

ARTICLES OF INCORPORATION
FOR
CREEK'S EDGE AT STONY POINT
TOWN HOMES HOMEOWNERS ASSOCIATION
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ARTICLES OF INCORPORATION
FOR
CREEK'S EDGE AT STONY POINT
TOWN HOMES HOMEOWNERS ASSOCIATION

ARTICLE 1

NAME

The name of this corporation is Creek's Edge at Stony Point Town Homes Homeowners Association which is hereby incorporated as a nonstock corporation pursuant to the Virginia Nonstock Corporation Act, Chapter 10 of Title 13.1 of the Code of Virginia (1950), as amended ("Act"). The duration of the corporation is perpetual.

ARTICLE 2

INTERPRETIVE PROVISIONS

Section 2.1. Definitions. Terms used herein without definition shall have the meanings specified for such terms in Section 13.1-803 of the Act or the Association Documents. Capitalized terms used herein or in the Bylaws shall have the meanings specified for such terms below.

- (a) "Additional Land" means the land so designated in Exhibit B to the Declaration, as amended from time to time, which the Declarant has reserved the right to submit to the Declaration and to the jurisdiction of the Association pursuant to Section 4.1 of the Declaration.
- (b) "Articles of Incorporation" means the Articles of Incorporation for the Association filed with the Virginia State Corporation Commission, as amended from time to time.
- (c) "Assessments" means the sums levied against the Lots to pay Common Expenses as provided in Article 6 of the Declaration.
- (d) "Association" means Creek's Edge at Stony Point Town Homes Homeowners Association and, with respect to the rights and obligations of the Association set forth in the Declaration, its successors and assigns.
- (e) "Association Documents" means collectively these Articles of Incorporation, the Declaration, Supplementary Declarations and the Bylaws, all as amended from time to time. Any exhibit, schedule, certification or amendment to an Association Document is an integral part of that document.
- (f) "Board of Directors" or "Board" means the executive and administrative entity established by Article 5 of these Articles of Incorporation as the governing body of the Association.
- (g) "Bylaws" means the Bylaws of the Association, as amended from time to time.

(h) "City" means the City of Richmond, Virginia. All references to approval by the City shall mean approval by the appropriate agency of the City, as determined by the Office of the City Attorney at that time.

(i) "Common Area" means, at any given time, all of the Property (other than Lots) then owned by the Association and available to the Association for the benefit, use and enjoyment of the Owners. "Common Easement Areas" means, at any given time, any easement available to the Association for the benefit or use of the Owners or Declarant.

(j) "Common Expenses" means all expenses and capital expenditures incurred by or on behalf of the Association, together with all sums determined by the Board of Directors to be reasonably necessary for the creation and maintenance of reserves pursuant to the provisions of the Association Documents.

(k) "Declarant" means CG Stony Point Townhomes, LLC, a Virginia limited liability company, or such other Person named as the Declarant in or pursuant to the Declaration, and their successors and assigns.

(l) "Declarant Control Period" means the period of time beginning on the date of incorporation of the Association and ending on the earliest of: (i) the twentieth (20th) anniversary of the date of the first (1st) conveyance of a Lot to an Owner other than the Declarant; provided, however, that if the Declarant is delayed in the improvement and development of the Property due to a sewer, water or building permit moratorium or other cause or event beyond the Declarant's control, then the aforesaid period shall be extended for the period of the delay or three (3) years, whichever period of time is less; (ii) the date the number of votes of the Class A Owners is greater than the number of votes of the Class B Owner; (iii) the date specified by the Declarant in a written notice to the Association that the Declarant Control Period is to terminate.

(m) "Declaration" means the Declaration for Creek's Edge at Stony Point Town Homes made by the Declarant and recorded among the Land Records. The term "Declaration" shall include all amendments thereto and, except when the context clearly requires otherwise, all "Supplementary Declarations." "Supplementary Declaration" means any declaration: (i) submitting land to the terms of the Declaration and subjecting such land to the jurisdiction of the Association, whether or not such Supplementary Declaration contains additional provisions reflecting the unique characteristics of the land being submitted; or (ii) submitting a portion of the Property to such supplementary covenants in accordance with the provisions of Article 4 of the Declaration. A Supplementary Declaration may be part of a deed or plat of subdivision.

(n) "Development Period" means the period of time that the Declarant is engaged in development or sales of the Property or the Additional Land or activities relating thereto, during which time the Declarant is entitled to exercise certain "Special Declarant Rights" under the Association Documents. Special Declarant Rights are described in Article 5 of the Declaration. When all the Submitted Land is owned by Owners other than the Declarant (or a lender holding Special Declarant Rights), all the Additional Land is owned by Owners other than the Declarant (or a lender holding Special Declarant Rights) and all of the Declarant's bonds held by a governmental agency with respect to the Property and the Additional Land have been released, then the Development Period shall end.

(o) "Development Plan" means the general development or site plan or plans for the Submitted Land or the Additional Land as approved by the City and as amended from time to time. Although the Declarant intends to develop the Submitted Land and the Additional Land substantially in accordance with the Development Plan, the Declarant reserves the right to modify the Development Plan subject only to the requirements and procedures of the City.

- (p) "Land Records" means the land records of the City of Richmond, Virginia.
- (q) "Lot" means a portion of the Property which is a separate, subdivided lot of record or any other parcel of Submitted Land held in separate ownership (but not including land designated as Common Area and owned by the Association or land dedicated for public street or utility purposes), together with any improvements now or hereafter appurtenant thereto.
- (r) "Majority Vote" means a simple majority (more than fifty percent) of the votes entitled to be cast by Owners present in person or by proxy at a duly held meeting of the Owners at which a quorum is present. Any vote of a specified percentage of Owners means that percentage with respect to the number of votes actually cast by Owners present in person or by proxy at a duly held meeting of the Owners at which a quorum is present. Any vote of a specified percentage of the Board of Directors (or committee) means that percentage with respect to the number of votes entitled to be cast by directors (or committee members) present at a duly held meeting of the Board (or committee) at which a quorum is present. Any vote of or approval of a specified percentage of the Mortgagees means a vote of or approval (whether actual or presumed) by the Mortgagees calculated according to the number of votes allocated to the Lots (or the Owners of the Lots) on which a Mortgage is held by a Mortgagee.
- (s) "Mortgagee" means an institutional lender (one or more commercial or savings banks, savings and loan associations, trust companies, credit unions, industrial loan associations, insurance companies, pension funds or business trusts, including but not limited to real estate investment trusts, any other lender regularly engaged in financing the purchase, construction or improvement of real estate, or any assignee of loans made by such lender, or any combination of any of the foregoing entities) which holds a first mortgage or first deed of trust ("Mortgage") encumbering a Lot and which has notified the Board of Directors of its status in writing and requested all rights under the Association Documents pursuant to Section 13.2 of the Declaration. Only for the purposes of the notice and inspection rights in Articles 13, 14 and 15 of the Declaration, the term "Mortgagee" shall also include the Federal Home Loan Mortgage Corporation (FHLMC), the Federal National Mortgage Association (FNMA), the Government National Mortgage Association (GNMA) and any other public or private secondary mortgage market agency participating in purchasing, guaranteeing or insuring Mortgages which has notified the Board of Directors of such participation in writing ("Secondary Mortgage Market Agency"). Where the approval of Mortgagees is required, such approval means: (i) written approval; (ii) any written waiver of approval rights; (iii) a letter stating no objection; or (iv) presumptive approval if a Mortgagee does not respond to a notice sent by certified or registered United States mail, return receipt requested, within thirty (30) days after the date the request for approval is transmitted in accordance with the notice requirements of Article 10 of the Bylaws and Sections 13.2 and 15.4 of the Declaration.
- (t) "Officer" means any Person holding office pursuant to Article 6 of the Bylaws.
- (u) "Owner" means one or more Persons who own a Lot in fee simple, but does not mean any Person having an interest in a Lot solely by virtue of a contract or as security for an obligation. The term "Owner" is also used to mean a member of the Association.
- (v) "Person" means a natural person, corporation, partnership, association, trust or other entity capable of holding title or any combination thereof.
- (w) "Property" means, at any given time, the Submitted Land together with all improvements and appurtenances thereto now or hereafter existing.

(x) "Rules and Regulations" means the rules and regulations governing the use, occupancy, operation, Upkeep and physical appearance of the Property adopted from time to time by the Board of Directors.

