owners

- (a) No Unit Owner will make any structural addition, alteration or improvement in or to any load bearing wall surmounting or within the unit without first obtaining prior written consent of the BOD. No Unit Owner will paint or alter the exterior of the, including doors and windows, the exterior of the building, or install electrical wiring, television antennae or other objects, machines or AC units that may protrude through the walls, roof or windows of the Condominium or in any manner alter the appearance of any exterior portion without prior approval of the BOD. The BOD must respond in forty five (45) days to a written request or the request is deemed approved.
- (b) No longer applicable.

Section H – Restrictions on Use; Rules and Regulations

- (a) Each Unit, the Common Elements and Limited Common Elements will be occupied and used as follows:
1. Units will not be used for other than residential housing and the related common purposes for which the Property was designed.
 2. Nothing will be done or kept in an Unit, the Common Elements or Limited Common Elements, which would increase the rate on insurance for the property without prior written consent of the BOD.
 3. No immoral, improper, offensive or unlawful use will be made of the property.
 4. No Unit Owner will obstruct any of the Common Elements or store anything with the approval of the BOD. The installation of clotheslines and the outside storage of equipment are prohibited.
 5. The Common Elements will be used only for the furnishing of services and facilities to support the use and occupancy of the Units.

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6. No portion of a Unit (other than the entire Unit) will be leased for any period. The lease must be in written form and require the lessee comply with the By laws and rules and regulations and failure to comply constitutes a default under the lease. Further, that the BOD will have power of attorney to cancel the lease if the lessee fails to comply. The Rules and Regulations may provide additional restrictions on the leasing of Units.

7. Trailers, camper, RVs and boats may be parked only on those portions of the property designated for such by the Rules and Regulations. No junk or derelict vehicles or other vehicles on which current license plates or inspection stickers are not displayed will be kept on any part of the property.

8. The maintenance, keeping, boarding and/or raising of animals, livestock, poultry or reptiles of any kind is prohibited, except that the keeping of small, orderly domestic pets (e.g. dogs, cats, or caged birds) not to exceed two (2) per Unit without approval of the BOD.

9. No signs can be posted without prior written approval of the BOD.

- (b) Each Unit will be occupied and used in compliance with the Rules and Regulations which may be promulgated and amended by the BOD. Copies will be furnished to the Unit Owners. Amendments to the Rules and Regulations will be conspicuously posted prior to the time when they will be effective.

Section I – Right of Access

By acceptance of a deed of conveyance, each Unit Owner thereby grants a right of access to the Unit.

Section J – Utility Charges

The cost of utilities serving the Condominium not individually metered to each Unit will be a Common Expense.

Section K – Parking Spaces

All parking spaces shall be used by the Unit Owners for self-service parking purposes on a "first come, first serve" basis. The cost of maintenance and repair of all parking areas will be a Common Expense.

Section L – Use of Common Elements

No Unit Owner will place or cause or permit to be placed on the Common Elements any furniture, packages or objects of any kind.

Section M – Access to Books and Records

As per Section 55-79.74:1 of the Virginia Condominium Act the Association shall make available to Unit Owners and lenders current copies of the Declaration, Bylaws, Rules

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and Regulations and the books, records and financial statements of the Association. As used herein "available" means available for inspection, upon request, during normal business hours.

Section N - Condemnation

To the extent permitted the Association will represent the Unit Owners in any condemnation proceedings.

Article 6 - Insurance

Section A - Authority to Purchase

- (a) Except as otherwise provided in Section E of Article 6, the BOD will purchase all insurance policies relating to the Condominium. No one will be liable for failure to obtain any coverage required by Article 6 or for any loss or damage resulting from such failure if such failure is due to the unavailability of such coverage or if, in the opinion of the BOD, such coverage is prohibitively expensive.
- (b) Each policy will provide that:
 - i. The insurer waives any right to claim by way of subrogation against anyone.
 - ii. Such policy will not be cancelled due to the conduct of anyone without having sixty days to cure the defect.
 - iii. Such policy will not be cancelled for at least sixty days prior written notice to the BOD.
- (c) No longer applicable.
- (d) All policies of insurance will be written by reputable companies licensed to do business in Virginia and having a rating by Best's Key rating Guide of B+ or better.

Section B - Physical Damage Insurance

- (a) The BOD shall obtain and maintain a blanket special inclusive, exclusive form policy of fire insurance with extended coverage, vandalism, malicious mischief, windstorm, debris removal, and water damage endorsements, insuring the entire Condominium.
- (b) The BOD will make every reasonable effort to have such policy also provide:
 - i. An endorsement for "agreed amount" or elimination of co-insurance clause
 - ii. That any "no other insurance" clause expressly exclude individual Unit Owners' policies.
- (c) A duplicate original of the policy together with proof of payment of premiums will be delivered by the insurer to any mortgage so requesting at least thirty days in prior to expiration of the then current policy.

Section C - Liability Insurance

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The BOD will obtain and maintain comprehensive general liability (including libel, slander, false arrest and invasion of privacy coverage and errors and omissions coverage for officers) and property damage insurance with limits of at least One Million Dollars (\$1,000,000).

