BY LAWS OF

GATES BLUFF COMMUNITY ASSOCIATION

ARTICLE I

Name and Location

name of the association is Gates Bluff Community Association (the "Association"). The principal office shall be located at the office of Laveer Properties/R, 9211 Forest Hill Ave., Suite 101, Richmond, VA 23235.

ARTICLE II

Membership and Voting Rights

Section 1. Membership Eligibility: Every owner of a fee or undivided fee interest in any Lot which is subject to the Gates Bluff Community Association Declaration of Covenants, Restrictions and Conditions, (the "Declaration"), recorded in the Clerk's Office of the County of Chesterfield, Virginia, Deed Book 2096, page 1602, shall be a member of the Association. The foregoing does not include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any Lot that is subject to assessment by the Association.

Section 2. Suspension/Waiver of Voting Privileges:

The Association may suspend the voting rights of a member for any period in which a member shall be in default in the payment of any assessment levied by the Association; and for a period not to exceed sixty (60) days for any infraction of the Declaration, these By-Laws, or the published rules and regulations of the Association.

ARTICLE III

Meetings of Members

Section 1. Places of Meetings: All meetings of the members shall be held at the principal office of the Association unless some other place is stated in the notice of the meeting.

Section 2. Annual Meetings: The annual meeting of the members of the Association shall be held in each year on the 3rd Thursday of February, if not a legal holiday, and if a legal holiday then on the next succeeding business day. The first annual meeting will be held on February 18, 1993.

Section 3. Special Meetings: Special meetings of the members may be called at any time by the President or by the Board of Directors or a majority thereof, or by not less than one-third of the Members.

Section 4. Notice of Meetings: Notice of the time and place of every meeting of the members and, in the case of a special meeting, the purpose of the meeting, shall be mailed or delivered to address noted on tax bills not less than ten or more than fifty days previous thereto to each member entitled to vote at the meeting. Meetings may be held without notice if all of the members entitled to vote are present in person or by proxy or if notice is waived by those not present, either before or after such meeting.

Section 5. Quorum: The presence at the meeting of members, in person or represented by proxies, entitled to cast not less than fifty one percent (51%) of the votes of membership, shall constitute a quorum for the transaction of business except as otherwise provided by the Declaration or these By-Laws.

Section 5. Quorum, Continued: If less than a quorum shall be present or represented by proxy at the time for which a meeting shall have been called, the meeting may be adjourned from time to time by a majority of the members present or represented by proxy without notice other than by announcement at the meeting until a quorum shall be present or represented by proxy.

Section 6. Proxies: At all meetings of members, each member shall vote in person or by proxy. All proxies shall be in writing and filed with the Secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his Lot.

ARTICLE IV

BOARD OF DIRECTORS

Section 1. Number: The business and affairs of this Association shall be managed by a Board of a minimum of three (3) Directors, who must also be members of the Association.

Section 2. Nomination: Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nomination may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board or Directors, and two or more members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the members, to serve from the close of such annual meeting until the close of the next annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled.

Section 3. Election of Directors The Directors shall be elected at the annual meeting or until their successors are elected. Election to the Board of Directors shall be by secret written ballot, unless unanimously waived. At such election the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of these By-Laws. The person receiving the largest number of votes shall be elected. Cumulative voting is not permitted. No director shall serve more than four (4) consecutive years.

Section 4. Removal: Any director may be removed from the Board of Directors, with or without cause, by at least at sixty per cent (60%) vote of the members of the Association. In the event of death, resignation, or removal of a director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

Section 5. Meeting of Directors: Meetings of the Board of Directors shall be held at places and at times fixed by resolution of the Board, or upon call of the President. The secretary, or officer performing his duties, shall give at least twenty-four hours notice by telegraph, letter, or telephone of all meetings of the directors; provided, that notice need not be given of regular meetings held at time and places fixed by resolution of the Board.

Section 5. Meeting of Directors, Continued Meetings may be held at any time without notice if all of the directors are present, or if those not present waive notice either before or after the meeting.

Section 6. Quorum: A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

Section 7. Action Taken without a Meeting: The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

Section 8. Compensation: No director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

ARTICLE V

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers: The Board of Directors shall have the power to:

(a) adopt and publish rules and regulations governing the maintenance of the subdivision entrance. Said rules and regulations shall not be inconsistent with the "Declaration" as defined herein;

Section 1. Powers, continued:

- (b) suspend the voting rights of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association, in violation of the provisions of these By-Laws or in violation of published rules and regulations of the Association; provided the member has been given notification of such default or violation by the Association:
- (c) declare the office of a director to be vacant in the event such director shall be absent from three consecutive regular meetings of the Board of Directors; T
- (d) employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties; and
- (e) exercise for the Association all powers, duties, and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these By-Laws.
- (f) assume the duties of the Gates Bluff Architectural Control Committee at a time to be determined by Laveer Properties.
- Section 2. Duties: It shall be the duty of the Board of Directors to:
- (a) cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members, or at any special meeting when such statement is requested in writing by one-third of the members who are entitled to vote;

Section 2. Duties, continued:

- (b) supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;
 - (c) as more fully provided in these By-Laws to:
- (1) fix the amount and date of the assessments against each Lot;
- (2) send written notice of each assessment to every Owner;
- (3) enforce the lien against any Property for which assessments are delinquent or to bring an action at law against the owner personally obligated to pay the same;
- (4) cause the subdivision entrance area to be maintained in a satisfactory and aesthetically pleasing manner. In addition, the Board may elect to maintain other areas besides the entrance, at their sole discretion.

