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000006 SEP 29 8

# Commonwealth of Virginia

## Land Record Instruments

### Cover Sheet - Form A

[ILS VLR Cover Sheet Agent 1.0.59]

INSTRUMENT #200304909  
RECORDED IN THE CLERK'S OFFICE OF  
WISE COUNTY ON  
SEPTEMBER 29, 2003 AT 01:21PM  
J. JACK KENNEDY, JR., CLERK

J. JACK KENNEDY, JR., CLERK

TAX	CORP
EX	
EM	
PT	

**Date of Instrument:** [8/14/2003 ]  
**Instrument Type:** [REST ]

```
Number of Parcels [ 1]
Number of Pages [ 20]
```

City  County ☒ [Wise County

(Box for Deed Stamp Only)

### First and Second Grantors

First and Second Graders			
Last Name	First Name	Middle Name or Initial	Suffix
[Woodland Court Home	]	]	]
[	]	]	]

### First and Second Grantees

First and Second Grantees			
Last Name	First Name	Middle Name or Initial	Suffix
[Woodland Court Home ]	[ ]	[ ]	[ ]
[ ]	[ ]	[ ]	[ ]

<b>Grantee Address</b>	(Name)	[Woodland Court Homeowners Association, Inc.]
	(Address 1)	[416 Woodland Court]
	(Address 2)	[
	(City, State, Zip)	[Wise] [VA] [24293]

<b>Consideration</b> [0.00	<b>Existing Debt</b> [0.00	<b>Assumption Balance</b> [0.00
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Prior Instr. Recorded at: City ☐ County ☐ [ ] Percent. in this Juris. [ 100]  
Book [ ] Page [ ] Instr. No [ ]

Parcel Identification No (PIN) [See Attached List]

Tax Map Num. (if different than PIN) [ ]

<b>Short Property Description</b>	[	]
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**Current Property Address (Address 1)** [ ]

(Address 2) [ ]

(City, State, Zip) [ ] [ ] [ ]

**Instrument Prepared by** [Leonard D. Rogers, P.C. ]

**Recording Paid for by** [Woodland Court Homeowners Association, Inc. ]

Return Recording to (Name) [Leonard D. Rogers, P.C.]

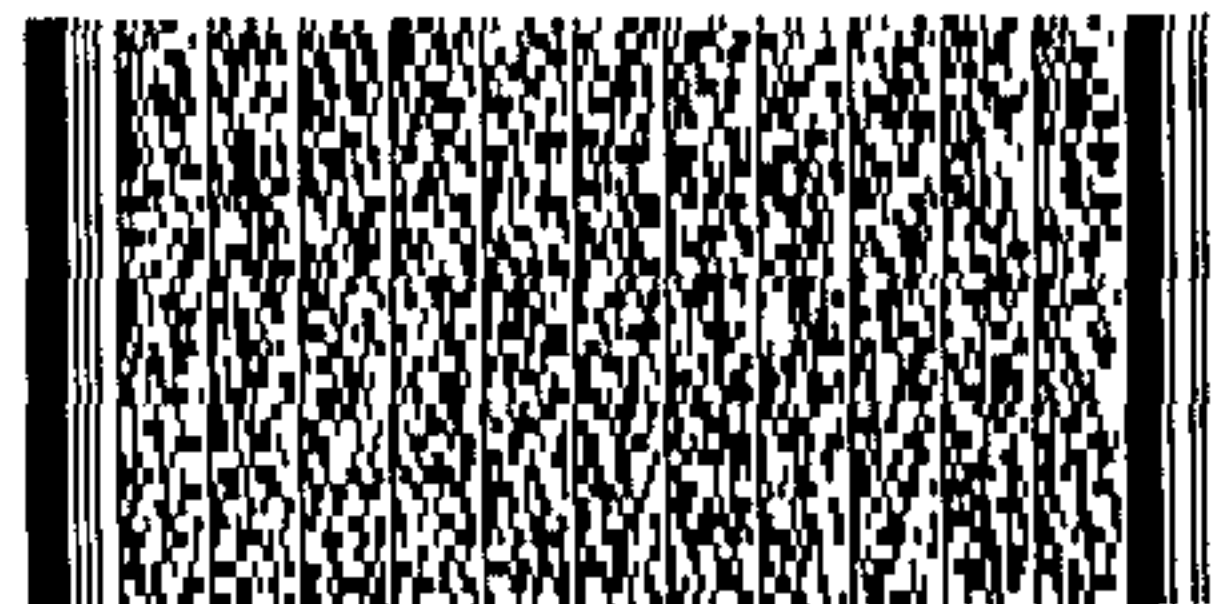
(Address 1) [Post Office Box 1097 ]

(Address 2) [ ]

(City, State, Zip) [Wise ] [VA ] [24293 ]

**Customer Case ID** [3083] [ ] [ ]

**Cover Sheet Page # 1 of 1**



PARCEL I.D. NUMBERS

013048	013751
013088	013758
013089	013762
013110	013773
013116	013776
013118	013777
013269	013789
013272	013817
013290	013856
013384	013875
013389	013888
013416	013908
013470	013924
013482	013933
013554	013967
013557	014025
013598	014166
013620	014167
013632	014205
013661	014244
013703	014250
013719	014263
013733	014307
013738	014319
013749	

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This Document Prepared by  
Leonard D. Rogers, P.C.  
P.O. Box 1097  
Wise, Virginia 24293  
(276) 328-6783

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS  
OF WOODLAND COURT HOMEOWNERS ASSOCIATION  
("BYLAWS")

WHEREAS, Virginia Horizons, Inc. ("Developer") executed and caused to be recorded a document titled "Master Deed and Declaration of Covenants, Conditions and Restrictions of Woodland Court - An Addition to Wise County, Virginia" in the Wise County Circuit Court Clerk's Office in Deed Book 471, page 308, conveying Lot 49 to Woodland Court Homeowners Association, Inc., and further causing the creation of certain covenants, conditions and restrictions regarding the ownership and use of the "Homes" and "Common Areas" located within the development known as Woodland Court pursuant to said document; and,

WHEREAS, Developer further executed and caused to be recorded a Deed of Gift in the Wise County Circuit Court Clerk's Office in Deed Book 631, page 446 conveying to Woodland Court Homeowners Association, Inc. the remaining property acquired by Developer not already conveyed to the individual "Homeowners" or to Woodland Court Homeowners Association, Inc. by said Master Deed; and,

WHEREAS, the "Homeowners" of all of the "Units" have, pursuant to the provisions of the Declaration and prior Bylaws, voted to amend said Declaration and prior Bylaws and enact these Bylaws. These Bylaws shall replace the original Declaration and Bylaws. The written consent of at least Seventy Five Percent (75%) of the Homeowners is attached hereto as Exhibit A.

ARTICLE I  
PLAN OF UNIT OWNERSHIP

Section 1. Unit Ownership. The property located in Wise, Virginia (hereinafter called the "Property"), is known as "Woodland Court". Each home shall be considered a "Unit". The Property shall include the common areas owned by Woodland Court Homeowners Association as well as the Units.

Section 2. Applicability of Bylaws. The provisions of these Bylaws are applicable to the Property and to the use and occupancy thereof. All present and future owners, mortgagees, lessees, and occupants of Units and their employees, and any other person who may use the facilities of the Property in any manner, are subject to these Bylaws and the Rules and Regulations, if any, adopted by the Unit Owners' Association or the Board of Directors. The acceptance of a deed of conveyance or the entering into a lease or the act of occupancy of a Unit shall conclusively establish the acceptance and ratification of these Bylaws, the Rules and Regulations, as they may be amended from time to time, by the person so acquiring, leasing, or occupying a Unit and shall constitute and evidence an agreement by such person to comply with the same.