(y) "Submitted Land" means the land designated as such in Exhibit A to the Declaration and all land which is from time to time submitted to the Declaration.

(z) "Upkeep" means care, inspection, maintenance, snow and ice removal, operation, repair, repainting, remodeling, restoration, renovation, alteration, replacement and reconstruction.

Section 2.2. Construction of Association Documents.

(a) Captions. The captions are provided only for reference, and shall not be deemed to define, limit or otherwise affect the scope, meaning or effect of any provision of the document in which used.

(b) Pronouns. The use of the masculine gender 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.

(c) Severability. Each provision of an Association Document is severable from every other provision, and the invalidity or unenforceability of any one or more provisions shall not change the meaning of or otherwise affect any other provision. To the extent that any provision of the Association Documents is found to be overly broad or unenforceable and a narrower or partially enforceable construction may be given to such provision, then the narrower or partially enforceable construction shall be applied and, to the extent lawful, the provision shall be enforced.

(d) Interpretation. If there is any conflict among the Association Documents, the applicable Supplementary Declaration and thereafter, the Declaration shall control, except as to matters of compliance with the Act, in which case the Articles of Incorporation shall control. Specific provisions shall control general provisions, except that a construction consistent with the Act shall in all cases control over any construction inconsistent with the Act. The provisions of the Bylaws shall control over any conflicting provision of any rule, regulation or other resolution adopted pursuant to any of the Association Documents. The Association Documents shall be construed together and shall be deemed to incorporate one another in full. Any requirements as to the content of one shall be deemed satisfied if the deficiency can be cured by reference to any of the others.

ARTICLE 3

PURPOSES AND LIMITATIONS

The Association does not contemplate pecuniary gain or profit to the Owners. No part of any net earnings shall be paid to any director, Officer or Owner, and as such they will have no interest in or any title to any of the property or assets of the Association except in accordance with the provision herein relating to dissolution. No Officer or director shall receive compensation from the Association for services performed in such capacity; provided however that nothing shall prohibit the Association from reimbursing its directors and Officers for all reasonable expenses incurred in performing services for the Association. The purposes for which the Association is organized are to:

(1) provide for the Upkeep of the Common Area and, to the extent provided in the Association Documents, of the Lots;

- (2) establish and administer the architectural, landscaping and maintenance standards governing the Property;
- (3) promote and provide for the health, safety, convenience, comfort and the general welfare of the Owners of the Lots and the occupants of the Property;
- (4) impose, collect and disburse dues, Assessments, and charges in accordance with the provisions of the Bylaws and the Declaration;
- (5) exercise all other powers and perform all duties and obligations of the Association as set forth in the Association Documents; and
- (6) exercise the powers now or hereafter conferred by law on Virginia nonstock corporations as may be necessary or desirable to accomplish the purposes set forth above.

ARTICLE 4

MEMBERSHIP AND VOTING

Section 4.1. Membership. Members of the Association shall at all times be, and be limited to, the Declarant (during the Development Period) and the Owners. If more than one Person owns a Lot, then all of such Persons shall collectively constitute one Owner and be one member of the Association. The Declarant and each such Person is entitled to attend all meetings of the Association. Membership in the Association is mandatory and automatic with ownership of a Lot.

Section 4.2. Classes of Owners: Voting Rights.

(a) Classes: Voting Rights. The Association shall have the following classes of Owners (members):

The Class A Owners shall be the Owners of Lots other than the Declarant during the Declarant Control Period. A Class A Owner shall have one vote for each Home located on a Lot owned by such Owner.

The Class B Owner shall be the Declarant. During the Declarant Control Period, the Class B Owner shall have two hundred ten (210) votes minus one (1) vote for each vote held by a Class A Owner when a vote is taken. If the land described in Exhibits A or B is rezoned or the Development Plan is amended to permit a greater number of dwellings (or the Declarant obtains other approval to permit a greater number of dwellings) to be constructed than permitted at the time the Declaration is recorded, then the number of votes of the Class B Owner described above shall be increased by two (2) times the number of additional dwellings permitted.

After the Declarant Control Period expires, the Class B membership shall expire and the Declarant shall become a Class A Owner and have Class A votes with respect to the Lots owned by the Declarant.

(b) Additional Provisions Governing Voting. Additional provisions governing voting rights and procedures shall be as set forth in Article 3 of the Bylaws.

Section 4.3. Required Vote. A Majority Vote of the Owners shall be necessary for the adoption of any matter voted upon, except as otherwise provided in the Association Documents. Directors shall be elected as provided in Article 5 below. The Bylaws shall be amended only in

accordance with the terms thereof. The Association is also bound by the requirements set forth in the Declaration and shall not take any action in violation thereof. Voting shall not be conducted by class, unless specifically stated otherwise.

Section 4.4. Cumulative Voting. There shall be no cumulative voting.

ARTICLE 5

BOARD OF DIRECTORS

Section 5.1. Initial Directors. The initial director of the Association is Steven A. Middleton whose business address is: 9030 Stony Point Parkway, Suite 500, Richmond, VA 23235-1936. The initial director shall serve until his successors are elected in accordance with Section 5.2 below. The Class B Owner shall be entitled to remove and replace the initial director at will.

Section 5.2. Election of Directors and Term of Office

(a) Declarant-Controlled Board of Directors. The initial Board of Directors consists of one director; thereafter, the number of directors may be increased to not more than three directors pursuant to this section and Section 4.4 of the Bylaws. All directors shall be elected by the Class B Owner who shall elect, remove and replace such directors at will, and designate the terms thereof, until the meeting described in Section 5.2(b) below is held at which all Owners with voting rights are entitled to elect a majority of the directors. Each director shall serve a three-year term.

(b) Owner-Controlled Board of Directors. At the earlier of: (i) the first annual meeting of the Association following the end of the Declarant Control Period or (ii) a special meeting called by the Class B Owner to transfer control of the Board of Directors, the number of directors may be increased to five in which event all but two of the directors elected by the Class B Owner shall resign and during the Development Period the Declarant shall have the right to elect, remove and replace two directors. If the number of directors is not increased, then all but one of the directors appointed by the Declarant shall resign. Thereafter, the remaining directors shall be elected by all Owners having voting rights, including the Declarant. After the Class B membership has expired, the two director positions previously voted upon solely by the Class B Owner shall be voted upon by all Owners having voting rights or the total number of directors may be reduced by amendment to the Bylaws.

The term of office of at least one but fewer than three of the directors elected by the Owners, including the Declarant, shall expire at the third annual meeting following the election. The term of office of at least one but fewer than three of the directors shall expire at the second annual meeting following the election. The term of office of at least one but fewer than three of the directors shall expire at the first annual meeting following the election. The directors receiving the greatest number of votes shall be elected for the longest available terms. The actual number of directors whose terms of office expires at each of the three annual meetings described in the preceding sentences shall be one-third (or a whole number as near to one-third of the total number of directors as possible) of the total number of directors. Thereafter, each director shall serve for a three-year term. If the aggregate number of directors is changed, terms shall be established so that one-third (or a whole number as near to one-third of the total number of directors as possible) of the total number of directors is elected each year.

All successor directors shall be elected to serve for staggered terms of three years each, unless elected to fill a vacancy, in which case such director shall serve as provided in Section 5.6 below. Except for death, resignation or removal, the directors shall hold office until their respective successors shall have been elected. If an election is not held when required, the

directors holding over shall have the authority and power to manage the business of the Association until their successors are duly elected.

Section 5.3. Qualifications; Election Procedures. No person shall be eligible for election as a director unless such person is an Owner, the Declarant (or a designee of the Declarant) or a Mortgagee in possession (or a designee of a Mortgagee in possession). No Class A Owner shall be elected as a director or continue to serve as a director if such Owner is more than sixty days delinquent in meeting financial obligations to the Association or found by the Board of Directors after a hearing to be in violation of the Association Documents or Rules and Regulations.

(b) Elections Committee. Prior to each meeting of the Association at which the directors are elected by Owners other than the Class B Owner, the Board of Directors may appoint an Elections Committee consisting of one director whose term is not then expiring and at least two other persons who are not directors. The Elections Committee shall develop election procedures and administer such procedures as are approved by the Board providing for nomination and election of directors by ballot of the Owners at annual meetings and, where appropriate, special meetings.

(c) Declarant Control Period. Notwithstanding any other provision of this section, during the Declarant Control Period the Board of Directors may waive or modify any requirements under this section.

