

BYLAWS
TABLE OF CONTENTS

<u>Article Number</u>		<u>Page</u>
I	Plan of Unit Ownership -----	
	1. Unit Ownership -----	1
	2. Applicability of Bylaws-----	1
	3. Office-----	1
II	Unit Owner’s Association -----	2
	1. Composition -----	2
	2. Annual Meetings -----	2
	3. Place of Meetings -----	2
	4. Special Meetings -----	3
	5. Notice of Meetings -----	3
	6. Adjournment of Meetings -----	3
	7. Order of Business -----	3
	8. Title to Units -----	4
	9. Voting -----	4
	10. Proxies -----	4
	11. Majority of Owners -----	5
	12. Quorum -----	5
	13. Conduct of Meeting -----	5
III	Board of Directors -----	5
	1. Number and Qualification -----	5
	2. Powers and Duties -----	6
	3. Managing Agent -----	8
	4. Election and Term of Office -----	8
	5. Removal of members of the Board of Directors -----	9
	6. Vacancies -----	9
	7. Organization Meeting -----	9
	8. Regular Meetings -----	10
	9. Special Meetings -----	10
	10. Waiver of Notice -----	10
	11. Quorum of Board of Directors -----	10
	12. Fidelity Bonds -----	10
	13. Compensation -----	11
	14. Conduct of Meetings -----	11
	15. Liability of the Board of Directors -----	11
IV	Officers -----	12
	1. Designation -----	12
	2. Election of Officers -----	12
	3. Removal of Officers -----	12

	4. President -----	12
	5. Vice President -----	12
	6. Secretary -----	13
	7. Treasure -----	13
	8. Agreements, Contracts, Deeds, Checks, etc. -----	13
	9. Compensation of Officers -----	13
V	1. Operation of the Property -----	13
	(a) Fiscal Year -----	13
	(b) Preparation and Approval of Budget -----	14
	(c) Assessment and Payment of Common Expenses -----	14
	(d) Reserves -----	15
	(e) Initial Assessment -----	16
	(f) Effect of Failure to Prepare or Adopt Budget -----	16
	(g) Accounts -----	17
	2. Payment of Common Expenses -----	17
	3. Collection of Assessments -----	18
	4. Statement of Common Expenses -----	18
	5. Maintenance and Repair -----	18
	6. Additions, Alterations, or Improvements by Board of Directors -----	19
	7. Additions, Alterations or Improvements by Owners -----	20
	8. Restrictions on Use of Units and Common Elements -----	20
	9. Right of Access -----	23
	10. Rules and Regulations -----	23
	11. Electricity, Water Charges and Sewer Rents -----	23
	12. Parking Spaces -----	24
VI	Repair and Reconstruction After Fire or Other Casualty -----	24
	1. When Repair and Reconstruction are Required -----	24
	2. Procedure for Reconstruction and Repair -----	24
	(a) Cost Estimates -----	24
	(b) Assessments -----	25
	(c) Plans and Specifications -----	25
	(d) Encroachments -----	25
	3. Disbursements of Construction Funds -----	25
	(a) Construction Fund -----	25
	(b) Method of Disbursement -----	26
	(c) Surplus -----	26
	(d) Common Elements -----	26
	(e) Certificate -----	26
	4. When Reconstruction is Not Required -----	26

VII	Sales, Leases, and Alienation of Condominium Units -----	27
	1. No Severance of Ownership -----	27
	2. Payment of Assessments -----	27
VII	Mortgages -----	28
	1. Notice to Board of Directors -----	28
	2. Notice of Unpaid Assessments for Common Expense -----	28
	3. Notice of Default -----	28
IX	Compliance and Default -----	29
	1. Relief -----	29
	(a) Legal Proceedings -----	29
	(b) Additional Liability -----	29
	(c) Costs and Attorney's Fees -----	29
	(d) No Waiver of Rights -----	29
	(e) Interest -----	30
	(f) Abatement and Enjoyment of Violations by Owners -----	30
	2. Lien for Contributions -----	30
X	Miscellaneous -----	31
	1. Notices -----	31
	2. Invalidity -----	31
	3. Captions -----	31
	4. Gender -----	32
XI	Amendments to Bylaws -----	32
	1. Amendments -----	32
	2. Recording -----	32
	3. Conflicts -----	32
	4. Approval of Mortgages -----	32
	5. Non-Interference With Declarant -----	33

BYLAWS
OF
NEWBERRY CONDOMINIUM, PHASE I
(Loudoun County, Virginia)

ARTICLE I
Plan of Unit Ownership

Section 1. **Unit Ownership.** The property located in Broad Run Magisterial District, the County of Loudoun, Commonwealth of Virginia (hereinafter called the Property”), has been submitted to the provisions of the Condominium Act of the Commonwealth of Virginia [Title 55, SS55-79.39, et. seq., 1950 Code of Virginia, as amended], by the Declaration recorded in the Office of the Clerk of the Circuit Court in and for Loudoun County, Virginia, simultaneously herewith, and shall hereinafter be known as “Newberry Condominium, Phase I” (hereinafter called the Condominium”). If subsequent phases are added, it shall be known as “Newberry Condominium”.