ARTICLE II  
UNIT OWNERS' ASSOCIATION

Section 1. Composition. All of the Owners of Units, acting as a group in accordance with the Declaration, and these Bylaws, shall constitute the Woodland Court Homeowners' Association, Inc. ("Owners' Association" or "Unit Owners' Association"), who shall have the responsibility of administering the Property, establishing the means and methods of collecting monthly dues, assessments and contributions to the Common Expenses, arranging for the management of the Property, and performing all of the other acts that may be permitted or required by these Bylaws to be performed by the Unit Owners' Association. Except as to those matters which these Bylaws specifically require to be performed by the vote of Owners of the Units, the administration of the foregoing responsibilities shall be performed by the Board of Directors as more particularly set forth in Article III.

Section 2. Annual Meetings. Annual meetings of the Unit Owners' Association shall be



held during the month of January of each year, at such date, time, and place as is designated by the Board of Directors in the notice thereof. At such annual meetings the Board of Directors shall be elected by ballot of the Owners in accordance with the requirements of Section 4 of Article III of these Bylaws.

Section 3. Place of Meetings. Meetings of the Unit Owners' Association shall be held at such suitable place as is convenient to the Owners as may be designated by the Board of Directors.

Section 4. Special Meetings. It shall be the duty of the President to call a special meeting of the Unit Owners' Association if so directed by resolution of the Board of Directors or upon a petition signed and presented to the Secretary by Owners having not less than twenty-five percent (25%) of the votes of all Owners. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

Section 5. Notice of Meetings. It shall be the duty of the Secretary to mail, by First Class United States mail, a notice of (a) each annual meeting of the Owners, at least twenty-one (21) days in advance of such meeting and (b) each special meeting of the Owners, at least seven (7) days in advance of such meeting, stating the purpose thereof as well as the time and place where it is to be held, to each Owner of record, at the address of their respective Units and at such other address as each Owner may have designated by notice in writing to the Secretary. Notice may be hand delivered provided that the Secretary certifies in writing that notice was delivered to the person of the Unit Owner. The mailing or hand delivery of a notice of meeting in the manner provided in this Section shall be considered service of notice.

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

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

- (a) Roll call.
- (b) Proof of notice of meeting.
- (c) Reading of minutes of preceding meeting.
- (d) Reports of officers.
- (e) Reports of Board of Directors.
- (f) Reports of committees.
- (g) Election of members of the Board of Directors (when so required).
- (h) Unfinished business.
- (I) New business.

Section 8. Voting. Each unit shall be allocated one (1) vote in the Unit Owners' Association. Since a Unit Owner may be more than one person, if only one of such persons is present at a meeting of the Unit Owners' Association, that person shall be entitled to cast the vote appertaining to that Unit. But if more than one of such persons is present, the vote appertaining to that Unit shall be cast only in accordance with agreement of a majority of them, and such consent shall be conclusively presumed if any one of them purports to cast the vote appertaining to that Unit without protest being made forthwith by any of the others to the person presiding over the meeting. Since a person need not be a natural person, the word "person" shall be deemed for the purposes of this Section to include, without limitation, any natural person having authority to execute deeds on behalf of any person, excluding natural persons, which is, either alone or in conjunction with another person or persons, a Unit Owner. Except where a greater number is required by these Bylaws, a majority of the Owners is required to adopt decisions at any meeting of the Unit Owners' Association.

Section 9. Proxies. The votes appertaining to any Unit may be cast pursuant to a proxy or proxies duly executed by or on behalf of the Unit Owner, or, in cases where the Unit Owner is more than one person, by or on behalf of all such persons. No such proxy shall be revocable except by actual notice to the persons presiding over the meeting, by the Unit Owner or by any of such persons, that it be revoked. Any proxy shall be void if it is not dated, if it purports to be revocable without notice as aforesaid, or if the signatures of those executing the same have not been witnessed by a person who shall have signed his full name and address. The proxy of any person shall be void if not signed by a person having authority, at the time of the execution thereof, to execute deeds on behalf of that person. Any proxy shall terminate automatically upon

the adjournment of the first meeting held on or after the date of that proxy, and must be filed with the Secretary before the appointed time of that meeting.

Section 10. Majority of Owners. As used in these Bylaws, the term "majority of the Owners" shall mean those Owners having more than fifty percent (50%) of the total votes of all Owners.

Section 11. Quorum. Except as otherwise provided in these Bylaws, the presence in person or by proxy of more than fifty percent (50%) of the Owners shall constitute a quorum at all meetings of the Unit Owners' Association.

Section 12. Conduct of Meetings. The President shall preside over all meetings of the Unit Owners' Association, and the Secretary shall keep the minutes of the meeting and record in a Minute Book all resolutions adopted by the meeting as well as a record of all transactions occurring thereat. Robert's Rules of Order shall govern the conduct of all meetings of the Unit Owners' Association when not in conflict with these Bylaws.

### ARTICLE III BOARD OF DIRECTORS

Section 1. Number and Qualification. The affairs of the shall be governed by a Board of Directors. The Board of Directors shall be comprised of seven (7) persons. A member of the Board of Directors shall be a Unit Owner.

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

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

(b) Make assessments against Unit Owners to defray the costs and expenses of the common areas of the Property, establish the means and methods of collecting such assessments from the Unit Owners and establish the period of the installment payment of the annual assessment for Common Expenses. Unless otherwise determined by the Board of Directors, the annual assessment against each Unit Owner for his proportionate share of the Common Expenses shall be payable in equal monthly installments, each such installment to be due and payable in advance on the first day of each month for such month.

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

(d) Designate, hire and dismiss the personnel necessary for the maintenance, operation, repair and, replacement of, the Common Elements and provide services for the Property and, where appropriate, provide for the compensation of such personnel and for the purchase of equipment, supplies, and material to be used by such personnel in the performance of their duties, which supplies and equipment shall be deemed part of the Property.

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

(f) Make and amend Rules and Regulations governing the Units and Common Elements or any of them.

(g) Open bank accounts on behalf of the Unit Owners' Association and designate the signatories thereon.

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

(i) Enforce by legal means the provisions of the Declaration, these Bylaws and the



Rules and Regulations, act on behalf of the Unit Owners with respect to all matters arising out of any eminent domain proceeding and notify the Unit Owners of any litigation against the Unit Owners' Association involving a claim in excess of ten percent of the amount of the annual budget.

(j) Obtain and carry insurance against casualties and liabilities, and pay the premium cost thereof.

(k) Pay the cost of all services rendered to the Property and not billed to Owners of Individual Units.

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

(m) Notify a Mortgagee of any default hereunder by the Unit Owner of the Unit subject to such Mortgage, in the event such default continues for a period exceeding thirty days.

(n) Make available to all Unit Owners and lenders, and to holders, insurers, or guarantors of any first mortgage on a Unit, current copies of the Declaration, these Bylaws, the Rules and Regulations, and any amendments thereto, for inspection, upon request, during normal business hours on working days at the times and in the manner that shall be reasonably set and announced by the Board of Directors.

(o) Grant easements, as attorney-in-fact on behalf of all Unit Owners, through the Common Elements and accept easements benefitting the Property or any portion thereof, such easements to include specifically, but not be limited to, easements for ingress, egress, public or private roads, installation, maintenance, repair and replacement of all utility and service lines, including but not limited to water, sewer, gas, telephones, electricity, cable, television, or other communication systems. Said power of attorney aforesaid shall be irrevocable.

(p) As attorney-in-fact on behalf of all Unit Owners, assert, through litigation or otherwise, defend against, compromise, adjust, and settle any claims or action related to Common Elements. Said power of attorney aforesaid shall be irrevocable.