Section D – Other Insurance

The BOD will obtain and maintain:

- (a) Adequate fidelity coverage to protect against dishonest acts.
- (b) Workmen's compensation
- (c) Flood insurance in accordance with then applicable regulations
- (d) Other insurance as may be determined by the BOD

Section E – Separate Insurance

Each Unit Owner has the right, at their expense, to obtain insurance for their own Unit.

Section F – Insurance Trustee

- (a) All physical damage policies purchased by the BOD will be for the benefit of the Association.
- (b) The BOD may enter into an Insurance Trust Agreement.

Section G – Board of Directors as Agent

The BOD is hereby appointed the agent for each Unit Owner to settle claims with insurance companies.

Article 7 – Repair and Reconstruction After Fire or Other Casualty

Section A – When Repair and Reconstruction are Required

Except as otherwise provided in section D of this article, in the event of damage as a result of fire or other casualty in excess of \$25,000, the BOD with the cooperation of the Insurance Trustee will arrange and supervise the prompt repair (including damage to the Units but excluding all furniture, fixtures, equipment or other personal property of the Unit Owner). Notwithstanding the foregoing, each Unit Owner has the right to supervise the redecorating of their own unit.

Section B – Procedure for Reconstruction and Repair

- (a) **Cost Estimates** – Immediately after a casualty in excess of \$25,000 the BOD in cooperation with the Insurance Trustee will obtain reliable and detailed estimates of the costs of repairing and restoring the Condominium to a

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condition as good as that existing before the casualty. The may also include professional fees and premiums for such bonds as the Insurance Trustee determines may be necessary.

- (b) **Assessments** – If the proceeds from insurance are not sufficient to defray the estimated costs of repair then the difference will be a Common Expense.
- (c) **Plans and Specifications** – Any reconstruction will be in accordance with the Declaration and the original plans and specifications of the Condominium.

Section C – Disbursements of Construction Funds

- (a) **Construction Fund and Disbursement** – The proceeds of insurance and sums received from the BOD from assessments constitute a construction fund, which will be disbursed as follows:
 - i. If the estimated costs of reconstruction are less than \$25,000 then the BOD will disburse the funds.
 - ii. If the estimated costs are \$25,000 or more then the funds are to be disbursed by the Insurance Trustee or its rep employed to supervise the work. Proper controls should be exercised to insure the work is completed before funds are disbursed.
- (b) **Surplus** – The first monies disbursed will be the insurance proceeds. Any balance in the Construction fund will be returned to the Unit Owners in equal shares.
- (c) **Common Elements** – When the damage is to both Common Elements and Units, the insurance proceeds will be first applied to the cost of repairing the Common Elements.
- (d) **When Construction is Not Required** – In the event that two-thirds (2/3) or more of the Condominium is rendered untenable and the Unit Owners to which at least eighty percent (80%) of the votes at a Special Meeting (called 30 days after casualty) not to repair and the insurance policy does not require it and the mortgagees agree then the proceeds are distributed.

Article 8 – Mortgagees

No longer applicable.

Article 9 – Compliance and Default

Section A – Relief

Each Unit Owner will be governed by, and will comply with, all of the terms of the Declaration, Articles of Incorporation, Bylaws, and Rules and Regulations and the Condominium Act as any of the same may be amended from time to time. In addition to the remedies provided in Virginia Code Ann. 55-79.53, a default by a Unit Owner will entitle the Association, acting through its BOD or Managing Agent, to the relief set forth in the following paragraphs:

- (a) **Additional Liability** – Each Unit Owner is liable for the expense of all maintenance, repair or replacement rendered necessary by their conscious act, neglect or carelessness of any member of their family or employees, tenants, agents, licensees, guests or invitees, but only to the extent that the expense is not covered by the proceeds of insurance carried by the BOD.
- (b) **Charges, Costs and Attorney's Fees** – The BOD has the power to assess charges against any Unit Owner for any violation of the Condominium Instruments or of the Rules and Regulations of the Association for which such Unit Owner or their family members, guests, tenants or other invitees are responsible. Before charges are assessed the Unit Owner will be given an opportunity to be heard and to be represented by counsel before the BOD. Notice of the hearing, at least fourteen (14) days in advance will be hand delivered or mailed registered, return receipt requested. The amount of the charges will not exceed \$50 for a single offense or \$10 per diem for any offense of a continuing nature. In any court proceedings arising out of any alleged default by a Unit Owner, the prevailing party will be entitled to recover the costs of such proceeding and reasonable attorney's fees as may be determined by the court.
- (c) **No Waiver of Rights** – The failure of anyone to enforce any rights does not constitute a waiver of rights.
- (d) **Interest** – In the event of a default by any Unit Owner in paying any sum assessed or for Common Expenses which continues for a period in excess of fifteen days, the principal amount unpaid will bear interest from the date due until paid at the higher of (i) 12% per annum, or (ii) 1% over the prime lending rate announced by Dominion National Bank, Richmond adjusted on the first day of each month or (iii) the highest rate permitted by law.
- (e) **Abating and Enjoining Violations by Unit Owners** – The BOD has the right to enter the Unit which is in violation or breach and remove at the expense of the defaulting Unit Owner, any structure, thing or condition that may exist therein and the BOD shall not be deemed guilty in any manner of trespass; or to enjoin, abate or remedy by appropriate legal proceeding, either at law or in equity the continuance of any such breach.
- (f) **Legal Proceedings** – Failure to comply with any of the terms of the Declaration, the Articles, Bylaw and Rules and Regulations are grounds for relief, including without limitation, an action to recover any sums due for money damages, injunctive relief, foreclosure of the lien for payment of all assessments, any other relief provided for in these Bylaw or any combination thereof any other relief afforded by a court of competent jurisdiction, all of which relief may be sought by the Association, the BOD, the managing Agent or if appropriate, by any aggrieved Unit Owner and will not constitute an election of remedies.