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

Section 3. **Office.** The office of the Condominium and the Board of Directors shall be located at the Condominium or at such other place as may be designated from time to time by the Board of Directors.

ARTICLE II

Unit Owners' Association

Section 1. **Composition.** All of the Owners of the Units contained in the Condominium, acting as a group in accordance with the Condominium Act, the Declaration and these Bylaws, shall constitute the "Unit Owners' Association," who shall have the responsibility of administering the Condominium, establishing the means and methods of collecting the contributions to the Common Expenses, arranging for the management of the Condominium, and performing all of the other acts that may be required to be performed by the Unit Owners' Association by the Condominium Act and the Declaration. Except as to those matters, which the Condominium Act specifically requires to be performed by the vote of the 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.** The first annual meeting of the Unit Owners' Association shall be held on a date to be determined by the Declarant, which date shall be within one (1) year after the formation of the Unit Owners' Association by the recordation of the Declaration. Notice of such meeting shall be given in accordance with the provisions of Section 5 of this Article II. At such meeting the persons designated by the Declarant shall resign as members of the Board of Directors, and all of the Owners, including the Declarant if the Declarant owns any Unit or Units, shall elect a new Board of Directors. Thereafter, the annual meetings of the Unit Owners, Association shall be held on the same date of each succeeding year, unless such date shall occur on a Saturday or Sunday, or holiday, in which event the meeting shall be held on the next succeeding Monday, which is not a holiday. 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. The forgoing notwithstanding, until three (3) years after the date of recordation of the Declaration or until Units (including Units which may be created on any Convertible Land or Additional Land) representing three-fourths (3/4ths) of the Percentage Interests have been legally conveyed by the Declarant, whichever first occurs, the Declarant shall be entitled to elect a majority of the members of the Board of Directors who shall serve for the shortest terms. The preceding sentence and other provisions hereof of like effect shall not be construed or interpreted in any manner inconsistent with the provisions of the Condominium Act relating to control of the Condominium by the Declarant. The Unit Owners' Association may transact such other business at such meetings as may properly come before them.

Section 3. **Place of Meetings.** Meetings of the Unit Owners' Association shall be held at the principal office of the Condominium or at such other suitable place 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, after the first annual meeting of the Unit Owners' Association, upon a petition signed and presented to the Secretary by Owners having not less than 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 United States mail, return receipt requested, 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 such other address as each Owner may have designated by notice in writing to the Secretary. The mailing of a notice of a 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 of 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 inspectors of election (when so required)
- (h) Election of members of the Board of Directors (when so required)
- (i) Unfinished business.
- (j) New Business.

Section 8. **Title to Units.** Title to Condominium Units may be taken in the name of a natural person or in the names of two or more natural persons, or in the name of a corporation, partnership, association, trust, or any other entity capable of holding title to real property, or any combination thereof.

Section 9. **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 the Unit. But if more than one of such persons is present, the vote appertaining to the Unit shall be cast only in accordance with the 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 a Unit Owner. Except where a greater number is required by the Condominium Act, the Declaration, or these Bylaws, a majority of the Owners is required to adopt decisions at any meeting of the Unit Owners' Association. If the Declarant owns or holds title to one or more Condominium Units, the Declarant shall have the right at any meeting of the Unit Owners' Association to cast the votes to which such Unit is entitled.

Section 10. **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 person 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 has not been duly acknowledged. 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 11. **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 12. **Quorum.** Except as otherwise provided in these Bylaws, the presence in person or by proxy of a majority of the Owners shall constitute a quorum at all meetings of the Unit Owners' Association.

Section 12. **Conduct of Meeting.** 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. Roberts Rules of Order shall govern the conduct of all meetings of the Unit Owners' Association when not in conflict with the Declaration, these Bylaws or the Condominium Act.