(q) Assess charges against any Unit Owner for any violation of the Property instruments or of the Rules and Regulations promulgated pursuant thereto for which such Unit Owner or his family members, tenants, guests, or other invitees are responsible. However, before any such charges may be assessed, the Unit Owner shall be given an opportunity to be heard and to be represented by counsel before the Board of Directors. Notice of such hearing shall, at least fourteen (14) days in advance thereof, be hand-delivered or mailed by registered or certified United States mail, return receipt requested, to such Unit Owner at the address or addresses as the Owner may have designated by notice in writing to the Secretary. The amount of any charges so assessed shall be determined by the Board of Directors, and shall be treated as an assessment against such Unit Owner's Unit for all relevant purposes, and may be the basis, in whole or in part, of a lien for contribution.

(r) Grant or withhold approval of any action by one or more Unit Owners or other persons entitled to the occupancy of any Unit which would change the exterior appearance of any Unit or of any portion of the Property or elect or provide for the appointment of an architectural control committee, the members of which must have the same qualifications as officers, to grant or withhold such approval.

(s) Do such other things and acts not inconsistent with these Bylaws which it may be authorized to do by a resolution of the Unit Owners' Association.

(t) Borrow money on behalf of the Unit Owners' Association when required in connection with any one instance relating to the operation, care, upkeep and maintenance of the Property or Common Elements. If any sum borrowed by the Board of Directors on behalf of the pursuant to the authority contained in this paragraph is not repaid by the Unit Owners' Association, a Unit Owner who pays to the creditor a percentage of the total amount due equal to his Percentage Interest in the Property shall be entitled to obtain from the creditor a release of any judgment or other lien which such creditor shall have filed or shall have the right to file against



such Unit Owner's Unit.

(u) Acquire, hold and dispose of Units and mortgage the same if such expenditures and hypothecations are included in the budget adopted by the Unit Owners' Association.

(v) In its sole discretion, designate from time to time certain Common Elements as "Reserved Common Elements" and impose such restrictions and conditions on the use thereof as the Board of Directors deems appropriate. In its sole discretion, impose such restrictions and conditions for the use of the Common Elements as it deems appropriate after notice to the Unit Owners that such action is on the agenda for a meeting of the Board of Directors.

(w) Take any action necessary to abate or remove, anywhere within the Common Elements any violation of any federal, state or local law, ordinance, regulation or these Bylaws or any Rules and Regulations properly adopted.

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

Section 4. Removal of Members of Board of Directors. At any regular or special meeting duly called, any one or more of the members of the Board of Directors may be removed with or without cause by a majority of the Owners, and a successor may then and there be elected to fill the vacancy thus created. Any Director whose removal has been proposed by the Owners shall be given at least seven (7) days' notice of the calling of the meeting and the purpose thereof, and he or she shall be given an opportunity to be heard at the meeting.

If any member of the Board of Directors shall sell or dispose of his Unit in fee, then such member shall be deemed to have disqualified himself from continuing in office. In addition, the term "Unit Owner" in such context shall be deemed to include, without limitation, any director, officer, partner in, or trustee of any person which is, either alone or in conjunction with another person or persons, a Unit Owner. Any officer who would not be eligible to serve as such were he or she not a director of, officer of, partner in, or trustee of such a person shall be deemed to have disqualified himself from continuing in office if he ceases to have any such affiliation with that person, or if that person would itself have been deemed to have disqualified itself from continuing in such office as provided herein were it a natural person holding such office.

Section 5. Vacancies. Vacancies in the Board of Directors caused by any reason other than the removal of a Director by a vote of the Unit Owners' Association shall be filled by a sole remaining Director or by a vote of a majority of the remaining Directors at a special meeting of the Board of Directors held for that purpose promptly after the occurrence of such vacancy, even though the Directors present at such meeting may constitute less than a quorum, and each person so elected shall be a member of the Board of Directors for the remainder of the term of the member so removed and until a successor shall be elected at the next annual meeting of the Unit Owners' Association. The existence and number of vacancies on the Board shall be publicized to the Unit Owners at least seven (7) days prior to the Board meeting at which the Board will elect new members to fill these vacancies. Unit Owners who want to serve on the Board shall be encouraged to present themselves and their qualifications as candidates to fill such vacancies at such meetings.

Section 6. Organization Meeting. The first meeting of the members of the Board of Directors following the annual meeting of the Unit Owners' Association shall be held within ten (10) days thereafter at such time and place as shall be fixed by the Unit Owners' Association at the meeting at which such Board of Directors shall have been elected, and no notice shall be necessary to the newly elected members of the Board of Directors in order legally to constitute such meeting, provided a majority of the whole Board of Directors shall be present thereat.

Section 7. Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the Directors, but such meetings shall be held at least once every month during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each Director, by mail, in person or by telephone, at least three (3) business days prior to the day named for such meeting, except that no notice need be given of the meetings held in accordance with a schedule of two or more meetings adopted by resolution of the Board of Directors.

Section 8. Special Meetings. Special meetings of the Board of Directors may be called by



the President on three (3) business days' notice to each Director, given by mail or telephone, which notice shall state the time, place, and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of at least two Directors.

Section 9. 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, in person or by telephone communication, at any meeting of the Board of Directors shall constitute a waiver of notice by him of the time, place, and purpose of such meeting. If all Directors are present at any meeting of the Board of Directors, no notice shall be required and any business may be transacted at such meeting.

Section 10. Quorum of Board of Directors. At all meetings of the Board of Directors a majority of the Directors shall constitute a quorum for the transaction of business, and the votes of a majority of the Directors present at a meeting at which a quorum is present shall constitute the decision of the Board of Directors. If at any meeting of the Board of Directors there shall be less than a quorum present, a majority of those present may adjourn the meeting from time to time. At any such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice. A member of the Board of Directors who participates in a meeting by means of telephone communication shall be deemed present at the meeting for all purposes.

Section 11. Action Taken Without a Meeting. The Board of Directors shall have the right to take any action in the absence of a meeting that it would have the right to take at a meeting, whether regular or special, by obtaining the written approval of all Directors. Any action so approved shall have the same effect as though taken at a meeting of the Board of Directors.

Section 12. Fidelity Bonds. The Board of Directors shall obtain adequate fidelity bonds or insurance covering all dishonest acts on the part of Directors, volunteers, trustees, officers, and employees (whether any of the foregoing serve with or without compensation) of the handling or responsible for funds. Such bonds or insurance shall name the Unit Owners' Association as the insured and shall be written in an amount sufficient to provide protection, but in no event less than one and one-half times the amount of the 's estimated annual operating expenses and reserves. The premiums on such bonds or insurance shall constitute a Common Expense.

Section 13. Compensation. No Director shall receive any compensation from the Unit Owners' Association for acting as such.

Section 14. Conduct of Meetings. The President shall preside over all meetings of the Board of Directors and the Secretary shall keep a minute book of the Board of Directors recording therein all resolutions adopted by the Board of Directors and a record of all transactions and proceedings occurring at such meetings. Robert's Rules of Order shall govern the conduct of the meetings of the Board of Directors when not in conflict with the Declaration, these Bylaws, or the Act.

Section 15. Liability of the Board of Directors, Officers, Unit Owners and Unit Owners' Association.