ARTICLE VI

OFFICERS

Section 1. Election: The officers of the Association shall consist of a President, any number of vice-Presidents, a Secretary, a Treasurer, and persons elected to such other offices as may be established from time to time by the Board of Directors. All officers shall be elected by the Board of Directors and shall hold office until their successors are elected and qualify. Vacancies may be filled at any meeting of the Board of Directors. The President shall be chosen from among the directors.

Section 2. Removal of Officers: Any officer of the Association may be removed summarily with or without cause, at any time by a resolution passed by affirmative vote of the remaining Directors, or if the Board is subsequently enlarged by at least eighty per cent (80%) of the remaining Directors.

Section 3. Duties: The officers of the Association shall have such duties as generally pertain to their offices, respectively, as well as such powers and duties as from time to time shall be conferred by the Board of Directors.

ARTICLE VII

ASSESSMENTS

Section 1. Purpose: In order to provide a permanent fund to improve and maintain the entrance area of the subdivision, each Owner of a Lot shall be a member of and pay the dues and assessments of the Association. This Association has been organized for the purposes set out immediately above and each Owner's membership therein shall become immediately effective at the time he receives title to a Lot within the Property.

Section 2. Obligation to Pay: The owner of each lot shall pay to the Association in respect to each Lot, assessments to be fixed as provided hereinafter. Each assessment together with any interest thereon and the cost of collection shall be the personal obligation of the person or entity owning such parcel at the time the assessment is levied.

Section 3. Lien for Assessments: The assessment together with any interest thereon and cost of collection shall be a continuing lien upon each Lot against which such assessment is made. Such lien shall be and remain subordinate to the lien of any first deed of trust, now or hereafter placed upon any Lot or portion thereof.

Section 4. Use of Funds: The assessments shall be maintained in a separate fund by the Association and shall be used exclusively for the following purposes: (i) the upkeep, maintenance, betterment and landscaping of the entrance area of the subdivision and other areas; (ii) enforcement of or effort to enforce any provisions of these By-Laws; (iii) establishment of a reasonable reserve for any of the foregoing or the repayment of any borrowed funds incurred on account of any of the foregoing; and (iv) other incidental expenses.

Section 5. Maximum Annual Assessment: Until January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment shall be \$150.00 per Lot. From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased by 5% in any year by the majority of the Board without a vote of the membership. Increases above 5% annual would require a majority vote of the membership.

Section 6. Special Assessments for Capital Improvements: In addition to the annual assessments authorized above, the Association may levy, from time to time, special assessments in amounts and for purposes to be determined by a majority vote of the membership.

Section 7. Uniform Rate of Assessment: Both annual and special assessments must be fixed at a uniform rate for all Lots and will be collected on an annual basis.

Section 8. Due Date of Assessments: The annual assessments provided for herein shall commence as to all Lots as hereinabove set forth. Written notice of the annual assessment shall be sent to every Owner subject thereto. The dues dates shall be established by the Board of Directors.

Section 9. Effect of Nonpayment of Assessments: Any assessment not paid within sixty (60) days after the due date shall bear interest from the due date at the maximum legal rate of interest. The Association may bring an action at Law against the Owner personally obligated to pay the same, or foreclose the lien against the Property or exercise the rights reserved in the Declaration.

ARTICLE VII

MISCELLANEOUS PROVISIONS

Section 1. Seal: The seal of the Association shall contain the name of the Association and shall be in such form as shall be approved by the Board of Directors.

Section 2. Fiscal Year: The fiscal year of the Association shall be established by the Board of Directors.

Section 3. Committees: The Board of Directors shall appoint a Nominating Committee and other committees as deemed appropriate in carrying out its purpose.

Section 4. Contracts, Checks, Notes and Drafts: All contracts, checks, notes, drafts, and other order for the payment of money shall be signed by such persons as the Board of Directors from time to time may authorize.

Section 5. Variance: If at anytime a conflict develops between these By-Laws or Amendments thereto, and the "Declaration", said conflict shall be resolved in favor of said Declaration. Q

Section 6. Amendment of By-Laws: These By-Laws may be amended, altered, or repealed by a majority of the Membership at a meeting called for that purpose.

Section 7. Expansion: These By-Laws have been expanded to encompass adjacent property in the sole discretion of the Declarant, Laveer Properties/R.