Section 5.4. Action by Board of Directors. At all meetings of the Board of Directors a majority of the total number of directors shall constitute a quorum for the transaction of business. A Majority Vote of the directors while a quorum is present shall constitute a decision of the Board of Directors, unless otherwise provided in the Act, these Articles of Incorporation or the Bylaws. The Board of Directors may not mortgage, pledge or dedicate to the repayment of indebtedness or otherwise transfer, convey or encumber any or all of the Association property without the approval of the Owners and Mortgagees as required by Section 15.4 of the Declaration.

Section 5.5. Removal or Resignation of Directors. Except with respect to initial directors, directors elected solely by the Class B Owner and replacements thereof, at any regular or special meeting of the Association duly called, any one or more of the directors may be removed with or without cause by the Owners entitled to cast a majority of the total number of votes entitled to elect such director, or as otherwise provided in the Act, and a successor may then and there be elected to fill the vacancy thus created.

Any director whose removal has been proposed by the Owners shall be given at least ten days notice of the time, place and purpose of the meeting and shall be given an opportunity to be heard at the meeting. The notice given to Owners of such meeting shall state that one of the purposes of the meeting is to remove such director. A director may resign at any time by giving notice to the Board of Directors, the President or the Secretary. Unless otherwise specified, such resignation shall take effect upon the receipt thereof and the acceptance of such resignation shall not be necessary to make it effective. Except for directors elected solely by the Class B Owner, a director shall be deemed to have resigned upon disposition by the Owner of the Lot which made such person eligible to be a director, or if such director is not in attendance at three consecutive regular meetings of the Board without approval for such absence, and the minutes reflect the director's deemed resignation pursuant to this section. The Declarant as the Class B Owner may remove and replace at will any initial director or director elected by the Class B Owner.

Section 5.6. Vacancies. Vacancies on the Board of Directors caused by any reason other than: (i) the removal of a director by the Owners; or (ii) removal or resignation of an initial director or a director elected solely by the Class B Owner, shall be filled by a Majority Vote of the remaining directors at the meeting of the Board held for such purpose promptly after the

occurrence of such vacancy or, if the directors remaining in office constitute fewer than a quorum, an affirmative vote of the majority of the directors remaining in office even though the directors present at such meeting constitute less than a quorum. Each person so elected shall be a director until a successor shall be elected at the next annual meeting of the Association. Vacancies caused by removal of a director by the Owners shall be filled by a vote of the Owners and the successor director shall serve the remainder of the term of the director being replaced. The Class B Owner shall elect the successor to an initial director or any director elected by the Class B Owner. The term of a replacement director shall expire so that the staggered terms shall remain unaffected.

ARTICLE 6

INITIAL REGISTERED OFFICE AND AGENT

The initial registered office of the Association is located in the City of Richmond, with a mailing address of 411 East Franklin Street, Suite 600, Richmond, Virginia 23219, at which office the initial registered agent of the Association is Brian R. Marron, who meets the requirements of Section 13.1-833 of the Act by reason of the fact that he is a resident of Virginia and a member of the Virginia State Bar whose business address is identical with that of the registered office.

ARTICLE 7

AMENDMENT

These Articles may be amended if the amendment is adopted by at least a sixty-seven percent (67%) vote of the Owners, pursuant to Section 13.1-886 of the Act. No amendment to these Articles may alter, diminish or impair the rights of the Declarant without the approval of the Class B Owner, if any. The Association shall take no action to amend the Articles of Incorporation which would violate the provisions of Section 15.4 of the Declaration.

ARTICLE 8

DISSOLUTION

The Association may be dissolved pursuant to a merger or consolidation with an entity formed for similar purposes, if the resolution to dissolve is adopted by at least a sixty-seven percent (67%) vote of the Owners, including the Class B Owner, if any; otherwise, dissolution of the Association must be approved by the Declarant during the Development Period and by Owners entitled to cast sixty-seven percent of the total number of votes in the Association, including a majority of the total number of votes entitled to be cast by Owners other than the Declarant.

IN WITNESS WHEREOF, the incorporator of the Association has signed these Articles of Incorporation on November 27, 2006.



Incorporator

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION

AT RICHMOND, NOVEMBER 30, 2006

The State Corporation Commission has found the accompanying articles submitted on behalf of
Creek's Edge at Stony Point Town Homes Homeowners
Association

to comply with the requirements of law, and confirms payment of all required fees. Therefore, it
is ORDERED that this

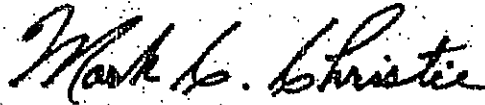
CERTIFICATE OF INCORPORATION

be issued and admitted to record with the articles of incorporation in the Office of the Clerk of
the Commission, effective November 30, 2006.

The corporation is granted the authority conferred on it by law in accordance with the articles,
subject to the conditions and restrictions imposed by law.

STATE CORPORATION COMMISSION

By



Commissioner

CORPACPT
CIS0306
06-11-29-0604

Commonwealth of Virginia

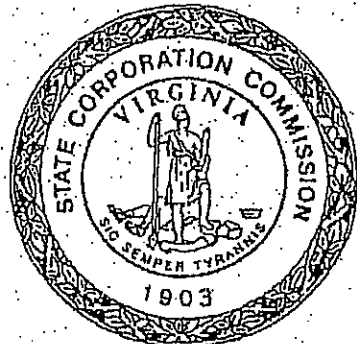


State Corporation Commission

I Certify the Following from the Records of the Commission:

The foregoing is a true copy of all documents constituting the charter of Creek's Edge at Stony Point Town Homes Homeowners Association on file in the Clerk's Office of the Commission:

Nothing more is hereby certified.



*Signed and Sealed at Richmond on this Date:
December 1, 2006*

Joel H. Peck
Joel H. Peck, Clerk of the Commission

COMMONWEALTH OF VIRGINIA

PG 1468 DEC-18

MARK C. CHRISTIE
CHAIRMAN

EDDRE V. MORRISON, JR.
COMMISSIONER

JUDITH WILLIAMS JAGDMANN
COMMISSIONER



JOEL H. PECK
CLERK OF THE COMMISSION
P.O. BOX 1197
RICHMOND, VIRGINIA 23218-1197

STATE CORPORATION COMMISSION
Office of the Clerk

November 30, 2006

TRACY L OCRAN
SPOTTS FAIN PC
411 E FRANKLIN ST STE 600
CALL FOR P/U 421-3210
RICHMOND, VA 23219

RE: Creek's Edge at Stony Point Town Homes Homeowners
Association
ID: 0668608 - 3
DCN: 06-11-29-0604

Dear Customer:

This is your receipt for \$75.00, to cover the fees for filing articles of incorporation with this office.

This is also your receipt for \$100.00 to cover the fee(s) for expedited service(s).

The effective date of the certificate of incorporation is November 30, 2006.

If you have any questions, please call (804) 371-9733 or toll-free in Virginia, 1-866-722-2551.

Sincerely,

Handwritten signature of Joel H. Peck in cursive script.

Joel H. Peck
Clerk of the Commission

CORPRCPT
NEWCD
CIS0306

Commonwealth of Virginia



STATE CORPORATION COMMISSION

Richmond, November 30, 2006

This is to certify that the certificate of incorporation of

**Creek's Edge at Stony Point Town Homes Homeowners
Association**

*was this day issued and admitted to record in this office and that
the said corporation is authorized to transact its business subject
to all Virginia laws applicable to the corporation and its business.
Effective date: November 30, 2006*



*State Corporation Commission
Attest:*

Joel H. Pesh
Clerk of the Commission

BYLAWS

FOR

CREEK'S EDGE AT STONY POINT TOWN HOMES HOMEOWNER'S ASSOCIATION

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BYLAWS

FOR

CREEK'S EDGE AT STONY POINT TOWN HOMES HOMEOWNER'S ASSOCIATION

ARTICLE 1

INTERPRETIVE PROVISIONS

Terms used herein without definition shall have the meanings specified for such terms in Section 13.1-803 of the Virginia Nonstock Corporation Act ("Act"). Definitions, terms and other interpretive provisions set forth in Article 2 of the Articles of Incorporation for Creek's Edge at Stony Point Town Homes Homeowner's Association, Inc. ("Articles of Incorporation") and in Section 1.1 of the Declaration for Creek's Edge at Stony Point Town Homes ("Declaration") are equally applicable to these Bylaws.

