

SECTION VI
BYLAWS
OF
HATHAWAY ASSOCIATION, INC.

C E R T I F I C A T E

BOOK 0237 PAGE 0256

We, the undersigned, the duly elected President and Secretary respectively of Hathaway Association, Inc. a Virginia corporation, do hereby certify as follows:

On April 19, 1990, a copy of the proposed amended Bylaws and notice of the upcoming Special Meeting of the Membership was mailed to each member entitled to vote. Notice was given in the manner specified in the Virginia Condominium Act and Bylaws of Hathaway Association, Inc.

On May 15, 1990, the Special Meeting of the Membership called for in the aforementioned notice was held. A quorum was present by attendance and by proxy. The attached copy of the amended Bylaws was approved by the majority of the designated votes.

HATHAWAY ASSOCIATION, INC.

Edward E. Phillips
Edward E. Phillips, President

Nancy Mitteldorfer
Nancy Mitteldorfer, Secretary

City of Richmond
Commonwealth of Virginia

The foregoing instrument was acknowledged before me this 22 day of May, 1990, by Edward E. Phillips and Nancy Mitteldorfer, President and Secretary respectively of Hathaway Association, Inc. a Virginia corporation.

Bonnie C. Ruskals
Notary Public

My commission expires May 7, 1993



BYLAWS
OF
HATHAWAY ASSOCIATION, INC.
A Virginia Non-Stock Corporation

1. IDENTIFY. These are the By-laws of the Hathaway Association, Inc., called Association in these By-laws, a Virginia non-stock corporation. The Association has been organized for the purpose of administering a condominium called Hathaway Tower located at 2956 Hathaway Road, Richmond, Virginia.

.1 The OFFICE of the Association shall be at 2956 Hathaway Road, Richmond, Virginia.

.2 The FISCAL YEAR of the Association shall be the calendar year.

.3 The SEAL of the corporation shall bear the name of the corporation and the year of incorporation an impression of which is as follows:

(a) The Corporate Seal of the Association shall be circular, and shall have inscribed thereon, within and around the circumference, the name of the association and year incorporated and in the center shall be the words, "corporate SEAL."

2. MEMBERS MEETINGS

.1 The annual members' meeting shall be held on the first Monday in November in each year at 7:30 o'clock P.M. Eastern Standard Time, at 2956 Hathaway Road, Richmond, Virginia as the President or majority of the Board of Directors shall determine; provided, however, if that day is a legal holiday, the meeting shall be held at the same hour on the next day which is not a holiday. The purpose of such meeting shall be to elect directors and to transact any other business authorized to be transacted by the members.

.2 Special members' meetings shall be held at such places as provided for annual meetings whenever called by the President or by a majority of the of the Board of Directors, and must be called by such officers upon receipt of a written request from thirty percent (30%) or more of the members of the Association.

.3 Notice of all Meeting of the Membership stating the time and place and the objects for which the meeting is called shall be given by the President or Vice-President or Secretary unless waived in writing. Such notice shall be in writing to each member at his address as it appears on the books of the Association and shall be mailed not less than twenty-one (21) days nor more than sixty (60) days prior to the date of the meeting. Proof of such mailing shall be given by the affidavit of the person giving the notice. Notice of meetings may be waived before or after meetings.

.4 A quorum at Meetings of the Membership shall consist of persons present in person or by proxy entitled to cast a majority of the votes of the entire membership. The act approved by a majority of the vote present at a meeting at which a quorum is present shall constitute the acts of the members, except when approval by a greater number of members is required by the Declaration of Condominium, the Articles of Incorporation, or these by-laws.