ARTICLE III

Board of Directors

Section 1. **Number and Qualification.** The affairs of the Condominium shall be governed by a Board of Directors. Until the date of the first annual meeting of the Unit Owners' Association as provided in Section 2 of Article II, and thereafter until their successors shall have been elected by the Owners, the Board of Directors shall consist of such of the officers and members of the Board of Directors of the Declarant, or such other persons, as shall be designated by the Declarant. The Board of Directors shall be composed of three (3) persons, all of whom shall be officers, directors or designees of the Declarant, Owners or spouses of Owners, or mortgages (or designees of mortgages) of Condominium Units; provided, however, that anything in these Bylaws to the contrary notwithstanding, until three (3) years after the date of recordation of the Declaration or until Units (including Units which may be created on any Convertible Land or Additional Land) representing three-fourths (3/4ths) of the Percentage Interests have been legally conveyed by the Declarant, whichever first occurs, a majority of the members of the Board of Directors shall be selected and designated by the Declarant. The preceding sentence and other provisions hereof of like effect shall not be construed or interpreted in any manner inconsistent with the provisions of the Condominium Act relating to control of the Condominium by the Declarant. The Declarant shall have the right in its sole discretion to replace such Directors as may be so selected and designed by it, and to select and designate their successors.

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 Condominium and may do all such acts and things as are not by the Condominium Act or 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 Condominium provided such Rules and Regulations shall not be in conflict with the Condominium Act, the Declaration or these Bylaws. The Board of Directors shall 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 Managing Agent, if any, 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) Preparation of an annual budget, in which there shall be, established the contribution of each Owner to the Common Expenses.
- (b) Making assessments against Owners to defray the costs and expenses of the Condominium, establishing the means and methods of collecting such assessments from the Owners, and establishing 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 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 said month.
- (c) Providing for the operation, care, upkeep, replacement, maintenance and surveillance of all of the Common Elements and services of the Condominium.
- (d) Designating, hiring and dismissing the personnel necessary for the maintenance, operation, repair and replacement of the Common Elements, and providing services for the Property, and, where appropriate, providing 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 the common property of the Owners.

(e) Collecting the assessments against the Owners, depositing the proceeds thereof in a bank depository which it shall approve, and using the proceeds to carry out the administration of the Property.

(f) Making and amending Rules and Regulations respecting the use of the Property.

(g) Opening of bank accounts on behalf of the Condominium and designating the signatories required therefor.

(h) Making, or contracting 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 the other provisions of these Bylaws, after damage or destruction by fire or other casualty.

(i) Enforcing by legal means the provisions of the Declaration, these Bylaws and the Rules and Regulations for the use of the Property adopted by it, and bringing any proceedings, which may be instituted on behalf of the Owners.

(j) Obtaining and carrying insurance against casualties and liabilities, as provided in Paragraph 8 of the Declaration, and paying the premium cost thereof.

(k) Paying the cost of all services rendered to the Condominium and not billed to Owners of individual Units.

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

(m) Notifying the mortgagee of any Condominium Unit of any default by the Owner of such Unit whenever requested in writing by such mortgagee to send such notice.

(n) To do such other things and acts not inconsistent with the Condominium Act and with the Declaration which it may be authorized to do by a resolution of the Unit Owners' Association.

Section 3. **Managing Agent.** The Board of Directors may employ for the Condominium a professional Managing Agent at compensation established by the Board of Directors, to perform such duties and services as the Board of Directors shall authorize, including, but not limited to, the duties listed in Section 2 of this Article III. The Board of Directors may delegate to the Managing Agent all of the powers granted to the Board of Directors by these Bylaws; provided that any actions by the Managing Agent with respect to the powers set forth in paragraphs (b) and (f) of Section 2 of this Article III shall require the written consent of the Board of Directors in order to be binding upon the Unit Owners; and provided, further, that any actions by the Managing Agent with respect to the powers set forth in paragraphs (g) and (i) of said Section 2 shall require the prior written consent of the Board of Directors. The Declarant, or an affiliate of the Declarant, may be employed as Managing Agent. Any employment contract for the Managing Agent must provide that it may be terminated for cause on no more than ninety (90) days written notice and the term on any such contract may not exceed three (3) years.

Section 4. **Election and Terms of Office** At the first Annual Meeting of the Unit Owners' Association, the term of office of one (1) member of the Board of Directors shall be fixed at three (3) years, the term of office of one (1) member of the Board of Directors shall be fixed at two (2) years, and the term of office of one (1) 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 successor shall be elected to serve for a term of three (3) years. The members of the Board of Directors shall hold office until their respective successors shall have been elected by the Unit Owners' Association.