ARTICLE 2

MEETINGS OF OWNERS

Section 2.1. Annual Meetings. The first annual meeting of the Association shall be held, not later than the first anniversary of the incorporation of the Association which occurs after there is an Owner other than the Declarant, at such place, date and time as may be fixed by a resolution of the Board of Directors. Subsequent annual meetings of the Association shall be held on weekdays (other than legal holidays recognized as such in Virginia at least thirty (30) days before the beginning of each fiscal year at such place, date and time as may be fixed from time to time by resolutions of the Board of Directors.

Section 2.2. Special Meetings: The Association shall hold a special meeting: (1) upon the call of the President; (2) if so directed by resolution of the Board of Directors; (3) upon a petition presented to the Secretary and signed by Owners entitled to cast at least fifty percent (50%) of the total number of votes (excluding the Declarant's votes); or (4) upon request of the Declarant during the Development Period. The signatures on a petition requesting a special meeting shall be valid for a period of ninety (90) days after the date of the first such signature. Such resolution, petition or request must: (1) specify the time and place at which the meeting is to be held; (2) either specify a date on which the meeting is to be held which will permit the Secretary to comply with Section 2.3, or else specify that the Secretary shall designate the date of the meeting; (3) specify the purposes for which the meeting is to be held; and (4) be delivered to the Secretary. No business other than that stated in such resolution, request or petition shall be transacted at such special meeting.

Section 2.3. Notice of Meetings.

(a) Content and Timing. Written notice stating the place, date and time of each annual meeting and, in case of a special meeting, the purposes for which the meeting is called, shall be given by the Secretary (or as directed by the Secretary) to each Owner entitled to vote at such meeting not less than ten (10) nor more than sixty (60) days before the date of the meeting. The giving of notice in the manner provided in this section and Article 10 shall be considered service of notice.

(b) Extraordinary Actions. Notwithstanding the provisions of Subsection (a), notice of a meeting to act on an amendment to the Articles of Incorporation, a plan of merger or consolidation or dissolution of the Association shall be given in the manner provided above not less than twenty-five (25) nor more than sixty (60) days before the date of the meeting. Any such notice shall be accompanied by a copy of the proposed amendment, plan of merger or consolidation or dissolution.

Section 2.4. Waiver of Notice of Meetings.

(a) Written Waiver. Whenever any notice is required to be given of any meeting of the Association, a waiver thereof in writing signed by an Owner entitled to such notice, whether given before or after the meeting, shall be equivalent to the giving of such notice to that Owner and such waiver shall be delivered to the Secretary for inclusion in the minutes or filing with the Association records.

(b) Waiver by Attendance. An Owner who attends a meeting shall be conclusively presumed to have had timely and proper notice of the meeting or to have duly waived notice thereof, unless such Owner attends for the express purpose of objecting to the transaction of any business on the grounds that the meeting was not lawfully called or convened and so notifies the person conducting the meeting at or prior to the commencement of the meeting or, in the case of a special meeting, at or prior to consideration of the matter subject to objection.

Section 2.5. Quorum. A quorum shall be deemed to be present throughout any meeting of the Association if Owners entitled to cast at least twenty percent (20%) of the total number of votes are present, in person or by proxy, at the beginning of such meeting. Once an Owner is present at a meeting such Owner shall be deemed present for quorum purposes for the remainder of the meeting and for any adjournment of that meeting unless a new Record Date is or shall be set for that adjourned meeting. When voting on any matter requiring a vote by a specified percentage of each class of Owners or of a specific class of Owners, a quorum of each class of Owners or the specific class of Owners must be present in person or by proxy.

If at any meeting of the Association a quorum is not present, a majority of the Owners who are present at such meeting in person or by proxy may: (1) recess the meeting to such place, date and time as such Owners may agree not more than forty-eight (48) hours after the time the original meeting was called; or (2) adjourn the meeting to a time not less than forty-eight (48) hours or more than thirty (30) days after the time the original meeting was called at such date and place as such Owners may agree, whereupon the Secretary shall announce the place, date and time at the meeting and make other reasonable efforts to notify all Owners of such date, time and place.

Section 2.6. Order of Business. Unless otherwise specified in the notice of the meeting, the order of business at all meetings of the Association shall be as follows: (1) roll call (proof of quorum); (2) proof of notice of meeting; (3) reading of minutes of preceding meeting; (4) reports of officers; (5) report of Board of Directors; (6) reports of committees; (7) appointment of inspectors of election (when so required); (8) election of directors (when so required); (9) unfinished business; and (10) new business; provided, however, that balloting for election of directors may commence at any time at the direction of the presiding officer.

Section 2.7. Conduct of Meetings. The President shall preside over all meetings of the Association and the Secretary shall keep the minutes of the meetings and record all resolutions adopted at the meetings and proceedings occurring at such meetings. The President may appoint a parliamentarian at any meeting of the Association. The then current edition of Robert's Rules of Order, Newly Revised, shall govern the conduct of all meetings of the Association when not in conflict with the Act or the Association Documents.

Section 2.8. Record Date to Determine Owners; List of Owners. The date for determining which Persons are Owners and therefore entitled to vote ("Record Date") shall be the close of business on the tenth (10th) business day before the effective date of the notice to the Owners of the meeting, unless the Board of Directors shall determine otherwise. The Board shall not fix a Record Date more than seventy (70) days before the date of the meeting or other action requiring a determination of the Owners, nor shall the Board set a Record Date retroactively. At least ten (10) days before each meeting, the Secretary shall make a complete list of Owners, with the address of each, available for review by the Owners before and during the meeting. The list shall be current as of the Record Date.

Section 2.9. Action by Owners Without Meeting. Any action required or permitted to be taken at a meeting of the Association may be taken without a meeting if written consent, setting forth the action so taken and signed by all of the Owners entitled to vote with respect to the subject matter thereof, is delivered to the Secretary for inclusion in the minutes or filing with the Association records. Such consent shall have the same force and effect as a unanimous vote of the Owners.

ARTICLE 3

VOTING

Section 3.1. Voting Rights. The voting rights of the Owners of the Association shall be as set forth in the Articles of Incorporation.

Section 3.2. Additional Provisions Governing Voting.

(a) Association Votes. If the Association is an Owner, the Association shall cast its votes with the majority with respect to any Lot it owns, and in any event such votes shall be counted for the purpose of establishing a quorum.

(b) Multiple-Person Owners. Since an Owner may be more than one (1) Person, if only one (1) of such Persons is present at a meeting of the Association or signs a consent or a proxy, that Person shall be entitled to cast the Owner's votes. If more than one (1) of such Persons is present, the vote appertaining to that Owner shall be cast only in accordance with unanimous agreement of such Persons, if at all, and such agreement shall be conclusively presumed if any of them purports to cast the vote appertaining to that Owner or to give an approval, consent or proxy without protest being made forthwith by any of the other Persons constituting such Owner to the person presiding over the meeting or objection to such approval, consent or proxy being made to the Association prior to the taking of the action in question. If unanimous agreement of such Persons is not attainable, then the vote appertaining to that Owner shall not be cast.

(c) Voting Certificate. If an Owner is not a natural person, the vote by such Owner may be cast by any natural person authorized by such Owner. Such natural person must be named in a certificate signed by an authorized officer, partner or trustee of such Owner and filed with the Secretary; provided, however, that any vote cast by a natural person on behalf of such Owner shall be deemed valid unless successfully challenged prior to the adjournment of the meeting at which the vote was cast or within ten (10) days after such meeting by the Owner entitled to cast such vote. Such certificate shall be valid until revoked by a subsequent certificate similarly signed and filed. Wherever the approval or disapproval of an Owner is required by the Association Documents, such approval or disapproval may be made by any Person who would be entitled to cast the vote of such Owner at any meeting of the Association.

(d) Delinquency. No Class A Owner may vote at any meeting of the Association or be elected to serve on the Board of Directors if payment by such Owner of any financial obligation to the Association is delinquent more than sixty (60) days and the amount necessary to bring the account current has not been paid at the time of such meeting or election.

Section 3.3. Manner of Voting.

(a) At a Meeting. Voting by Owners at a meeting shall be by voice vote (except for the election of directors which shall be by written ballot) unless the presiding officer determines otherwise or any Owner present at the meeting, in person or by proxy, requests, and by a Majority Vote the Owners consent to, a vote by written ballot indicating the name of the Owner voting, the number of votes appertaining to such Owner, and the name of the proxy of such ballot if cast by a proxy. There shall be no cumulative voting.