Section B – Lien for Assessments

- (a) The total annual assessment of each Unit Owner for the Common Expenses or any Special Assessment is hereby declared to be a lien levied against the unit

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of such Unit Owner as provided in Va. Code Ann. 55-79.84. The BOD may file or record such other notice as may be required by the laws of Virginia to confirm the establishment and priority of such lien.

- (b) In any case where an assessment is payable in installments, upon a default by the Unit Owner in the timely payment of any two consecutive installments, the maturity of the remaining total of the unpaid installments may be accelerated, at the option of the BOD, and the entire balance of the annual assessment may be declared due and payable in full by the service of notice to the defaulting Unit Owner and the mortgagee.
- (c) The lien for assessments may be enforced and foreclosed in the manner provided by the laws of Virginia. While the suit is pending the Unit Owner will 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.
- (d) A suit to recover a money judgment for unpaid contributions may be maintained without foreclosing or waiving the lien securing same.

Section C – Supplemental Enforcement of the Lien

No longer applicable.

Section D – Subordination and Mortgagee Protection

The lien of any assessment will be subject to and in no way affect the rights of a first mortgage on a Unit

Article 10 – Amendment to Bylaws and Condominium Termination

Section A – Amendments and Termination

Except as otherwise provided in these Bylaws or in the Condominium Act, the Declaration these bylaws may not be modified, amended or terminated except as provided in Va. Code Ann. 55-79.72, which requires 67% of the Unit Owners to amend and 80% to terminate.

Section B – Method of Amending

An amendment may be proposed by the BOD acting upon a majority vote or by a majority of the Unit Owners whether meeting as members or by an instrument in writing signed by them. Any proposed amendment will be transmitted to the president or other officer in the absence of the president and a special meeting will be called. The Secretary will give written notice to each Unit Owner of the special meeting giving the time, place and reciting the proposed amendment/s in reasonably detailed form. At the meeting the proposed amendment/s must receive a 67% vote to become effective. The amendment/s must be certified by the President and Secretary of the Association as having been duly

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adopted. The original must be filed within ten days of approval with the Circuit Court of the County of Mecklenburg. A copy is to be sent to all Unit Owners

- (a) No amendment in the percent of ownership in Common Elements or changes in Unit boundaries or the basis for sharing Common Expenses.
- (b) No alteration, amendment or modification of the rights granted a mortgagee.
- (c) No longer applicable.

Section C – Termination

- (a) Termination of the Condominium requires an agreement of 80% of the membership and must be recorded in the Circuit Court of the County of Mecklenburg. All mortgagee's must consent
- (b) In the event of termination where there is no casualty as set forth in Article 7, Section D, the Unit Owners will own the Condominium as tenants in common in undivided shares with any holders of mortgages or deeds of trust.
- (c) Following termination, the property that was formerly the Condominium may be sold. If the BOD determines by not less than a majority vote to accept an offer for the sale of the property, each Unit Owner will be bound to execute such deeds and other documents reasonably required to affect the sale.
- (d) The BOD acting as agent for all Unit Owners will continue to have powers as are granted under this article notwithstanding the fact that the Association itself may be dissolved.

Article 11 – Miscellaneous

Section A – Notices

All notices, demands, statements or other communications under these Bylaws will be in writing and will be deemed to have been duly given if delivered personally or otherwise as the Condominium Act may permit:

- (a) If to a Unit Owner, at the address which the Unit Owner will designate in writing and file with the Secretary or, if no such address is designated, at the address of the Unit of such Unit Owner.
- (b) If to the Association, the BOD or Managing Agent, at the principal office of the Managing Agent or at such other address as will be designated by notice in writing to the Unit Owners pursuant to this section. If a Unit is owned by more than one person, each person who so designated an address in writing to the Secretary will be entitled to receive all notices.

Section B – Captions

The captions used herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of these Bylaws.

Section C – Gender, Singular/Plural

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The use of the masculine gender in these bylaws will be deemed to include the female genders and the use of singular will be deemed to include plural.

Signed: The Moorings Association