Section 5. **Removal of Members of the 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 shall be given an opportunity to be heard at the meeting. Notwithstanding anything in this Section to the contrary, until three (3) years after the date of recordation of the Declaration or until the Units (including Units which may be created on any Convertible Land or Additional Land) representing three-fourths (3/4ths) of the Percentage Interests have been legally conveyed by the Declarant, whichever first occurs, no person selected and designated by the Declarant as a member of the Board of Directors may be removed without the consent of the Declarant and in such event the Declarant shall select and designate his successor.

Section 6. **Vacancies.** Vacancies in the Board of Directors caused by any reason other than removal of a director by a vote of the Unit Owners' Association shall be filled by a sole remaining director or by 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 any such vacancy, even though the directors present at such meeting may constitute less than quorum, and each person so elected shall be a member of the Board of Directors for the remainder of the term of the member removed and until a successor shall be elected at the next Annual Meeting of the Unit Owners' Association; provided, however, that the vacancy of any Director designated by the Declarant pursuant to a right of the Declarant to make such designation shall be filled by the Declarant.

Section 7. **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, providing a majority of the whole Board of Directors shall be present thereat.

Section 8. **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 at least two such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each director, by mail or telegraph, at least three (3) business days prior to the day named for such meeting.

Section 9. **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 telegraph, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of at least two (2) directors.

Section 10. **Waiver of Notice.** Any director may, at any time, in writing, waive notice of any meeting of the Board of Directors, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a director at any meeting of the Board of Directors shall constitute a waiver of notice by him of the time and place 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 11. **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 the meeting at which a quorum is present shall constitute the decision of the Board of Directors. If at any meeting the Board of Directors there shall be less than a quorum present, a majority of those present or a sole present director 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.

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 Condominium handling or responsible for Condominium 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 Condominium'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 for the Condominium 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. Roberts 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 Condominium Act.

Section 15. **Liability of the Board of Directors.** The members of the Board of Directors shall not be liable to the Owners for any mistake of judgment, negligence, or otherwise except for their own individual willful misconduct or bad faith. The Owners shall indemnify and hold harmless each of the Directors from and against all liability to others arising out of contracts made, or other action taken, by the Board of Directors on behalf of the Owners unless any such contract or action shall have been made in bad faith or contrary to the provisions of the Declaration or of these Bylaws. It is intended that the members of the Board of Directors shall have no personal liability with respect to any contract made by them on behalf of the Owners. It is also intended that the liability of any Owner arising out of any contract made, or other action taken, by the Board of Directors or out of the aforesaid indemnity in favor of the members of the Board of Directors shall be limited to such proportion of the total liability thereunder and his vote bears the total votes of all the Owners. Every agreement made by the Board of Directors or by the Managing Agent on behalf of the Owners shall, if obtainable, provide that the members of the Board of Directors, or Managing Agent, as the case may be, are acting only as agents for the Owners and shall have no personal liability thereunder (except as Owners), and that each Owner's liability thereunder shall be limited to such proportion of the total liability thereunder as his vote bears to the total votes of all Owners.

Article IV

Officers

Section 1. **Designation.** The principal officers of the Condominium shall be the President, the Vice President, the Secretary, and the Treasurer, all of whom shall be elected 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 shall be a member of the Board of Directors. Any other officers may be, but shall not be required to be, members of the Board of Directors.

Section 2. **Election of Officers.** The officers of the Condominium 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. Any vacancy in an office shall be filled by the Board of Directors at a regular meeting or special meeting called for such purpose.

Section 3. **Removal of Officers.** Upon the affirmative vote of the majority of the members of the Board of Directors, any officer may be removed, either with or without cause, and his 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.

Section 4. **President.** The President shall be the chief executive of the Condominium. He shall preside at all meetings of the Unit Owners' Association and the Board of Directors. He shall have all of the general powers and duties, which are incident to the office of President of a stock corporation organized under the Stock Corporation Act of the Commonwealth of Virginia, including, but not limited to, the power to appoint committees from among the Owners from time to time as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the Condominium.

Section 5. **Vice President.** The Vice President shall take the place of the President and perform his duties 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 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 the Board of Directors; he shall have charge of such books and papers as the Board of Directors may direct; and he shall, in

general, perform all the duties incident to the office of secretary of the stock corporation organized under the Stock Corporation Act of the Commonwealth of Virginia.

Section 7. **Treasurer** The Treasurer shall have the responsibility for the Condominium 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; he shall be responsible for the deposit of all monies and other valuable effects in the name of the Board of Directors, or the Managing Agent, in such depositories as may from time to time be designated by the Board of Directors, and he shall, in general, perform all the duties incident to the office of the treasurer of a stock corporation organized under the Stock Corporation Act of the Commonwealth of Virginia.