(b) By Referendum. In the sole discretion of the Board of Directors, elections of directors (or other matters permitted by law) requiring a vote of the Owners may be submitted to a referendum of the Owners on a ballot, by mail or at polling places. Ballots shall be returned to the Secretary by the date specified on the ballot. The Board of Directors shall determine the method of voting, the form of all ballots, the deadline for return of ballots and the number and location of polling places, if any.

Section 3.4. Proxies. A vote may be cast in person or by proxy. A proxy may be instructed (directing the proxy holder how to vote) or uninstructed (leaving how to vote to the proxy holder's discretion). If uninstructed, the proxy form or instructions shall contain a brief explanation of the effect of leaving the proxy uninstructed. No Person other than the Declarant, a Mortgagee (with respect to the Lots on which the Mortgagee holds a Mortgage), the managing agent or an Officer may cast votes as a proxy for more than five (5) Lots not owned by such Person. Proxies shall be: (i) in writing, (ii) dated, (iii) signed by the Owner or a Person authorized by the Owner, (iv) valid for eleven (11) months unless a longer time period is provided in the proxy and (v) filed with the Secretary. Such proxy shall be deemed revoked only upon actual receipt by the person presiding over the meeting of notice of revocation from the Owner. A sample proxy is attached as Exhibit A.

ARTICLE 4

BOARD OF DIRECTORS

Section 4.1. Powers and Duties of the Board of Directors. The business and affairs of the Association shall be managed by the Board of Directors elected in accordance with the procedures and for the terms of office set forth in Article 5 of the Articles of Incorporation. 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 required by the Act or the Association Documents to be exercised and done by the Owners. The Board of Directors shall delegate to one (1) of its members or to a Person employed for such purpose the authority to act on behalf of the Board on such matters relating to the duties of the managing agent (as defined in Article 5), if any, which may arise between meetings of the Board as the Board deems appropriate. In addition to the duties imposed by any other provision of the Association Documents or by any resolution of the Association that may hereafter be adopted, the Board shall perform the following duties and take the following actions on behalf of the Association:

- (1) Provide goods and services in accordance with the Association Documents, and provide for Upkeep of the Common Area, and, to the extent provided in the Association Documents, of the Lots and other portions of the Property.
- (2) Designate, hire, dismiss and, where appropriate, compensate the personnel necessary to provide for the Upkeep of the Common Area, and the general administration of the Association and, to the extent provided in the Association Documents, of the Lots, and to provide goods and services, as well as purchase equipment, supplies and materials to be used by such personnel in the performance of their duties.
- (3) Collect the Assessments, deposit the proceeds thereof in depositories designated by the Board of Directors and use the proceeds to carry out the Upkeep of the Property and other land and facilities (to the extent the Association is so authorized by the Association Documents) and the general administration of the Association.
- (4) Adopt, amend and enforce any reasonable Rules and Regulations not inconsistent with the Association Documents.
- (5) Open bank accounts on behalf of the Association and designate the signatories thereon.
- (6) Enforce the provisions of the Association Documents.
- (7) Act with respect to all matters arising out of any eminent domain proceeding affecting the Common Area.
- (8) Notify the Owners of any litigation against the Association involving a claim in excess of twenty percent (20%) of the total Annual Assessment for Common Expenses.

- (9) Obtain and carry insurance against casualties and liabilities, as provided in Article 10 of the Declaration, pay the premiums therefor and adjust and settle any claims thereunder.
- (10) Pay the cost of all authorized goods and services rendered to the Association.
- (11) Notify the appropriate Mortgagee of any default by an Owner in paying Assessments for Common Expenses (which remains uncured for sixty (60) days) or of any other default, simultaneously with the notice sent to the defaulting Owner.
- (12) Provide an Association Disclosure Packet or Common Expense Statement with respect to a Lot within fourteen (14) days (or as otherwise required by law) after a written request and payment of the appropriate fee in accordance with the Declaration.
- (13) Prepare an annual budget in accordance with Article 6 of the Declaration.
- (14) Adopt an annual budget and make Assessments to defray the Common Expenses of the Association, establish the means and methods of collecting such Assessments and establish the period of the installment payment, if any, of the Annual Assessment for Common Expenses in accordance with Article 6 of the Declaration.
- (15) Borrow money on behalf of the Association, when required for any valid purpose; provided, however, that either a Majority Vote of the Owners obtained at a meeting held for such purpose or written approval by Owners entitled to cast more than fifty percent (50%) of the total number of votes shall be required to borrow any sum in excess of ten percent (10%) of the total Annual Assessment for Common Expenses for that fiscal year or, subject to Section 15.4 of the Declaration, mortgage any of the Common Area.
- (16) Sign deeds, leases, plats of resubdivision and applications for construction permits or similar documents for the Common Area, as may be necessary or desirable in the normal course of the orderly development of the Property, at the request of the Declarant or on its own determination.
- (17) Dedicate, lease or transfer any portion of the Common Area or grant or terminate easements, utility agreements, rights-of-way or licenses over and through all the Common Area pursuant to Section 3.2 of the Declaration and subject to the restrictions set forth in Section 14.4 of the Declaration.
- (18) In its sole discretion, designate certain portions of the Common Area as Reserved Common Area, pursuant to Section 3.9 of the Declaration, and impose such restrictions and conditions on the use thereof as the Board of Directors deems appropriate.
- (19) In accordance with Section 12.1 of the Declaration, suspend the right of any Owner or other occupant of a Lot, and the right of such Person's household, guests, tenants, agents and invitees to use the Common Area.
- (20) Acquire, hold and dispose of Lots to enforce the Collection of Assessments and mortgage the same without the prior approval of the Owners.

- and for services.
- (21) Charge reasonable fees for the use of the Common Area, where appropriate;
- (22) Take all other actions not inconsistent with the Act or the Association Documents.

Section 4.2. Meetings of Directors.

(a) Types of Meetings. The first (organizational) meeting of the Board of Directors following an annual meeting of the Association shall be held within thirty (30) days thereafter at such time and place as shall be determined by a majority of the directors in order to elect Officers, appoint committee members and establish the manner of operation of the Board for the ensuing year. Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the directors; provided, however, that after the Declarant Control Period, such meetings shall be held at least quarterly during each fiscal year. Special meetings of the Board of Directors may be called by the President and shall be called by the President or Secretary upon written request of at least two (2) directors. All meetings of the Board of Directors shall be open to Owners as observers, except that the President or presiding officer may call the Board into executive session on sensitive matters such as personnel, negotiations, litigation strategy or hearings with respect to violations of the Association Documents or as otherwise permitted by law.

(b) Notice. Notice of meetings of the Board of Directors shall be given to each director personally or by mail, telegraph, telecopy, telephone or electronic transmission, orally or in writing, at least three (3) business days prior to the date named for such meeting. Such notice shall state the place, date and time and, in the case of special meetings, the purpose thereof. No notice of the organizational meeting of the Board of Directors shall be necessary if such meeting is held immediately following the annual meeting.

(c) Waiver of Notice. Any director may at any time, in writing, waive notice of any meeting of the Board of Directors, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a director at any meeting of the Board of Directors shall constitute a waiver of notice of the time, place and purpose of such meeting, unless the director attends for the express purpose of objecting to the transaction of any business on the grounds that the meeting was not lawfully called or convened and so notifies the person conducting the meeting at or prior to the commencement of the meeting or, in the case of a special meeting, at or prior to consideration of the matter subject to objection. If all directors are present at any meeting of the Board of Directors, no notice shall be required and any business may be transacted at such meeting.

(d) Quorum of the Board of Directors. At all meetings of the Board of Directors, a majority of the total number of directors shall constitute a quorum for the transaction of business, and a Majority Vote while a quorum is present shall constitute the decision of the Board of Directors, unless provided otherwise in the Act or the Association Documents. If at any meeting of the Board of Directors there is less than a quorum present, a majority of those present may recess or adjourn the meeting from time to time. When the recessed or adjourned meeting is reconvened, if a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice. A director who participates in a meeting by any means of communication by which all directors or all Board

committee members may simultaneously hear each other during the meeting shall be deemed present at the meeting for all purposes.