(a) The Officers, members of the Board of Directors, and members of the Covenants Committee shall not be liable to the Unit Owners' Association or any Unit Owner for any mistake of judgment, negligence or otherwise, except for their own individual willful misconduct or bad faith. The Unit Owners' Association shall indemnify and hold harmless each of the Officers and Directors from and against all contractual liability to others arising out of contracts made by the Officers or the Board of Directors on behalf of the Unit Owners' Association unless any such contract shall have been made in bad faith or contrary to the provisions of the Act, the Declaration, or these Bylaws, except to the extent that such liability is satisfied by Directors' and Officers' liability insurance. Officers and members of the Board of Directors shall have no personal liability with respect to any contract approved by the Board of Directors on behalf of the Unit Owners' Association. The liability of any Unit Owner arising out of any contract made by the Officers or Board of Directors, or out of the aforesaid indemnity in favor of the members of the Board of Directors or Officers, or for damages as a result of injuries arising in connection with the Common Elements solely by virtue of his ownership of a Percentage Interest therein or for liabilities incurred by the Unit Owners' Association, shall be limited to the total liability multiplied by his Percentage Interest. Every agreement made by the Officers, the Board of Directors or the Managing Agent on behalf of the Unit Owners' Association shall, if obtainable, provide that the officers, the members of the Board of Directors or the Managing Agent, as the case may be, are acting only as agents for the Unit Owners'



Association and shall have no personal liability thereunder (except as Unit Owners), and that each Unit Owner's liability thereunder shall be limited to the total liability thereunder multiplied by his Percentage Interest. The Unit Owners' Association shall indemnify and hold harmless each of the members of the Covenants Committee from and against all liability to others arising out of the due exercise of their responsibilities unless their action shall have been taken in bad faith or contrary to the provisions of the Act, the Declaration, or these Bylaws. The Unit Owners' Association shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding by reason of the fact that he or she is or was a Director or Officer of the Unit Owners' Association against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement incurred by him in such action, suit or proceeding if he or she acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interest of the .

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

Section 16. Common or Interested Directors. Each member of the Board of Directors shall exercise his powers and duties in good faith and with a view to the interests of the Unit Owners' Association. No contract or other transaction between the Unit Owners' Association and any of its Directors, or between the Unit Owners' Association and any corporation, firm or association in which any of the Directors of the Unit Owners' Association are directors or officers or are pecuniarily or otherwise interested, is either void or voidable because any such Director is present at the meeting of the Board of Directors or any committee thereof which authorizes or approves the contract or transaction, or because his vote is counted for such purpose, if any of the conditions specified in any of the following subparagraphs exist:

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

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

(c) The contract or transaction is commercially reasonable to the Unit Owners' Association at the time it is authorized, ratified, approved, or executed. Any common or interested Directors may be counted in determining the presence of a quorum of any meeting of the Board of Directors or committee thereof which authorizes, approves, or ratifies any contract or transaction, and may vote thereat to authorize any contract or transaction with like force and effect as if such Director were not such Director or Officer of such Unit Owners' Association or not so interested.

#### ARTICLE IV OFFICERS

Section 1. Designation. The principal Officers of the Unit Owners' Association shall be the President, the Vice President, the Secretary, and the Treasurer, all of whom shall be members of the Board of Directors and shall be selected by the Board of Directors. The Board of Directors may appoint an assistant treasurer, an assistant secretary, and such other Officers as in its judgment may be necessary. The President and Vice President shall be members of the Board of Directors. Any other Officers may, but need not, be Unit Owners or members of the Board of Directors.

Section 2. Election of Officers. The Officers of the Unit Owners' Association shall be elected annually by the Board of Directors at the organization meeting of each new Board of



Directors and shall hold office at the pleasure of the Board of Directors.

Section 3. Removal of Officers. Upon the affirmative vote of a majority of all members of the Board 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 of Directors or at any special meeting of the Board of Directors called for such purpose.

If an officer required to be a Unit Owner shall sell or dispose of his Unit in fee, then such officer shall be deemed to have disqualified himself from continuing in office. In addition, the term "Unit Owner" in such context shall be deemed to include, without limitation, any director of, officer of, partner in, or trustee of any person which is, either alone or in conjunction with another person or persons, a Unit Owner. Any officer who would not be eligible to serve as such were he not a director of, officer of, partner in, or trustee of such a person shall be deemed to have disqualified himself from continuing in office if he ceases to have any such affiliation with that person, or if that person would itself have been deemed to have disqualified itself from continuing in such office as provided herein were it a natural person holding such office.

Section 4. President. The President shall be the chief executive officer of the Unit Owners' Association, preside at all meetings of the Unit Owners' Association and of the Board of Directors, and have all of the general powers and duties which are incident to the office of president of a stock corporation organized under the Virginia Stock Corporation Act including without limitation the power to appoint committees from among the Unit Owners from time to time as the President may in his or her discretion decide is appropriate to assist in the conduct of the affairs of the Unit Owners' Association.

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

Section 6. Secretary. The Secretary shall keep the minutes of all meetings of the Unit Owners' Association and of the Board of Directors, have charge of such books and papers as the Board of Directors may direct, maintain a register setting forth the place to which all notices to Unit Owners and Mortgagees hereunder shall be delivered, and, in general, perform all the duties incident to the office of secretary of a stock corporation organized under the Virginia Stock Corporation Act.

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

Section 8. Execution of Documents. All agreements, contracts, deeds, leases, checks, and other instruments of the Unit Owner' Association for expenditures or obligations shall be executed by any officers of the Unit Owners' Association so designated by the Board of Directors or by such other person or persons as may be designated by the Board of Directors.

Section 9. Compensation of Officers. No Officer shall receive any compensation from the Unit Owners' Association for action as such Officer.

## ARTICLE V OPERATION OF THE PROPERTY

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

(a) Fiscal Year. The fiscal year of the Unit Owners' Association shall be the calendar year unless otherwise determined by the Board of Directors.

(b) Preparation and Approval of Budget.

(1) On or before the beginning of each year the Board of Directors shall adopt a budget for the Unit Owners' Association containing an estimate of the total amount considered necessary to pay the cost of maintenance, management, operation, repair and replacement of the Common Elements and those parts of the Units as to which it is the



responsibility of the Board of Directors to maintain, repair, and replace, and the cost of wages, materials, insurance premiums, services, supplies, and other expenses that may be declared to the Common Expenses by the Act, the Declaration, these Bylaws, or a resolution of the Unit Owners' Association and which will be required during the ensuing fiscal year for the administration, operation, maintenance, and repair of the Property and the rendering to the Unit Owners of all related services.

(2) Such budget shall also include such reasonable amounts as the Board of Directors considers necessary to provide working capital, a general operating reserve and reserves for contingencies and replacements. The Board of Directors shall send to each Unit Owner a copy of the budget in a reasonably itemized form which sets forth the amount of the Common Expenses and any special assessment payable by each Unit Owner. Such budget shall constitute the basis for determining each Unit Owner's assessment for the Common Expenses of the Unit Owners' Association.

(c) Assessment and Payment of Common Expenses. The total amount of the estimated funds required from assessments for the operation of the Property set forth in the budget adopted by the Board of Directors shall be assessed against each Unit Owner in proportion to his respective Percentage Interest and shall be a lien against each Unit Owner's Unit. On or before the first day of each fiscal year, and the first day of each of the succeeding eleven months in such fiscal year, each Unit Owner shall be obligated to pay to the Board of Directors or the Managing Agent (as determined by the Board of Directors), one-twelfth of such assessment. Any amount accumulated in excess of the amount required for actual expenses and reserves shall be placed in Reserves. Any net shortage shall be assessed promptly against the Unit Owners in accordance with their Percentage Interests and shall be payable either: (1) in full with payment of the next monthly assessment due; or (2) in not more than six equal monthly installments, as the Board of Directors may determine.

(d) Reserves. The Board of Directors shall build up and maintain reasonable reserves for working capital, operations, contingencies, and replacements. Extraordinary expenditures not originally included in the annual budget which may become necessary during the year shall be charged first against such reserves. If the reserves are inadequate for any reason, including nonpayment of any Unit Owner's assessment, the Board of Directors may at any time levy a further assessment, which shall be assessed against the Unit Owners according to their respective Percentage Interests, and which may be payable in a lump sum or in installments as the Board of Directors may determine. The Board of Directors shall serve notice of any such further assessment on all Unit Owners by a statement in writing giving the amount and reasons therefor, and such further assessment shall, unless otherwise specified in the notice, become effective with the next monthly payment which is due more than ten days after the delivery of such notice of further assessment. All Unit Owners shall be obligated to pay the adjusted monthly amount or, if such further assessment is not payable in installments, the amount of such assessment. Such assessment shall be a lien as of the effective date as set forth in the preceding paragraph (c).