Section 8. **Agreements, Contracts, Deeds, Checks, etc.** All agreements, contracts, deeds, leases, checks and other instruments of the Condominium for expenditures or obligations of \$1,000.00 or more, shall be executed by any two officers of the Condominium or by such other person or persons as may be designated by the Board of Directors. All such instruments for expenditures or obligations of less than \$1,000.00 may be executed by any one officer of the Condominium or by such other person as may be designated by the Board of Directors.

Section 9. **Compensation of Officers** No officer shall receive any compensation from the Condominium for acting as such.

Article V **Operation of the Property**

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

(a) **Fiscal Year** The fiscal year of the Condominium shall consist of the twelve month period commencing on January 1 of each year and terminating on December 31 of that year.

(b) **Preparation and Approval of Budget** Each year on or before December 1st, the Board of Directors shall adopt a budget for the Condominium containing an estimate of the total amount which it considers necessary to pay the cost of maintenance, management, operation, repair and replacement of the Common Elements and those parts of the Units as to which it is the responsibility of the Board of Directors to maintain, repair and replace, and the cost of wages, materials, insurance premiums, services, supplies and other expenses that may be declared to be Common Expenses by the Condominium Act, 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 Owners of all related services. Such budget shall also include such reasonable amounts, as the Board of Directors considers necessary to provide working capital for the Condominium, a general

operating reserve, and reserves for contingencies and replacements. The Board of Directors shall send to each Owner a copy of the budget, in a reasonably itemized form, which sets forth the amount of the Common Expenses payable by each Owner, on or before December 15 preceding the fiscal year to which the budget applies. The said budget shall constitute the basis for determining each Owner's contribution for the Common Expenses of the Condominium. Within fifteen (15) days after the creation of Units on any Convertible Land or on any Additional Land by the recordation of an amendment to the Declaration submitting such Units to the condominium regime, the Board of Directors shall send to each Owner a copy of the budget revised to reflect proportionate liability of such Units or Common Expenses for the remainder of the fiscal year in which such Units were added to the condominium regime. The amount of assessments attributable to each Unit shall thereafter be the amount specified in the adjusted budget, until a new budget shall have been adopted by the Board of Directors.

(c) **Assessments and Payment of Common Expenses**

The total amount of the estimated funds required for the operation of the Property set forth in the budget or budgets for the fiscal year adopted by the Board of Directors shall be assessed against each Owner in proportion to the number of votes in the Unit Owners' Association appertaining to his Unit, and shall be a lien against each Owner's Condominium Unit when perfected in accordance with the Condominium Act. If the Board of Directors deems it advisable, the assessment made against each Unit Owner for each fiscal year shall set forth separately such Unit Owner's share of the amount of the total assessment allocated to normal and recurring expenses of administration, management, operation and repair, and the amount of the total assessment allocated to each category of reserves included in the budget. On or before the first day of each fiscal year, and the first day of each succeeding eleven (11) months in such fiscal year, each Owner shall be obligated to pay the Board of Directors or the Managing Agent (as determined by the Board of Directors), one-twelfth (1/12th) of the assessment for such fiscal year made pursuant to the foregoing provisions, subject to adjustments as provided in subsection (b); provided, however, if the Board of Directors so determines, assessments may be collected quarterly in which event each Owner shall be obligated to pay the Board of Directors or the Managing Agent (as determined by the Board of Directors) one-fourth (1/4) of the assessment for such fiscal year on the first day of each fiscal year, and one-fourth (1/4th) on the first day of the fourth, seventh and tenth months of such fiscal year. Within sixty (60) days after the end of each fiscal year, the Board of Directors shall supply to all Owners an itemized accounting of the Common Expenses for such fiscal year actually incurred and paid, together with a tabulation of the amounts collected pursuant to the budget or budgets adopted by the Board of Directors for such fiscal year, and showing the net amount over or short of the actual expenditures plus reserves. Any amount accumulated in excess of the amount required for actual expenses and reserves shall either be credited according to the respective votes of each Unit to the next monthly installments due from the Unit Owners under the current fiscal year's budget, until exhausted, or refunded to each Unit Owner, as the Board of Directors determines. Any net shortage shall, if the Board of Directors deems advisable, be added according to each Owner's votes in the Unit Owners' Association to the installments due in the succeeding six (6) months after the rendering of the accounting. All refunds, credits

and added charges shall be appropriately prorated to reflect credits and liabilities arising prior to changes in the number of percentage of votes appertaining to each Unit.