(e) Conduct of Meetings. The President shall preside over meetings of the Board of Directors and the Secretary shall keep the minutes of the meetings and record all resolutions adopted at the meetings and proceedings occurring at the meetings. The then current edition of Robert's Rules of Order, Newly Revised, shall govern the conduct of the meetings of the Board of Directors when not in conflict with the Act or the Association Documents.

Section 4.3. Action by Directors 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 a consent in writing setting forth the action taken shall be signed either before or after such action is taken by all of the directors. Any such written consent shall have the same force and effect as a unanimous vote and shall be filed with the minutes of the Board of Directors.

Section 4.4. Number of Directors. During the Declarant Control Period, the Board of Directors shall consist of not less than one (1) nor more than three (3) directors. After the Declarant Control Period, the Board shall consist of between three (3) and five (5) directors as established by the Board of Directors from time to time.

ARTICLE 5

MANAGING AGENT

The Board of Directors may employ for the purpose of administering the Property a "managing agent" at compensation to be established by the Board. The managing agent may be affiliated with the Declarant. The initial term of the managing agent may not exceed two (2) years but may be renewable by mutual agreement for successive one (1) year terms. The managing agent must be able to advise the Board of Directors regarding the administrative operation of the Property and shall employ personnel knowledgeable in the areas of insurance, accounting, contract negotiation, labor relations and property management. The managing agent shall perform such duties and services as the Board of Directors shall direct. 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 Paragraph 4.1. The managing agent shall perform the obligations, duties and services relating to the management of the Property, the rights of Mortgagees and the maintenance of reserve funds in compliance with the provisions of the Act and the Association Documents. Any contract with the managing agent must provide that it may be terminated, without payment of a termination fee, without cause on not more than ninety (90) days written notice and with cause on no more than thirty (30) days written notice.

ARTICLE 6

OFFICERS

Section 6.1. Designation and Duties of Officers. The principal officers of the Association shall be the President (who shall also serve as Chairman of the Board of Directors), the Vice President, the Secretary and the Treasurer, all of whom shall be elected by the Board of Directors. The Board of Directors may also elect an assistant treasurer, an assistant secretary and such other Officers as in its judgment may be necessary. The President and Vice President shall be Owners (except for those directors designated or elected by the Declarant) and directors. Any other Officers may, but need not, be Owners or directors. Each Officer shall perform such duties as are normally associated with such office in parliamentary organizations, except to the extent (if any) inconsistent with the Act or the Association Documents, and shall perform such other duties as may be assigned to such Officer by resolution of the Board of Directors. If any Officer is unable for any reason to perform the duties of the office, the President (or the Board of Directors if the President fails to do so) may appoint another qualified person to act in such Officer's stead on an interim basis.

Section 6.2. Election of Officers. The Officers of the Association shall be elected annually by the Board of Directors at the organizational meeting of each new Board and shall hold office at the pleasure of the Board. Any Officer may hold more than one (1) position; provided, however, that following the Declarant Control Period, the offices of President, Vice President and Secretary shall be held by three (3) different individuals. Except for death, resignation or removal, the Officers shall hold office until their respective successors shall have been elected by the Board.

Section 6.3. Resignation or Removal of Officers. Any Officer may resign by delivering written notice to the Board of Directors. Unless otherwise specified in the notice, such resignation shall take effect upon the receipt thereof, and acceptance by the Board of Directors of such resignation shall not be necessary to make it effective. Upon the affirmative vote of a majority of the total number of directors, any Officer may be removed, either with or without cause, and a successor may be elected at any regular meeting of the Board or at any special meeting of the Board called for such purpose.

Section 6.4. Vacancies. A vacancy in any office may be filled by appointment by the Board of Directors. The person appointed to fill a vacancy shall serve for the remainder of the term of the Officer such person replaces.

Section 6.5. President. The President shall be the chief executive officer of the Association; preside at all meetings of the Association and of the Board of Directors; have general and active direction of the business of the Association subject to the control of the Board; see to the execution of the resolutions of the Association and the Board of Directors; see that all orders and resolutions of the Board are carried into effect; and, in general, perform all the duties incident to the Office of President.

Section 6.6. Vice President. The Vice President shall take the place of the President and perform the duties of the President whenever the President is absent or unable to act. If neither the President nor the Vice President is able to act, the Board of Directors shall appoint some other director to act in the place of

the President, on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed by the Board of Directors or by the President.

Section 6.7. Secretary. The Secretary shall: keep the minutes of all meetings of the Association and of the Board of Directors; have charge of such books and papers as the Board may direct and as may be required by Section 13.1-932 of the Act and Section 55-510 of the POA Act; give or cause to be given all notices required to be given by the Association; give each Owner notice of any Assessment against such Owner's Lot as soon as practical after any such Assessment is made; give each Owner notice and a copy of the Rules and Regulations or amendment thereof; maintain a register setting forth the place to which all notices to Owners and Mortgagees hereunder shall be delivered; file or cause to be filed the annual reports required by Section 13.1-936 of the Act and Section 55-516.1 of the POA Act, or as otherwise required by law; make it possible for any Owner or Mortgagee to inspect and copy at reasonable times and by appointment the records of the Association; and, in general, perform all the duties incident to the Office of Secretary.

Section 6.8. Treasurer. The Treasurer shall: be responsible for Association funds and securities; keep full and accurate financial records and books of account showing all receipts and disbursements; prepare or cause to be prepared all required financial data, including the Statement of Common Expenses required by Section 6.6 of the Declaration; deposit all monies and other valuable effects in the name of the Board of Directors or the Association in such depositories as may from time to time be designated by the Board; and, in general, perform all the duties incident to the Office of Treasurer.

Section 6.9. Managing Agent. The managing agent may perform the duties of the Secretary and Treasurer at the direction of the Board of Directors.

ARTICLE 7

COMMITTEES

Section 7.1. Covenants Committee. The Board of Directors shall establish a Covenants Committee as set forth in Article 9 of the Declaration.

Section 7.2. Other Committees. The Board of Directors may create and abolish from time to time such other committees consisting of two (2) or more persons as the Board may deem appropriate to aid in the administration of the affairs of the Association. Such committees shall have the powers and duties fixed by resolution of the Board from time to time.

Section 7.3. Appointment and Removal. The Board shall appoint the chair of each committee, and may either appoint the other members thereof or leave such appointment to the committee chair. The Board of Directors may remove a committee member with or without cause on three (3) days written notice.

Section 7.4. Committee Meetings. The procedures for committee meetings shall be the same as set forth for meetings of the Board of Directors in Section 4.2, and the chair shall serve as the presiding officer of the committee.

Section 7.5. Action by Committee Without a Meeting. Any action required or permitted to be taken at a committee meeting may be taken without a meeting if consent in writing, setting forth the action taken, shall be signed either before or after such action by all of the committee members. Any such written consent shall have the same force and effect as a unanimous vote and shall be filed with the minutes of the committee.

ARTICLE 8

FIDUCIARY DUTIES

Section 8.1. Signature Requirements. Unless otherwise provided in the resolution of the Board of Directors: (1) all agreements, contracts, deeds, leases, checks and other instruments of the Association for expenditures or obligations in excess of ten (10) percent of the total annual assessment for Common Expenses for that fiscal year and all checks drawn upon reserve accounts shall be signed by any two (2) persons designated by the Board of Directors; and (2) all such instruments for expenditures or obligations of ten (10) percent or less of the total annual assessment for Common Expenses for that fiscal year, except from reserve accounts, may be signed by any one (1) person designated by the Board of Directors. Notwithstanding the foregoing, instruments creating or paying obligations for less than Five Thousand Dollars (\$5,000.00), except for withdrawals from the reserve funds, may be signed by only one (1) person. The managing agent, if so designated by the Board of Directors or any Officer of the Association may sign a Statement of Common Expenses or an Association Disclosure Packet on behalf of the Association.

Section 8.2. Conflicts of Interest.

Each director or Officer shall exercise such director's or Officer's powers and duties in good faith and in the best interests of the Association. Any common or interested director or Officer may be counted in determining the presence of a quorum of any meeting of the Board of Directors, a committee or the Owners which authorizes, approves or ratifies any contract or transaction. The voidability of a transaction involving a director or Officer with a conflict of interest shall be determined in accordance with Section 13.1-871 of the Act.

Section 8.3. Liability and Indemnification.