A copy of Deed No. 08938

MAY 30 1990

IVA R. PURDY, Clerk

Ivanica E. Brown

- .5 Voting.
- (a) In any meeting of members the owners of apartments shall be entitled to cast one vote for each apartment.
 - (b) If an apartment is owned by one person, the right to vote shall be established by the record title to the apartment. If an apartment is owned by more than one person, or is under lease, the person entitled to cast the vote for the apartment shall be designated by a certificate signed by all of the record owners of the apartment and filed with the secretary of the Association. Such certificates shall be valid until revoked or until superseded by a subsequent certificate or until a change in the ownership of the apartment concerned. A certificate designating the person intitled to cast the vote of an apartment may be revoked by any owner of an apartment. If such a certificate is not on file, the vote of such owners shall not be considered in determining the requirement for a quorum nor for any other purpose.
- .6 Proxies. Votes may be cast in person or by proxy. A proxy may be made by any person entitled to vote and shall be valid only for the particular meeting designated therein and must be filed with the secretary before the appointed time of the meeting or any adjournment thereof.
- .7 Adjourned meetings. If any meeting of members cannot be organized because a quorum has not attended, the members who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum is present.
- .8 The order of business at annual meetings of the membership, and as far as practical at all other meetings of the membership, shall be:
- (a) Election of chairman of the meeting
 - (b) Calling of the roll and certifying of the proxies
 - (c) Proof of notice of meeting or waiver of notice
 - (d) Reading and disposal of any unapproved minutes
 - (e) Reports of officers
 - (f) Reports of committees
 - (g) Election of inspectors of election
 - (h) Election of directors
 - (i) Unfinished business
 - (j) New business
 - (k) Adjournment

3. DIRECTORS.

- .1 Membership. The affairs of the Association shall be managed by a Board of nine Directors, which shall constitute the Council of Co-owners as provided in the Virginia Horizontal Property Act.
- .2 Election of directors shall be conducted in the following manner:
- (a) Election of directors shall be held at the annual meeting of the membership
 - (b) A nominating committee of five members shall be appointed by the Board of Directors not less than thirty (30) days prior to the annual meeting. That committee shall nominate one person to fill each directorship which is vacant or which becomes vacant at the annual meeting. Additional nominations may be made from the floor.
 - (c) Directors shall be elected for a term of three years, except for the first election following the adoption of this amendment. Three Directors shall be elected for three years. One Director shall be elected for one year.

- (d) The election of directors shall be by a majority of the votes cast by ballot or proxy or by motion for unanimous consent. There shall be no cumulative voting.
- (e) Any director may be removed at a special meeting of the members called for that purpose by concurrence of a majority of the votes of the entire membership. The vacancy in the Board of Directors so created shall be filled by vote of the members of the Association at the same meeting.
- (f) Except for vacancies created by removal of directors, vacancies in the Board of Directors occurring between annual meetings shall be filled by a majority vote of the remaining directors.
- .3 The term of each director's service shall extend until the annual meeting of the members at the end of the last year of the prescribed term and thereafter until the successor is duly elected and qualified or until they are removed in the manner elsewhere provided.
- .4 The organization meeting of a newly-elected Board of Directors shall be held within ten (10) days of their election at such place and time as shall be fixed by the directors at the meeting at which they were elected, and no further notice of the organization meeting shall be necessary.
- .5 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. Notice of regular meetings shall be given to each director, personally or by mail, telephone or telegraph, at least three days prior to the day named for such meeting.
- .6 Special meetings of the directors may be called by the President and must be called by the Secretary at the written request of a majority of the directors. Not less than three days' notice of the meeting shall be given personally or by mail, telephone or telegraph, which notice shall state time, place and purpose.
- .7 Waiver of notice. Any director may waive notice of a meeting before or after the meeting and such waiver shall be deemed equivalent to the giving of notice.
- .8 A quorum at directors' meetings shall consist of a majority of the entire Board of Directors. The acts approved by a majority of those present at a meeting at which a quorum is present shall constitute the acts of the Board of Directors, except where approval by a greater number of directors is required by the Declaration of Condominium, the Articles of Incorporation or these By-laws.
- .9 Adjourned meetings. If at any meeting of the Board of Directors there be less than a quorum present, the majority of those present may adjourn the meeting from time to time until a quorum is present. At any adjourned meeting any business which might have been transacted at the meeting as originally called may be transacted without further notice.
- .10 Joinder in meeting by approval of minutes. The joinder of a director in the action of a meeting by signing and concurring in the minutes of that meeting shall constitute the presence of such director for the purpose of determining a quorum.
- .11 The President shall preside at all meetings of the Association and of the Board of Directors. The President shall exercise general supervision over all association affairs and shall be the Chief Executive Officer. The President shall be an ex-officio member of all committees except the nominating committee. The President shall vote only in the case of a tie vote.