(d) **Reserves.** The Board of Directors shall build up and maintain an adequate reserve for working capital and contingencies, and an adequate reserve for replacement of the Common Elements, which shall be funded by regular monthly (or quarterly) payments, as provided for in subsection (c), rather than by a special assessments. All funds accumulated for reserves shall be kept in a separate bank account, segregated from the general operating funds, and, if the Board of Directors deems advisable, funds accumulated for each type of reserve shall be kept in a separate bank account, identified by reference to the specific category of reserve. Extraordinary expenditures not originally included in the annual budget, which may become necessary during the year shall be charged first against such reserves. Except where an emergency requires expenditure to prevent or minimize loss from further damage to, or deterioration of, the Common Elements, reserves accumulated for one purpose may not be expended for any other purpose unless approved by the Unit Owners' Association. If the reserves are inadequate for any reason, including non-payment of any Owner's assessment, the Board of Directors may at any time levy a further assessment, which shall be assessed against the Owners according to their respective votes in the Unit Owners' Association, 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 Owners by a statement in writing giving the amount and reasons therefore, and such further assessment shall, unless otherwise specified in the notice, become effective with the next monthly (or quarterly, if payments are required by the Board of Directors to be made quarterly) payment which is due more than ten (10) days after the delivery or mailing of such notice of further assessment. All Owners shall be obligated to pay the adjusted monthly amount or, if the additional assessment is not payable in installments, the amount of such assessment

(e) **Initial Assessment.** When the first Board of Directors takes office, it shall determine the budget, as defined in this Section, for the period commencing upon the conveyance of legal title to the first Unit by the Declarant and ending on December 31 of the fiscal year in which such conveyance occurs. Assessments shall be levied against the Owners during said period as provided in subsection (c) of this Section. The Board of Directors may establish an initial working capital fund through a special assessment of each Owner upon purchase of his Condominium Unit from the Declarant.

(f) **Effect of Failure to Prepare or Adopt Budget.** The failure or delay of the Board of Directors to prepare or adopt the annual budget or adjusted budget for any fiscal year shall not constitute a waiver or release in any manor of an Owner's obligation to pay his allocable share of Common Expenses as herein provided, whenever the same shall be determined, and in the absence of any annual budget or adjusted budget, each Owner shall continue to pay the monthly charge at the then existing monthly rate established for the previous fiscal period until the monthly (or quarterly) payment which is due more than ten (10) days after such new annual or adjusted budget shall have been mailed of delivered.

(g)**Accounts.** Except as otherwise provided, all sums collected by the Board of Directors with respect to assessments against the Owners may be commingled into a single fund, but shall be held for each Owner in accordance with his votes in the Unit Owners' Association.

Section 2 **Payment of Common Expenses** All Owners shall be obligated to pay the Common Expenses assessed by the Board of Directors pursuant to the provisions of Section 1 of this Article V. No Unit Owner may exempt himself from liability for his contribution toward Common Expenses by waiver of the use or enjoyment of any of the Common Elements or by abandonment of his Unit. No Owner shall be liable for the payment of any part of the Common Expenses assessed against his Condominium Unit subsequent to a sale, transfer or other conveyance by him of such Unit. The purchaser of a Condominium Unit or successor Owner by virtue of such transfer or other conveyance shall be jointly and severally liable with the selling Owner for all unpaid assessments against the latter for his proportionate share of the Common Expenses up to the time of the conveyance, without prejudice to the purchaser's right to recover from the selling Owner the amounts paid by the purchaser therefore; provided, however, that any such selling Owner and purchaser shall, upon written request, be entitled to a recordable statement from the Board of Directors or Managing Agent setting forth the amount of unpaid assessments against the selling Owner. Such purchaser shall not be liable for, nor shall the Condominium 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 five (5) business days from the receipt of such request shall extinguish the lien for unpaid assessments. Payment of a fee of Ten Dollars (\$10) or the maximum amount allowable under the Condominium Act, whichever is greater, shall be required as a prerequisite for issuance of such a statement. If a mortgagee of a first mortgage of record or other purchaser of a Condominium Unit obtains title to the Condominium Unit or comes into possession of the Condominium Unit as a result of foreclosure of a first mortgage, or as the result of any other remedies provided for in the mortgage or by virtue of a deed or assignment in lieu of foreclosure, such first mortgage or purchaser, their successors and assigns shall not be liable for, such Condominium unit shall not be subject to, a lien for the payment of Common Expenses assessed and payable prior to the acquisition of title to or prior to the taking of possession of (whichever first occurs) such Unit by such purchaser or first mortgagee pursuant to the aforesaid remedies. Such unpaid share of Common Expenses for which, pursuant to this Section 2, a purchaser or first mortgagee shall not have liability, shall be collectible from all Owners, including the first mortgagee or purchaser, in proportion to their respective votes in the Unit Owners' Association.