(a) No Personal Liability. The directors, Officers and members of any committee of the Association appointed by the Board of Directors shall not be liable to the Association or any Owner for any mistake of judgment, negligence or otherwise, except for their own individual willful misconduct or bad faith. Directors and Officers shall have no personal liability with respect to any contract made by them on behalf of the Association. No Owner shall be liable for the contract or tort liability of the Association by reason of ownership or membership therein. Every agreement made by the Board of Directors, the Officers or the managing agent on behalf of the Association shall, if obtainable, provide that the directors, the Officers or the managing agent, as the case may be, are acting only as agents for the Association and shall have no personal liability thereunder.

(b) Indemnification. The Association shall indemnify the directors, Officers and members of any committee appointed by the Board of Directors to the extent that it is contemplated a nonstock corporation may indemnify its directors, officers and employees pursuant to Sections 13.1-875

through 13.1-883 of the Act; provided, however, that before the Association uses Association funds for indemnification, all available insurance proceeds must be obtained and applied toward such indemnification. The foregoing right of indemnification shall be in addition to any other rights to which an indemnified person may be entitled by law, agreement, vote of the Owners or otherwise.

(c) Directors and Officers Liability Insurance. The Association shall have the power, pursuant to Article 10 of the Declaration, to purchase and maintain insurance on behalf of any person who is or was a director, Officer or member of a committee appointed by the Board of Directors against any liability asserted against such person and incurred by such person in any such capacity or arising out of such person's status as such, whether or not the Association would have the power to indemnify such person against such liability under the provisions of this section. Further, the availability of the Association's indemnity shall not relieve any insurer of any liability under an insurance policy held by the Association.

Section 8.4. Compensation of Directors and Officers. The Association may pay a recording secretary. Otherwise, no salary or other compensation shall be paid by the Association to any director or Officer of the Association for serving or acting as such, but this shall not preclude the payment of salary or other compensation for the performance by such director or Officer of other services to the Association nor shall it preclude the reimbursement of reasonable, ordinary and necessary expenses incurred in serving or acting as a director or Officer or the payment of compensation and reimbursement of expenses to the managing agent of the Association in accordance with Article 5 hereof.

ARTICLE 9

BOOKS AND RECORDS

Section 9.1. Maintenance. The Association shall keep books and records as required by Section 13.1-932 of the Act and Section 55-510 of the POA Act or as otherwise required by law. The Association shall keep records of: (i) its governing documents (i.e., Association Documents, Rules and Regulations and Design Guidelines); (ii) its actions (Board resolutions, meeting minutes, contracts, etc.); and (iii) its financial condition (receipts and expenditures affecting the finances, operation and administration of the Association, budget, financial statements, etc.). All books and records shall be kept in accordance with generally accepted accounting principles (but which may be maintained on a cash basis). Upon the request of any Mortgagee any Secondary Mortgage Market Agency or upon a Majority Vote of the Owners (or the written request of Owners entitled to cast more than fifty percent (50%) of the total number of votes) or as otherwise determined by the Board of Directors, the books and records shall be audited by an accountant retained by the Board of Directors who shall not be an Owner or an occupant of a Lot. The cost of such audit shall be a Common Expense. The audit shall be available within one hundred twenty (120) days after the end of the fiscal year.

Section 9.2. Availability. The books and records of the Association shall be available for examination by the Owners, their attorneys, accountants, Mortgagees and authorized agents during general business hours on business days at the times and in the manner established by the Board of Directors for the general knowledge of the Owners in accordance with Section 13.1-933 and Section 55-510 of the POA Act or as otherwise required by law; provided, however, that the Association is not required to maintain or make available records over three (3) years old. The list of Owners required by Section 2.8 shall be available for inspection for a period of ten (10) days prior to the meeting and at the meeting. Pursuant to Section 13.3 of

the Declaration, all Mortgagees or their authorized representatives shall have the right to examine the books and records of the Association on the same terms and conditions as the Owners. The Board of Directors or managing agent shall provide any Owner, contract purchaser or Mortgagee, within fourteen (14) days after receipt of a written request therefor, with a written statement of all unpaid Assessments for Common Expenses due with respect to a specific Lot (or a statement that the amount of unpaid Assessments is zero) ("Statement of Common Expenses") as part of the "Association Disclosure Packet" substantially in the form attached as Exhibit B hereto and incorporated herein by this reference or as otherwise approved by the Board of Directors. The Board of Directors may fix from time to time a reasonable charge to cover the direct and indirect costs of providing any documents.

Section 9.3. Accounting Report. Within one hundred twenty (120) days after the end of each fiscal year, the Board of Directors shall make available to all Owners and to each Mortgagee requesting the same, 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.

Section 9.4. Fiscal Year. The first fiscal year of the Association shall begin on the date of the conveyance of the first Lot to an Owner other than the Declarant and end on the last day of December, unless otherwise determined by the Board of Directors. Each subsequent fiscal year shall commence on January 1 and end on December 31, unless otherwise determined by the Board of Directors.

Section 9.5. Association Filings. The Association shall also file and maintain the annual reports required to be filed with the Virginia State Corporation Commission by Section 13.1-936 of the Act and with the Virginia Real Estate Board by Section 55-516.1 of the POA Act.

ARTICLE 10

NOTICES

Except as specifically provided otherwise in the Act or the Association Documents, all notices, demands, bills, statements or other communications under the Association Documents shall be in writing and shall be deemed to have been duly given if hand delivered personally to the Owner or the Owner's address of record or delivered by telegraph, teletype or other form of wire or wireless communication or by private carrier or sent United States mail, postage prepaid pursuant to Section 13.1-810 of the Act, or if notification is of a default, hearing, or lien, sent by registered or certified United States mail, return receipt requested, postage prepaid: (1) if to an Owner, at the address which the Owner shall designate in writing and file with the Secretary or, if no such address is designated for an Owner, at the address of a Lot owned by such Owner; (2) 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 Owners pursuant to this section; or (3) if to a Mortgagee, at the address indicated by the Mortgagee in a written notice to the Association. If mailed, such notice shall be deemed to be given when deposited in the United States mail addressed as provided above. Notice of meetings may be included as part of the Association's newsletter, if the newsletter is delivered to every Lot, or published in a newspaper of general circulation as permitted by Section 13.1-810 B of the Act. If a Lot is owned by more than one (1) Person, notice to one (1) of the Persons comprising the Owner is sufficient notice to the Owner.

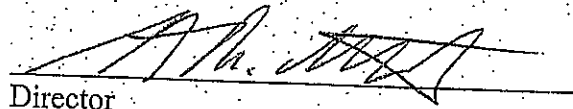
ARTICLE II

AMENDMENTS

These Bylaws may only be amended by a Majority Vote of the Owners if a copy of the proposed amendment or a summary thereof has been inserted in the notice of meeting or all of the Owners are present in person or by proxy. No amendment to these Bylaws may diminish or impair the rights of the Declarant under the Bylaws without the prior written consent of the Declarant. No amendment to these Bylaws may diminish or impair the rights of the Mortgagees under the Bylaws.

I/WE, THE INITIAL DIRECTOR(S) OF THE ASSOCIATION, HAVE ADOPTED THESE BYLAWS ON NOVEMBER 22, 2006, AS EVIDENCED BY MY/OUR SIGNATURE(S) HERETO.

NOVEMBER 22, 2006
Date



Director

Printed Name: Steven A. Middleton

CERTIFICATION

I, the undersigned, do hereby certify:

THAT I am the duly elected and acting Secretary of Creek's Edge at Stony Point Town Homes Homeowner's Association, a Virginia nonstock corporation; and

THAT the foregoing Bylaws constitute the original Bylaws of the Association, as duly adopted by the Board of Directors pursuant to the Organizational Minutes dated November 22, 2006.

IN WITNESS WHEREOF, I have hereunto subscribed my name on November 22, 2006.

Krista Rollins
SECRETARY

EXHIBIT A

PROXY / BALLOT
CREEK'S EDGE AT STONY POINT TOWN HOMES
HOMEOWNERS ASSOCIATION, INC.
MEETING - _____, 20____, _____ P.M.

I, the undersigned, being a bona-fide member in good standing with the Creek's Edge At Stony Point Town Homes Homeowner's Association ("Association"), duly authorized and entitled as such to cast one (1) vote at the Meeting of the Association, to be held on _____, _____, 20____, at _____ p.m., at _____, located at _____, Richmond, Virginia 23235, do hereby appoint:

Name:

Address:

As my proxy to attend said Meeting, and any recess and/or continuation thereof, with full power to vote for me in my name, place and stead in the same manner and to the same extent with the same effect that I might were I personally present thereat. I direct that my proxy shall vote for approval _____ / disapproval _____ / as my Proxy desires _____ [check one] at the Meeting. Executed proxies must be filed with the Secretary of the Association (or his/her designee) by the beginning of the Meeting. All valid proxies shall be counted towards the establishment of quorum for the Meeting.