- .12 The order of business at directors' meetings shall be:
 - (a) Call of roll
 - (b) Proof of due notice of meeting
 - (c) Reading and disposal of unapproved minutes
 - (d) Reports of officers and committees
 - (e) Election of officers
 - (f) Unfinished business
 - (g) New business
 - (h) Adjournment
 - .13 Directors' fees, if any, shall be determined by the members.
4. POWERS AND DUTIES OF THE BOARD OF DIRECTORS. All of the powers and duties of the Association existing under the Condominium Act, Declaration of Condominium, Articles of Incorporation and these By-laws shall be exercised exclusively by the Board of Directors, its agents, contractors or employees, subject only to approval by apartment owners when such is specifically required
5. OFFICERS.
- .1 The executive officers of the Association shall be a President, who shall be a director, a Vice-President, who shall be a director, a Treasurer, a Secretary and an Assistant Secretary, all of who shall be elected annually by the Board of Directors and who may be peremptorily removed at any meeting by concurrence of two-thirds of all of the Directors. Any person may hold two or more offices except that the President shall not also be the Secretary or an Assistant Secretary. The Board of Directors from time to time shall elect such other officers and designate their powers and duties as the board shall find to be required to manage the affairs of the Association.
 - .2 The President shall be the chief executive officer of the Association. He shall have all of the powers and duties usually vested in the office of president of an association, including but not limited to, the power to appoint committees from among the members from time to time, as he in his discretion may determine appropriate, to assist in the conduct of the affairs of the Association.
 - .3 The Vice-President shall in the absence or disability of the President exercise the powers and perform the duties of the President. He shall also generally assist the President and exercise such other powers and perform such other duties as shall be prescribed by the directors.
 - .4 The Secretary shall keep the minutes of all proceedings of the directors and the members. They shall attend to the giving and serving of all notices to the members and directors and other notices required by law. They shall have custody of the seal of the Association and affix it to instruments requiring a seal when duly signed. They shall keep the records of the Association, except those of the Treasurer, and shall perform all other duties incident to the office of secretary of an association and as may be required by the directors or the President. The Assistant Secretary shall perform the duties of the Secretary when the Secretary is absent.
 - .5 The Treasurer shall have custody of all property of the Association, including funds, securities and evidences of indebtedness. He shall keep books of account for the Association in accordance with good accounting practices, which, together with substantiating papers, shall be made available to the Board of Directors for examination at reasonable intervals and shall perform all duties incident to the office of treasurer.

- .6 The compensation of all officers and employees of the Association shall be fixed by the directors. The provision that directors' fees shall be determined by the members shall not preclude the Board of Directors from employing a director as an employee of the Association nor preclude the contracting with a director for the management of the condominium.
6. FISCAL MANAGEMENT. The provisions for fiscal management of the Association set forth in the Declaration of Condominium shall be supplemented by the following provisions:
- .1 Accounts. The receipts and expenditures of the Association shall be credited and charged to accounts under the following classifications as shall be appropriate, all of which expenditures shall be common expenses:
- (a) Current expense, which shall include all receipts and expenditures to be made within the year for which the budget is made, including a reasonable allowance for contingencies and working funds, except expenditures chargeable to reserves or to additional improvements. The balance in this fund at the end of each year shall be applied to reduce the assessments for current expense for the succeeding year.
 - (b) Reserve for deferred maintenance, which shall include funds for maintenance items that occur less frequently than annually.
 - (c) Reserve for replacement, which shall include funds for repair or replacement required because of damage, depreciation or obsolescence.
 - (d) Betterments, which shall include the funds to be used for capital expenditures for additional improvements or additional personal property that will be part of the common elements.
- .2 Budget. The Board of Directors shall adopt a budget for each calendar year that shall include the estimated funds required to defray the common expense and to provide and maintain funds for the foregoing accounts and reserves according to good accounting practices as follows:
- (a) Current expense, the amount of which shall not exceed 110% of the budget for this account for the prior year
 - (b) Reserve for deferred maintenance, the amount for which shall not exceed 110% of the budget for the prior year.
 - (c) Reserve for replacement, the amount for which shall not exceed 115% of the budget for this account for the prior year.
 - (d) Betterments, which shall include the funds to be used for capital expenditures for additional improvements or additional personal property that will be part of the common elements, provided that such betterments have been approved by the members in the manner required by the Declaration of Condominium.
 - (e) Provided, however, that the amount for each budgeted item may be increased over the foregoing limitation when approved by the majority of the votes present in person or by proxy at a members meeting, providing a quorum has been duly constituted.
 - (f) Copies of the budget and proposed assessments shall be transmitted to each member on or before December 1 preceeding the year for which the budget is made. If the budget is amended subsequently, a copy of the ammended budget shall be frunished to each member.