Section 3. **Collection of Assessments.** The Board of Directors shall take prompt action to collect any assessments for the Common Expenses due from any Owner which remain unpaid for more than thirty (30) days from the due date for payment thereof.

Section 4. **Statement of Common Expenses.** The Board of Directors shall promptly provide any Owner so requesting the same in writing, with a written statement of all unpaid assessments for the Common Expenses due from such Owner.

Section 5. **Maintenance and Repair**

(a) **By the Board of Directors.** The Board of Directors shall be responsible for the maintenance, repair and replacement (unless necessitated by the negligence, misuse or neglect of an Owner, in which case such expense shall be charged to such Owner) of the following, the cost of which shall be charged to all Owners as a Common Expense:

(1) All of the Common Elements, whether located inside or outside of the Units.

(2) The maintenance of the exterior surface of the front door of each Unit opening onto the front stoop.

(3) The maintenance of all yards and plantings, whether General or Limited Common Elements.

(4) All incidental damage caused to any such work as may be done or caused to be done by the Board of Directors in accordance herewith.

(b) **By The Owner.** Except for the portions of his Unit required to be maintained, repaired and replaced by the Board of Directors, each Owner shall be responsible for the maintenance, repair and replacement, at his own expense, of his Unit and any part thereof, including, but not limited to, interior walls included as part of his Unit, interior ceilings and floors, and the finished interior surfaces of all exterior walls, ceilings and floors in his Unit, kitchen and bathroom fixtures and appliances, lighting, heating and air conditioning unit (including the air-conditioning compressor), and exterior lighting mounted on his Building and included as part of the Unit. Each Owner shall keep the interior of his Unit and its equipment 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 Unit. In addition, each Owner shall be responsible for all damages to any and all other Units or to the Common Elements resulting from his failure to make any of the repairs required to be made by him by this Section. Each Owner shall perform his responsibility in such manner as shall not unreasonably disturb or interfere with the other Owners. Each 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. Each Unit Owner shall be responsible for keeping his Limited Common Elements clean and free from ice and snow.

(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 6. **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 costing in excess of Ten Thousand Dollars (\$10,000) during any period of twelve (12) consecutive months, and making of such additions, alterations or improvements shall have been approved by a majority of the Owners, the Board of Directors shall proceed with such additions, alterations or improvements and shall assess all Owners for the cost thereof as a Common Expense. Any additions, alterations or improvements costing Ten Thousand Dollars (10,000) or less during any period of twelve (12) consecutive months may be made by the Board of Directors without approval of the Owners and the cost thereof shall constitute part of the Common Expenses. Notwithstanding the foregoing, if, in the opinion of not less than 66-2/3 % of the members of the Board of Directors, such additions, alterations or improvements are exclusively or substantially exclusively for the benefit of the Owner or Owners requesting the same, such requesting Owners shall be assessed therefore in such proportion as they jointly approve or, if they are unable to agree thereon, in such proportions as may be determined by the Board of Directors.

Section 7 **Additions, Alterations or Improvements by Owners.** Except as permitted by S55-79.68 (b) of the Condominium Act, no Owner shall make any structural addition, alteration or improvement in his or her Unit without the prior written consent thereto of the Board of Directors. No Owner shall paint or alter the exterior of his Building, including the doors and windows, or any fence, nor shall an Owner erect a fence on his property, without the prior written consent 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) in such Owner's Unit within forty-five (45) days after such request, and its failure to do so within the stipulated time shall constitute a consent by the Board of Directors to the proposed addition, alteration or improvement. Any application to any governmental authority for a permit to make an addition, alteration or improvement in or to any Unit shall be executed by the Board of Directors only, without however incurring any liability on the part of the Board of Directors or any contractor, subcontractor or materialman on account of such addition, alteration or improvement, or to any person having any claim for injury to person or damage to property arising therefrom. The provisions of this Section 7 shall not apply to Condominium Units owned by the Declarant until such Units shall have been initially sold by the Declarant and paid for.