Signature:

Printed Name:

Address:

Date Signed:

Telephone No.:

EXHIBIT B

SAMPLE ASSOCIATION DISCOSURE PACKAGE

CREEK'S EDGE AT STONY POINT
TOWN HOMES HOMEOWNERS ASSOCIATION

ASSOCIATION DISCLOSURE PACKET

TO: _____

FROM: Creek's Edge at Stony Point Town Homes Homeowners Association.

RE: Lot Number: _____
Street Address: _____

DATE REQUEST RECEIVED: _____, 200__

DATE: _____, 200__

In accordance with Section 55-512 of the Virginia Property Owners' Association Act, as amended (the "Act"); Creek's Edge at Stony Point Town Homes Homeowners Association (the "Association") hereby provides the following:

1. The Association states that:
 - a. The name of the Association is "Creek's Edge at Stony Point Town Homes Homeowners Association";
 - b. The state in which the Association is incorporated is Virginia; and
 - c. The name and address of the Association's registered agent in Virginia is:

Brian R. Marron, Esquire
Spotts Fain PC
411 E. Franklin Street
Suite 600
Richmond, Virginia 23219

2. The Association sets forth below a statement of any expenditure of funds approved by the Association or the Board of Directors which shall require an assessment in addition to the regular assessment during the current year or the immediately succeeding fiscal year:

Neither the Association nor the Board of Directors, at this time, has approved any expenditure of funds which shall require an assessment in addition to the regular assessment during the current year or the immediately succeeding fiscal year.

3. The Association sets forth below a statement, including the amount of all assessments and any other mandatory fees or charges currently imposed by the Association and associated with the purchase, disposition and maintenance of the Lot and the right of use of common areas, and the status of the account as follows:

Common Expense Assessment	\$ _____
Limited Common Expense Assessment	\$ _____
Recreational Facilities Assessment	\$ _____
Assessment in arrears (including Individual Assessments)	\$ _____
Initial Assessment (if applicable)	\$ _____
Other fees or charges	\$ _____
Other fees or charges in arrears	\$ _____
TOTAL DUE:	\$ _____

A fee of \$100.00 is currently charged by the Association for the preparation of an Association Disclosure Packet (such as this one).

4. The Association sets forth below a statement whether there is any other entity or facility to which the Lot Owner may be liable for fees or other charges:

There is no other entity or facility to which the lot owner may be liable for fees or other charges.

5. The Association attaches a copy of the Association's current reserve study report or a summary thereof. *See Attachment No. 1 to this Disclosure Packet.* The Association sets forth below a statement of the status and amount of any reserve or replacement fund and any portion of the fund allocated by the Board of Directors for specified projects:

At this time, there are no funds designated by the Board of Directors for future specified projects.

6. The Association attaches a copy of the Association's current budget or a summary thereof prepared by the Association, and a copy of its statement of income and expenses or statement of its financial condition for the last fiscal year for which such statement is available. *See Attachment No. 2 to this Disclosure Packet.*

7. The Association sets forth below a statement of the nature and status of any pending suit or unpaid judgment to which the Association is a party which either could or would have a material impact on the Association or its members or which relates to the Lot being purchased:

There are no unpaid judgments against the Association nor any pending suits (other than collection cases) in which the Association is a party which either could or would have a material impact on the Association or its members or which relate to the Lot referenced above.

- 8. The Association sets forth below a statement of what insurance coverage is provided for all Lot Owners by the Association, including any fidelity bond maintained by the Association, and what additional insurance would normally be secured by each individual Lot Owner:

The Association holds hazard, property damage and liability insurance policies covering the Common Area as required by the Declaration in the following amounts.

Hazard and Property Damage	\$ _____	(full replacement cost)
Liability	\$ _____	
Directors' and Officers' Liability	\$ _____	
Other _____	\$ _____	

The Association also maintains fidelity bonds in the amount of \$ _____.

Each Lot Owner must obtain the following insurance:

Due to the shared walls between the improvements located on some of the Lots, each Owner of a Lot containing an attached structure shall obtain personal liability insurance in a minimum amount of One Million Dollars (\$1,000,000.00) and property insurance on a Special Covered Causes of Loss Form (or its equivalent) in an amount equal to one hundred percent (100%) of the then current insurable replacement cost of any improvements located on such Owner's Lot. Such personal insurance shall also include coverage for "loss assessment" that may be levied by the Association against the Owner (including loss assessment for common area insurance deductibles and retentions).

If a Lot Owner fails to obtain the required insurance coverage, the Board of Directors of the Association may purchase such insurance coverage on such Owner's behalf and assess the Lot owned by such Owner for the cost thereof. The Association and the Board of Directors shall not be held liable for the failure of any Owner to purchase insurance or for not purchasing such insurance on the Owner's behalf.

Each Lot Owner must obtain insurance covering property damage to the Lot, improvements thereon and personal property contained therein.

- 9. The Association sets forth below a statement that any improvement or alteration made to the Lot, or uses made of the Lot or common area assigned thereto by the prior Lot Owner, are not in violation of any of the instruments referred to in Paragraph 12 below:

The Association has not given notice to the Owner of the Lot and has no knowledge of whether improvements or alterations made to the Lot or uses made of the Lot or any Common Area assigned to the Lot, if any, are in violation of the documents referred to in Paragraph 12 below.

- 10. The Association sets forth below a statement setting forth any restriction, limitation, or prohibition on the right of a Lot Owner to place a sign on the Owner's Lot:

Except for such signs, flags and banners as may be posted by the Declarant for promotional or marketing purposes or by the Association, no signs, flags or banners of any character shall be erected, posted or displayed in a location that is Visible from Neighboring Property unless in compliance with the Design Guidelines or with the prior written approval of the Covenants Committee.

11. The Association sets forth below a statement setting forth any restriction, limitation, or prohibition on the right of a Lot Owner to display any flag on the Owner's Lot including, but not limited to reasonable restrictions as to the size, place and manner of placement or display of such flag and the installation of any flagpole or similar structure necessary to display such flag:

Except for such signs, flags and banners as may be posted by the Declarant for promotional or marketing purposes or by the Association, no signs, flags or banners of any character shall be erected, posted or displayed in a location that is Visible from Neighboring Property unless in compliance with the Design Guidelines or with the prior written approval of the Covenants Committee. Notwithstanding the above, one (1) decorative flag per Home may be displayed from the front or rear porch area of the Home, which flag shall be mounted on an horizontal pole no more than six (6) feet in length, mounted from five (5) to seven (7) feet above grade, no larger than three (3) feet by four (4) feet, and approved as to design and content by the Covenants Committee.

12. The Association attaches a copy of the current declaration, the Association's articles of incorporation and bylaws, and any rules and regulations or architectural guidelines adopted by the Association. *See Attachment No. 3 to this Disclosure Packet.*
13. The Association attaches a copy of all notices, if any, given to the Lot Owner by the Association of any current or pending rule or architectural violation. *See Attachment No. 4 to this Disclosure Packet.*
14. The Association attaches a copy of the fully completed one-page cover sheet developed by the Real Estate Board pursuant to Section 54.1-2105.1 of the Act. *See Attachment No. 5 to this Disclosure Packet.*
15. The Association hereby certifies, if applicable, the Annual Report required by Section 55-516.1 of the Act was filed and Registration No. _____ was issued on _____, 2006.

The Association contact for questions regarding this Disclosure Packet is:

[insert name, address and phone # of contact]

(Attachments follow)

ATTACHMENT NO. 1

[Attach a copy of the Association's current reserve
study report or a summary thereof]

ATTACHMENT NO. 2

[Attach a copy of the Association's current budget or a summary thereof prepared by the Association, and a copy of its statement of income and expenses or statement of its financial condition for the last fiscal year for which such statement is available].

ATTACHMENT NO. 3

[Attach a copy of the current declaration, the Association's articles of incorporation and bylaws, and any rules and regulations or architectural guidelines adopted by the Association]

ATTACHMENT NO. 4

[Attach a copy of the notice, if any, given to the Lot owner by the Association of any current or pending rule or architectural violation]