(e) Effect of Failure to Prepare or Adopt Budget. The failure or delay of the Board of Directors to prepare or adopt a budget for any fiscal year shall not constitute a waiver or release in any manner of a Unit Owner's obligation to pay his allocable share of the Common Expenses as herein provided whenever the same shall be determined and, in the absence of any annual budget or adjusted budget, each Unit Owner shall continue to pay each monthly payment which is due more than ten (10) days after such new annual or adjusted budget shall have been delivered.

(f) Accounts. Except as otherwise provided herein, all sums collected by the Board of Directors with respect to assessments against the Unit Owners or from any other source may be commingled into a single fund.

Section 2. Payment of Common Expenses. Each Unit Owner shall pay the Common Expenses assessed by the Board of Directors pursuant to the provisions of Section 1 of this Article. No Unit Owner may exempt himself from liability for his or her contribution toward Common Expenses by waiver of the use or enjoyment of any of the Common Elements or by abandonment of his or her Unit. No Unit Owner shall be liable for the payment of any part of the Common Expenses assessed against his or her Unit subsequent to the date of recordation of a conveyance by him or her in fee of such Unit. Prior to or at the time of any such conveyance, all liens, unpaid charges and assessments shall be paid in full and discharged. The purchaser of a Unit shall be jointly and severally liable with the selling Unit Owner for all unpaid assessments



against the latter for his or her proportionate share of the Common Expenses up to the time of such recordation, without prejudice to the purchaser's right to recover from the selling Unit Owner amounts paid by the purchaser therefor; provided, however, that any such purchaser shall be entitled to a statement setting forth the amount of the unpaid assessment against the selling Unit Owner within ten days following a written request therefor to the Board of Directors or Managing Agent and such purchaser shall not be liable for, nor shall the Unit conveyed be subject to a lien for, any unpaid assessments in excess of the amount therein set forth; Failure to furnish or make available such a statement within ten (10) business days from receipt of such request shall extinguish the lien for the unpaid assessments.

Section 2. Liability for Common Expenses.

(a) The cost of operation, maintenance, and repair of Common Elements shall be a Common Expense of the Association. Each Unit Owner shall be responsible for his or her Unit's share of the Common Expenses. The Common Expenses will be allocated among the Units in proportion to the vote each Unit bears to the total votes of all Units in the Unit Owners' Association.

(b) Any other Common Expenses benefitting less than all of the Units, or caused by the conduct of less than all of those entitled to occupy the same or by their licensee or invitees, may be specifically assessed against the Unit or Units involved, in accordance with such reasonable provisions as these Bylaws and the Declaration may make for such cases.

Section 3. Utility Charges. The cost of utilities serving the Property and not individually metered to each Unit shall be a Common Expense.

Section 4. Collection of Assessments. The Board of Directors, or the Managing Agent at the request of the Board of Directors, shall take prompt action to collect any assessments for Common Expenses due from any Unit Owner which remain unpaid for more than thirty days from the due date for payment thereof. Any assessment, or installment thereof, not paid within five days after due shall accrue a late charge in the amount of Ten Dollars, or such other amount as may be established from time to time by the Board of Directors.

Section 5. Statement of Common Expenses. The Board of Directors shall promptly provide any Unit Owner, contract purchaser or Mortgagee so requesting the same in writing with a written statement of all unpaid assessments for Common Expenses due from such Unit Owner. The Board of Directors may impose a reasonable charge for the preparation of such statement to cover the cost of preparation to the extent not prohibited by law.

Section 6. Maintenance, Repair, Replacement, and Other Common Expenses.

(a) By the Board of Directors. The Board of Directors shall be responsible for the maintenance, repair and replacement (unless, if in the opinion of not less than fifty percent of the Board of Directors such expense was necessitated by the negligence, misuse or neglect of a Unit Owner) of all of the Common Elements as defined herein or in the Declaration, whether located inside or outside of the Units, the cost of which shall be charged to all Unit Owners as a Common Expense.

(b) By the Unit Owner.

(1) Each Unit Owner shall keep his or her Unit and appurtenances in good order, condition and repair and in a clean and sanitary condition, and shall do all redecorating, painting, and varnishing which may at any time be necessary to maintain the good appearance and condition of his or her Unit. In addition, each Unit Owner shall be responsible for all damage to his or her Unit or to any other Unit or to the Common Elements resulting from his or her willful misconduct, negligence, or from his or her failure to make any of the repairs required by this Section. Each Unit Owner shall perform his or her responsibility in such manner as shall not unreasonably disturb or interfere with the other Unit Owners. Each Unit Owner shall promptly report to the Board of Directors or the Managing Agent any defect or need for repairs for which the Board of Directors is responsible.

(2) Any Unit Owner permitted by the Board of Directors to use a specific portion of the Common Elements for storage is responsible for the maintenance and care of such portion and shall use such portion in a safe and sanitary manner.

(c) Manner of Repair and Replacement. All repairs and replacements shall be substantially similar to the original construction and installation and shall be of first-class quality. The method of approving payment vouchers for all repairs and replacements shall be determined by the Board of Directors.

Section 7. Additions, Alterations, or Improvements by the Board of Directors. Whenever in the judgment of the Board of Directors the Common Elements shall require additions,



alterations, or improvements, the making of such additions, alterations, or improvements shall be approved by a majority of the Board of Directors, and the Board of Directors shall proceed with such additions, alterations, or improvements and shall assess all Unit Owners for the cost thereof as a Common Expense.

Section 8. Additions, Alterations, or Improvements by Owners. Except as permitted by any applicable state law, no Owner shall make any structural addition, alteration, or improvement to the exterior of his or her Unit without the prior written consent thereto of the Board of Directors. No owner shall paint or alter the exterior of the Building, including the doors and windows, or any fence, nor shall an Owner erect a fence on his or her property, without the prior written consent thereto of the Board of Directors. The Board of Directors shall be obligated to answer any written request by an Owner for approval of a proposed structural addition, alteration, or improvement (by painting or otherwise) to such Owner's Unit within forty-five (45) days after such request.

Section 9. Restrictions on Use of Units and Common Elements. Each Unit and the Common Elements shall be occupied and used as follows:

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

(b) Nothing shall be done or kept in any Unit or in the Common Elements which will increase the rate of insurance for the Property, or the contents thereof, applicable for residential use, without the prior written consent of the Board of Directors. No Owner shall permit anything to be done or kept in his or her Unit or in the Common Elements which will result in the cancellation of insurance on the Property, or the contents thereof, or which would be in violation of any law. No waste will be committed in the Common Elements.

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

(d) Nothing shall be done in any Unit or in, on, or to the Common Elements which will impair the structural integrity of the Property or which would structurally change the Building or improvements thereon except as is otherwise provided in the Bylaws, provided that interior partitions contributing to the support of any Unit or Building shall not be altered or removed.

(e) No industry, business, trade, occupation, or profession of any kind, commercial, religious, educational, or otherwise, designed for profit, altruism, exploration, or otherwise, shall be conducted, maintained, or permitted on any part of the Property. No Owner may post any advertisement, poster, or sign of any kind on the exterior of his or her Unit or in the windows of his or her Unit, except (i) as permitted by the Board of Directors; (ii) a temporary sign advertising the sale or rental of a Unit; or (iii) when required by law.

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

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

(h) No fences may be erected on the Property except for those erected by Owners after obtaining the written consent of the Board of Directors or by the Board of Directors.