(g) Implementation of 6.2(b) and 6.2(c) shall be deferred until calendar year 1980, and the Board of Directors is authorized to exercise it's discretion to establish reserves for calendar year 1979.

- .3 Assessments. Assessments against the apartment owners for their shares of the items of the budget shall be made for the calendar year annually in advance on or before December 20 preceding the year for which the assessments are made. Such assessments shall be due in advance in 4 equal quarterly annual installments on the first day of each quarter of the year for which the assessments are made. If an annual assessment is not made as required, an assessment shall be presumed to have been made in the amount of the last prior assessment and quarterly installments on such assessment shall be due upon each installment payment date until changed by an amended assessment. In the event the annual assessment proves to be insufficient, the budget and assessments may be amended at any time by the Board of Directors if the accounts of the amended budget do not exceed the limitations for that year. Any account that does exceed such limitation shall be subject to the approval of the membership of the Association as previously required in these Bylaws. The unpaid assessment for the remaining portion of the calendar year for which the assessment is made shall be due in equal installments on the remaining installment payment dates in the year for which the assessment is made. The first assessment shall be determined by the Board of Directors of the Association.
- .4 Acceleration of assessment installments upon default. If an apartment owner shall be in default in the payment of an installment upon an assessment, the Board of Directors may accelerate the remaining installments of the assessment upon notice to the apartment owner, and the unpaid balance of the assessment shall come due upon the date stated in the notice, but not less than 10 days after delivery of the notice to the apartment owner, or not less than 20 days after the mailing of such notice to him by registered or certified mail, whichever shall first occur.
- .5 Assessments for emergencies. Assessments for common expenses of emergencies that cannot be paid from the annual assessments for common expenses shall be due only after 30 days' notice to the apartment owners concerned and shall be paid in such manner as the Board of Directors of the Association may require in the notice of assessment.
- .6 The depository of the Association shall be such bank or banks as shall be designated from time to time by the directors and in which the monies of the Association shall be deposited. Withdrawal of the monies from such accounts shall be only by checks signed by such persons as are authorized by the directors.
- .7 An audit of the accounts of the Association shall be made annually by a certified public accountant, and a copy of the audit report shall be furnished to each member not later than April 1 of the year following the year for which the audit is made.
- .8 Fidelity bonds shall be required by the Board of Directors from all persons handling or responsible for Association funds. The amount of such bonds and the sureties shall be determined by the directors. The premiums on such bonds shall be paid by the Association as a common expense.
7. PARLIAMENTARY RULES. Robert's Rules of Order (latest edition) shall govern the conduct of Association meetings when not in conflict with the Declaration of Condominium, Articles of Incorporation or these bylaws.
8. AMENDMENT. These Bylaws may be amended by the apartment owners in the

following manner:

- .1 Notice. Notice of the subject matter of a proposed amendment shall be included in the notice of any meeting at which a proposed amendment is considered.
 - .2 Approval. An amendment shall be approved by majority of the votes present in person or by proxy at a meeting of the membership providing a quorum has been duly constituted. Members not present in person or by proxy at the meeting considering the amendment may express their approval in writing, providing such approval is delivered to the Secretary at or prior to the meeting.
 - .3 Proviso. Provided, however, that no amendment shall discriminate against any member nor against any apartment or class or group of apartments unless the members so affected shall consent. No amendment shall be made that is in conflict with the Articles of Incorporation or Declaration of Condominium.
 - .4 Execution and recording. A copy of each amendment shall be attached to a certificate certifying that the amendment was duly adopted as an amendment of the Declaration and By-laws, which certificate shall be executed by the officers of the Association with the formalities of a deed. The amendment shall be effective when such certificate and copy of the amendment are recorded in the public records of Richmond, Virginia.
9. Committees: There shall be 4 standing committees appointed by the President, namely: Executive, House, Budget and Finance, By-laws and Judiciary. The Chairman of each Committee shall be a member of the Board of Directors appointed by the President. All other members shall be owners of the Association, but need not be members of the Board of Directors.

INDEMNIFICATION

The Association shall indemnify each Director and Officer against liabilities (including judgments and fines and reasonable attorney's fees, costs and expenses) incurred by them in connection with any actual or threatened action, suit or proceeding, whether civil, criminal, administrative, arbitative or investigative (any of which is hereinafter referred to as a "proceeding") to which they may be made a party by reason of their being or having been a Director or Officer of the Association, except in relation to any proceeding in which they have been adjudged liable because of willful misconduct, bad faith or gross negligence involved in the conduct of their office or, in relation to any criminal proceeding, in which they had reasonable cause to believe their conduct was unlawful (any of which behavior is hereinafter referred to a "mifeasance"), provided, however, that even if they are guilty of mifeasance they shall be entitled to such indemnification as shall be finally ordered by a court. In the event of the disposition of any proceeding in which no determination of mifeasance has been made, such indemnity shall be conditioned upon a prior determination that the Director or Officer acted in good faith and without mifeasance, and that such

indemnity shall be conditioned upon a prior determination that the Director or Officer acted in good faith and without misfeasance, and that such payments or obligations are reasonable. Such determination shall be made (i) by the Board of Directors by a majority vote of a quorum consisting of Directors who were not parties to such proceeding, or (ii) by independent legal counsel in a written opinion if such a quorum is not obtainable, or, even if obtainable, if a majority of disinterested Directors so directs.

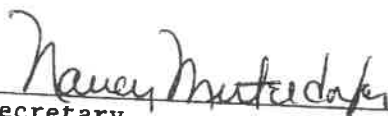
Directors eligible to make any such determination or to refer any such determination to independent legal counsel must act with reasonable promptness when indemnification is sought by any Director or Officer.

Expenses incurred in defending any proceeding may be paid by the Association in advance of the final disposition of such proceeding, if authorized in the manner set forth in the preceding paragraph, upon receipt of an undertaking by or on behalf of the Director or Officer repay such amount unless it shall ultimately be determined that he is entitled to indemnification.

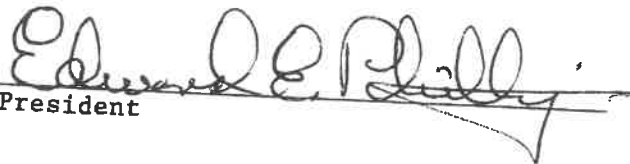
Every reference herein to Director or Officer shall include every Director or Officer or former Director or Officer of the Association and every person who may have served at the request of the Association as a Director or Officer or in a similar capacity of another corporation (stock or non-stock), partnership, joint venture, trust or other enterprise and, in all such cases, the heir, executors, and administrators of such Officer or Director.

The Association may further indemnify each Officer and Director in any other manner permitted by law.

The foregoing were adopted as the By-laws of Hathaway Association, Inc. at a Special Meeting of the Membership held on May 15, 1990.


Secretary

APPROVED:


President