(i) No portion of a Unit (other than the entire Unit) may be rented, and no transient tenants may be accommodated therein.

(j) The Common Elements must be kept in an orderly condition so as not to detract from the neat appearance of the community. In this regard, no personal property may be stored or kept on the Common Elements. The Board of Directors, in its sole discretion, may determine whether Common Elements are orderly. If any Owner shall fail to keep the Common Elements orderly, the Board of Directors may have any objectionable items removed from the Common Elements so as to restore its orderly appearance, without liability therefor, and charge the Owner for any costs incurred in the process.

(k) No clotheslines may be maintained on the Common Elements.



(l) No motorized vehicles may be used or maintained on the yards or sidewalks, and no unlicensed vehicles are allowed on the Property, except by the Board of Directors (or Managing Agent) in the performance of its duties as provided in these Bylaws and the Declaration.

(m) No trash shall be stored outside a Unit and all trash shall be stored in a proper container in the designated trash bins on the Property.

(n) Pets: The housing of acceptable small house pets is permitted. However, no outside pets are allowed. The Unit Owner is hereby charged with a reasonable standard of care with respect to housing any pet, including, but not limited to, pets of his family, guests, or lessees. The standard care set forth in this paragraph may be prescribed by the Rules and Regulations as may be issued by the Board of Directors. The Unit Owner shall be responsible for all damages to Property resulting from the maintenance of pets on the Property by the Owner, his or her family, guests, or lessees and shall be liable for any penalties resulting from violations of any applicable Rules and Regulations.

Section 10. Rules and Regulations. Rules and Regulations concerning the operation and use of the Common Elements may be promulgated and amended by the Board of Directors, provided that such Rules and Regulations are not contrary to or inconsistent with the Bylaws. Copies of the Rules and Regulations shall be furnished by the Board of Directors to each Owner at least thirty (30) days prior to the time when the same shall become effective. The Board of Directors shall maintain a complete, up-to-date set of Rules and Regulations on file at a location of convenience to the Unit Owners, and shall, upon request, provide a copy of same to any Unit Owner. A nominal fee may be charged for copies of the complete set of Rules and Regulations.

Section 11. Right of Access. By acceptance of his or her deed of conveyance, each Unit Owner thereby grants a right of access to his or her Unit, to the Board of Directors or Managing Agent, or any other person authorized by the Board of Directors or the Managing Agent, or any group of the foregoing, for the purpose of enabling the exercise and discharge of their respective powers and responsibilities including without limitation making inspections, correcting any condition originating in his or her Unit or in a Common Element to which access is obtained through his or her Unit and threatening another Unit or the Common Elements, performing installations, alterations, or repairs to the mechanical or electrical services or the Common Elements in his or her Unit or elsewhere in the Property or to correct any condition which violates any Mortgage; provided, however, that requests for entry are made in advance and that any such entry is at a time reasonably convenient to the Unit Owner. In case of an emergency, such right of entry shall be immediate, whether the Unit Owner is present at the time or not.

Section 12. Parking Spaces. All parts of the Common Elements identified as parking areas shall be used by the Owners for self-service parking purposes on a first-come, first-serve basis. Vehicular repairs, including, without limitation, engine washing, may not be undertaken on the Property, except that minor repairs, including, without limitation, tire changing, may be undertaken from time to time. No improperly licensed or inoperable vehicles may be parked on the Property. In the event that a Unit Owner does not observe the requirements of this Section, the Board of Directors is authorized to take proper corrective measures, without liability to the Owner therefor, including, without limitation, towing improperly parked vehicles, and to charge the Owner for any costs incurred in the process.

## ARTICLE VI SALES, LEASES, AND ALIENATION OF UNITS

Section 1. No Severance of Ownership. Except to the extent otherwise expressly provided by these Bylaws, the undivided interest in the Common Elements allocated to any Unit shall not be severed, and any purported transfer, encumbrance, or other disposition of that interest without the Unit to which it appertains shall be void.

Section 2. Payment of Assessments. No Owner shall be permitted to convey, mortgage, hypothecate, sell, lease, give, or devise his or her Unit unless and until he or she (or their personal representative) shall have paid in full to the Board of Directors all unpaid Common Expenses theretofore assessed by the Board of Directors against his or her Unit. The Board of Directors shall promptly furnish to any Unit Owner (or his or her designee, devisee or personal representative) requesting the same in writing, pursuant to this Section, a statement certifying whether such Unit Owner is then obligated for any outstanding assessments previously levied



against such Unit and the amount, if any, then outstanding. Failure or refusal to furnish promptly such a statement in such circumstances shall in no way result in a waiver of any amounts due. Any such statement shall be binding on the Association, the Board of Directors, and every Unit Owner. Payment of a reasonable fee not exceeding the maximum amount permitted by law shall be required as a prerequisite to the issuance of such a statement. In the event a sale or transfer does take place with outstanding amounts due, the new owner of the Unit shall assume and be responsible for the payment of the outstanding balance.

## ARTICLE VII MORTGAGES

Section 1. Notice to Board of Directors. A Unit Owner who mortgages his or her Unit shall notify the Board of Directors of the name and address of his or her Mortgagee.

Section 2. Notice of Unpaid Assessments for Common Expenses. The Board of Directors, whenever so requested in writing by a Mortgagee of a Unit, or when deemed appropriate by the Board of Directors, may report any unpaid assessments for Common Expenses due from, or any other default by, the Owner of the mortgaged Unit.

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

Section 4. Notice of Condemnation, Insurance Modification, and Certain Actions. The Board of Directors, whenever so requested in writing by a mortgagee or the insurer or guarantor of such mortgagee of a Unit, shall promptly provide written notice to such mortgagee, insurer, or guarantor of (i) any condemnation loss or any casualty loss affecting a material portion of the Property or the mortgaged Unit, (ii) any lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Board of Directors, or (iii) any proposed action requiring the consent of a specified percentage of mortgagees.

## ARTICLE VIII COMPLIANCE AND DEFAULT

Section 1. Relief. Each Unit Owner shall be governed by, and shall comply with, all of the terms of the Bylaws and Instruments of the Owners' Association. In addition to the remedies provided by any applicable law, a default by a Unit Owner shall entitle the Unit Owners' Association, acting through its Board of Directors or through the Managing Agent, to the following relief:

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

(b) Additional Liability. Each Unit Owner shall be liable for the expense of all maintenance, repair, or replacement rendered necessary by his act, neglect, or carelessness or the act, neglect, or carelessness of any member of his family or his tenants, employees, agents or licensees, but only to the extent that such expense is not covered by the proceeds of insurance carried by the Board of Directors. Such liability shall include any increase in casualty insurance rates occasioned by use, misuse, occupancy, or abandonment of any Unit or its appurtenances. Nothing contained herein, however, shall be construed as modifying any waiver by any insurance company of its rights of subrogation.

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

(d) No Waiver of Rights. The failure of the Unit Owners' Association, the Board of Directors or of a Unit Owner to enforce any right, provision, covenant, or condition which



may be granted by the Instruments shall not constitute a waiver of the right of the Unit Owners' Association, the Board of Directors, or the Unit Owner to enforce such right, provision, covenant, or condition in the future. All rights, remedies, and privileges granted to the Unit Owners' Association, the Board of Directors or any Unit Owner pursuant to any term, provision, covenant, or condition of the Instruments shall be deemed to be cumulative and the exercise of any one or more thereof shall not be deemed to constitute an election of remedies, nor shall it preclude the party exercising the same from exercising such other privileges as may be granted to such party by the Instruments or the Act or at law or in equity.

(e) Interest. In the event of a default by any Unit Owner in paying any sum assessed against his Unit other than for Common Expenses which continues for a period in excess of fifteen days, interest may be imposed in the discretion of the Board of Directors upon the principal amount unpaid from the date due until paid at any rate determined from time to time by resolution of the Board of Directors, not to exceed nine percent (9%) per annum or such lower rate as may be imposed by law. Such accruing interest shall constitute a lien upon all Units of the defaulting Unit Owner.

(f) Abating and Enjoining Violations by Unit Owners. The violation of any of the Rules and Regulations adopted by the Board of Directors, the breach of any Bylaw contained herein or the breach of any provision of the Instruments shall give the Board of Directors the right, in addition to any other right set forth in these Bylaws: (i) to enter the Unit in which, or as to which, such violation or breach exists and summarily to abate and remove, at the expense of the defaulting Unit Owner, any structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions hereof, and the Board of Directors shall not thereby be deemed guilty in any manner of trespass; or (ii) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity the continuance of any such breach.

#### Section 2. Lien for Assessments.

(a) The total annual assessment of each Unit Owner for Common Expenses or any special assessment or any other sum duly levied, made pursuant to these Bylaws is hereby declared to be a lien levied against the Unit of such Unit Owner, which lien shall, with respect to annual assessments, be effective on the first day of each fiscal year and, as to special assessments and other sums duly levied, on the first day of the next month which begins more than seven days after delivery to the Unit Owner of notice of such special assessment or levy. The Board of Directors or the Managing Agent may file or record such other or further notice of any such lien, or such other further document, as may be required by the laws of the Commonwealth of Virginia to confirm the establishment and priority of such lien.

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

(c) The lien for assessments may be enforced and foreclosed in the manner provided by the laws of the Commonwealth of Virginia by action in the name of the Board of Directors, or the Managing Agent, acting on behalf of the Unit Owners' Association.

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

Section 3. Subordination and Mortgage Protection. Notwithstanding any other provisions hereof to the contrary, the lien of any assessment levied pursuant to these Bylaws upon any Unit (and any penalties, interest on assessments, late charges or the like) shall be subordinate to, and shall in no way affect the rights of a Mortgagee holding a Mortgage made in good faith for value received; provided, however, that such subordination shall apply only to assessments which have become due and payable prior to a sale or transfer of such Unit pursuant to a decree of foreclosure, or any proceeding in lieu of foreclosure. Such sale or transfer shall not relieve the purchaser of the Unit at such sale from liability for any assessments thereafter becoming due, nor from the lien of any such subsequent assessment, which lien shall have the same effect and be enforced in the same manner as provided herein.



## ARTICLE IX AMENDMENTS TO BYLAWS

Section 1. Amendments. Except as otherwise provided in this Section, these Bylaws may be modified or amended only by the agreement of Unit Owners holding fifty percent (50%) of the vote.

Section 2. Notice and Recordation. A modification or amendment of these Bylaws may be recorded in the Office of the Clerk of the Circuit Court of Wise County, Virginia and shall be provided to the Unit Owners.

Section 3. Conflicts. No modification or amendment of these Bylaws may be adopted which shall be inconsistent with any provisions of law. If any part of these Bylaws shall be deemed illegal or unenforceable, it shall not operate to void any other provisions contained herein. A modification or amendment, once adopted pursuant to the requirements of these Bylaws, shall then constitute part of the official Bylaws, and all Owners shall be bound to abide by such modification or amendment.

Section 4. Approval of Mortgagees. These Bylaws contain provisions concerning various rights, priorities, remedies, and interests of mortgagees of Units. Accordingly, no amendment or modification of these Bylaws impairing or affecting such rights, priorities, remedies, or interests of a mortgagee shall be adopted without the prior written consent of such mortgagee.

## ARTICLE X INSURANCE

### Section 1. Authority to Purchase.

(a) Except as otherwise provided in this Article, all insurance policies relating to the Common Elements and the main structures of each building shall be purchased by the Board of Directors. The Board of Directors shall not be liable for failure to obtain any coverages required by this Article or for any loss or damage resulting from such failure if such failure is due to the unavailability of such coverages from reputable insurance companies, or if such coverages are so available only at demonstrably unreasonable cost. The Board of Directors shall promptly furnish to each Unit Owner written notice of the procurement of, subsequent changes in or termination of, insurance coverages obtained pursuant to Sections 1 through 4 of this Article.

(b) All policies of insurance shall be written by reputable companies licensed to do business in the Commonwealth of Virginia.

### Section 2. Physical Damage Insurance.

(a) The Board of Directors shall obtain and maintain a blanket, "all-risk" type policy of insurance with extended coverage, vandalism, malicious mischief, windstorm, debris removal, cost of demolition, and water damage endorsements, insuring the Property, and covering the interests of the Unit Owners' Association, the Board of Directors and all Unit Owners and their Mortgagees, as their interests may appear, covering the main structures of the buildings containing the individual units for each building's exterior and substructure (including the exterior walls, roof, windows and substructure of each unit). All insurance coverage pertaining to the interior of each individual unit (including the interior finishing and all interior fixtures and improvements) or any Unit Owner added additions, shall be the responsibility of each individual Unit Owner pursuant to Section 5 of this Article.

(b) A duplicate original of the policy of physical damage insurance, all renewals thereof, and any sub-policies or certificates and endorsements issued thereunder together with proof of payment of premiums shall be delivered by the insurer to any Mortgagee requesting the same. The Mortgagee of a Unit shall be notified promptly of any event giving rise to a claim under such policy arising from damage to such Unit.

Section 3. Liability Insurance. The Board of Directors shall obtain and maintain comprehensive general liability (including libel, slander, false arrest, and invasion of privacy coverage and errors and omissions coverage for Directors) and property damage insurance in such limits as the Board of Directors may from time to time determine, insuring each member of the Board of Directors and each Unit Owner against any liability to the public or to the Unit Owners (and their invitees, agents, and employees) arising out of, or incident to the ownership and/or use of the Common Elements. Such insurance shall be issued on a comprehensive liability basis and shall contain: (I) a cross liability endorsement under which the rights of a named insurer under the policy shall not be prejudiced with respect to his action against another named



insured; (ii) hired and non-owned vehicle coverage; (iii) host liquor liability coverage with respect to events sponsored by the Unit Owners' Association; (iv) deletion of the normal products exclusion with respect to events sponsored by the Unit Owners' Association; and (v) a "severability of interest" endorsement which shall preclude the insurer from denying liability to a Unit Owner because of negligent acts of the Unit Owners' Association or of another Unit Owner. The Board of Directors shall review such limits once each year. Reasonable amounts of "umbrella" liability insurance in excess of the primary limits may also be obtained.

Section 4. Other Insurance. The Board of Directors shall obtain and maintain:

(a) adequate fidelity coverage to protect against dishonest acts on the part of Officers, Directors, trustees, and employees of the Unit Owners' Association and all others who handle, or are responsible for handling, funds of the Unit Owners' Association, including the Managing Agent. Such fidelity bonds shall: (I) name the Unit Owners' Association as an obligee; (ii) be written in an amount not less than one-half the total annual assessments for the current fiscal year of the Association; and (iii) contain waivers of any defense based upon the exclusion of persons who serve without compensation from any definition of "employee" or similar expression;

(b) if required by any governmental or quasi-governmental agency including without limitation the Federal Housing Administration, the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation, flood insurance in accordance with the then applicable regulations of such agency;

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

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

Section 5. Separate Insurance. Each Unit Owner shall, at his or her own expense, obtain insurance for his or her own Unit and for his or her own benefit and obtain insurance coverage upon his or her personal property and for his or her personal liability as well as upon any improvements made by him or her to his or her Unit; provided, however, that no Unit Owner shall be entitled to exercise his right to acquire or maintain such insurance coverage so as to decrease the amount which the Board of Directors, on behalf of all Unit Owners, may realize under any insurance policy maintained by the Board of Directors or to cause any insurance coverage maintained by the Board of Directors to be brought into contribution with insurance coverage obtained by a Unit Owner. Each Unit Owner shall be responsible for acquiring their own individual insurance coverage for all matters covering the interior of their unit, it being understood that the policy purchased by the Board of Directors shall cover only the exterior and substructure with the individual Unit Owner responsible for the entire interior finishing and all interior fixtures and improvements.

Section 6. Board of Directors as Agent. The Board of Directors is hereby irrevocably appointed the agent for each Unit Owner, each Mortgagee, other named insureds and their beneficiaries and any other holder of a lien or other interest in the or the Property to adjust and settle all claims arising under insurance policies purchased by the Board of Directors and to execute and deliver releases upon the payment of claims.

## ARTICLE XI MISCELLANEOUS

Section 1. Notices. All notices, demands, bills, statements, or other communications under these Bylaws shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by first class mail, postage prepaid, (I) if to a Unit Owner, at the address which the Unit Owner shall designate in writing and file with the Secretary or, if no such address is designated, at the address of the Unit of such Unit Owner, or (ii) if to the Unit Owners' Association, the Board of Directors, or to the Managing Agent, at the principal office of the Managing Agent or at such other address as shall be designated by notice in writing to the Unit Owners pursuant to this Section. If a Unit is owned by more than one Person, each such Person who so designates an address in writing to the Secretary shall be entitled to receive all notices hereunder.

Section 2. Captions. The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of these Bylaws or the intent of any provision thereof.



Section 3. Gender. The use of the masculine gender in these Bylaws shall be deemed to include the feminine and neuter genders and the use of the singular shall be deemed to include the plural, and vice versa, whenever the context so requires.

Section 4. Construction. These Bylaws are intended to comply with all of the applicable provisions of Virginia law and shall be so interpreted and applied.

Section 5. Board of Directors as Attorney-in-Fact. The Board of Directors is hereby irrevocably appointed as agent and attorney-in-fact for the Unit Owners of all of the Units and for each of them, to manage, control, and deal with the interests of such Unit Owners in the Common Elements of the Property to permit the Board of Directors to fulfill all of its powers, rights, functions, and duties. The Board of Directors is hereby irrevocably appointed as agent and attorney-in-fact for each Unit Owner, each Mortgagee, other named insureds and their beneficiaries and any other holder of a lien or other interest in the Property to adjust and settle all claims arising under insurance policies purchased by the Board of Directors and to execute and deliver releases upon the payment of claims. The Board of Directors may grant and accept easements and licenses pursuant.

IN WITNESS WHEREOF, these Bylaws, after having been duly enacted pursuant to all existing requirements, are hereby executed by the current President and Secretary of Woodland Court Homeowners' Association and shall be applicable from this 14th day of August, 2003, until otherwise amended or terminated.

Harold L. Witt  
President

Judy Cain  
Secretary

STATE OF VIRGINIA,  
COUNTY OF WISE, to-wit:

The foregoing document was executed and acknowledged before me by Harold L. Witt as President of Woodland Court Homeowners Association this 14th day of August, 2003.

My commission expires: October 31, 2004.

[Signature]  
Notary Public

STATE OF VIRGINIA,  
COUNTY OF WISE, to-wit:

The foregoing document was executed and acknowledged before me by Judy Cain as Secretary of Woodland Court Homeowners Association this 14th day of August, 2003.

My commission expires: October 31, 2004.

[Signature]  
Notary Public

EXHIBIT A  
CONSENT

We, the undersigned owners of units located at Woodland Court, Wise, Virginia, do hereby consent to the revision of the existing Declaration of Covenants, Conditions and Restrictions of Woodland Court Homeowners Association (BYLAWS) dated August 14, 2003.

James E. Mancini  
JAMES E. MANCINI  
4 votes for - 448, 449, 459, 463

EARLY E. JO. BEVERLY #420  
Early Beverly

NO.  
408

Larry G. Dingus  
408 Woodland Ct SE  
Waco, Va. 24293

Gemma Aguirre #471  
BERNARDINE GEMMA AGUIRRE

Linda Bailey  
416 Woodland Ct.

424

Jim Stewart  
JIM STEWART  
WOODLAND CT. WIS  
SCOTT COFFEY EMPLOYEE  
402, 412, 475, 477  
WIS VA 24293

Linda C. Bailey

Robin Benko  
ROBIN BENKO #481

Robin Benko  
ROBIN BENKO #496

Harold L. Witt #410  
HAROLD L. WITT

Frances Addington #422  
FRANCES ADDINGTON

Alice Hughes  
#404

Leslie Hughes #473

Alice Hughes

Judith A. Davis

Leslie Hughes

Judith A. Davis #452  
William Gregory Addington

Bobby Joe Short #419

William D. Addington #414  
Roger Walk

Terri Lane

Tracy Kelly #430

Roger G. Valle #487

Tracy Kelly

Dana L. Sample

Judy Riggs #406

Dana L. Sample #444

Judy Riggs

CHAD S. DOTSON

Judy Riggs #489

Chad S. Dotson #469

JUDY CAIN

Judy Cain #457

Mrs. Geneva Porter

P.O. Box 684  
Wise, VA 24293



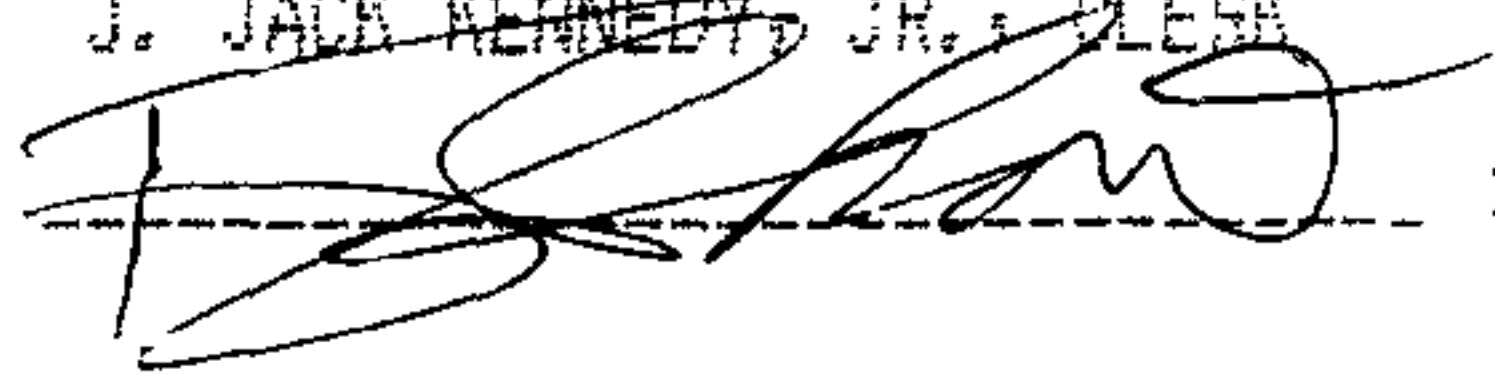
000116 SEP 29 2003

Chris Collins  
490 Woodland Ct.  
Chris H. Collins

David Kennedy  
494 Woodland Ct.  
David Kennedy

Franklin  
498 Woodland Ct.  
Wise, VA 24293  
Joe Roberts, Jr.  
445 Woodland Court  
Wise, VA 24293  
H. Kate Hubbitts  
455 Woodland Court  
Wise, VA 24293

INSTRUMENT #200304909  
RECORDED IN THE CLERK'S OFFICE OF  
WISE COUNTY ON  
SEPTEMBER 29, 2003 AT 01:21PM  
J. JACK KENNEDY, JR., CLERK

BY: 

100.