Section 8 **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 housing 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, except that a Unit may be used as a professional office upon the written consent of the Board of Directors provided that such use is consistent with all valid laws, zoning ordinances and regulations of all governmental agencies having jurisdiction in respect of the Property, and provided further, that as a condition for such consent each such Unit Owner agrees to pay and pays

any increase in the rate of insurance for the Property which results from such professional use. An Owner may use a portion of his Unit for an office or studio provided that the activities therein shall not interfere with the quiet enjoyment or comfort of any other Owner, and provided further that in no event shall any part of the Property be used as a school or music studio.

(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 or professional use, without the prior written consent of the Board of Directors. No Owner shall permit anything to be done or kept in his 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 shall be observed. All laws, orders, rules, regulations, or requirements of any governmental agency having jurisdiction thereof, relating to any portion of the Property, shall be complied with, by and at the sole expense of the Unit Owner or the Board of Directors, whichever shall have the obligation to maintain or repair such portion of the Property.

(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 any Building or improvements thereon except as is otherwise provided in the Bylaws, provided, further, that interior partitions contributing to the support of any Unit or Building shall not be altered removed.

(e) Except for professional use permitted by the Board of Directors and other uses permitted by the Declaration, 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 Unit or in windows of his Unit, except (i) as permitted by the Board of Directors; (ii) a temporary sign advertising the sale or rental of a Unit; (iii) in the event that the Board of Directors gives its consent to the professional use of a Unit, a suitable sign may be displayed upon written consent of the Board of Directors; or (iv) when required by law. The right is reserved by the Declarant or its agents to use any unsold Unit or Units for display purposes and to display "For Sale" signs for unsold Units.

(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 the Declarant and those erected by Owners after obtaining the written consent of the Board of Directors.

(i) There shall be one master antenna provided for each Building cluster. Consequently, no television antennas may be erected by any Unit Owner.

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

(k) The Limited Common Elements and all yards must be kept in an orderly condition as not to detract from the neat appearance of the community. In this regard; no motorcycles may be parked on the patios, balconies, front entrance-ways or in the yards, and no personal property may be stored or kept on the yards. The Board of Directors, in its sole discretion, may determine whether or not Limited Common Elements and yards are orderly. If an Owner shall fail to keep his Limited Common Elements or yard orderly, the Board of Directors may have any objectionable items removed from the Limited Common Elements or yard so as to restore its orderly appearance, without liability therefore, and charge the Owner for any costs incurred in the process.

(l) No clothes lines may be maintained on the Common Elements except as provided for by the Board of Directors in the Rules and Regulations.

(m) No motorized vehicle may be used or maintained on the Condominium 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.

(n) Trash shall be stored in accordance with the county health regulations within the Unit (and in the storage or trash area of such Unit), or in the common area, if any, set aside by the Board of Directors for such storage. Trash shall not be set out for collection prior to the night before such date of collection and the empty containers shall be returned to the proper place of storage immediately after collection.

(o) A Unit Owner may keep no more than one small house pet in such Unit. The Owner shall be responsible for all damages to the Property resulting from the maintenance of pets on the Property by the Owner, his family, guests or lessees.

Section 9. **Right of Access.** An Owner shall grant a right of access to his Unit to the Board of Directors or the Managing Agent, or any other person authorized by the Board of Directors or the Managing Agent, or any group of the foregoing, for the purpose of making inspections or for the purpose of correcting any condition originating in his Unit and threatening another Unit or the Common Elements, or for the purpose of performing installations, alterations or repairs to the mechanical or electrical services or

the Common Elements in his Unit or elsewhere in the Property, or to correct any condition which violates the provisions of any mortgage covering another Condominium Unit, provided that requests for entry are made in advance and that any such entry is at a time reasonably convenient to the Owner. In case of an emergency, such right of entry shall be immediate, whether the Owner is present at the time or not.

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 Condominium Act, the Declaration or the Bylaws. Copies of the Rules and Regulations shall be furnished by the Board of Directors to each Owner prior to the time when then same shall become effective.

Section 11 **Electricity, Water Charges and Sewer Rents**. Electricity shall be supplied by the public (or private) utility company serving the area directly to each Unit through separate meters and each Owner shall be required to pay the bills for electricity consumed in his Unit. The electricity serving the Common Elements shall be separately metered, and the Board of Directors shall pay all bills for electricity consumed in such portions of the Common Elements as a Common Expense. The water and sewer rents shall be commonly metered and charged and the Board of Directors shall pay all bills for water and sewer rents consumed on the Property as a common expense. Water and sewer service shall be subject to discontinuance in the event of failure for any reason by the Board of Directors to pay the bill or bills rendered by the Loudoun County Sanitation Authority for such service.

Section 12 **Parking Spaces** All parts of the Common Elements identified as parking areas in the Plat of the Condominium Subdivision (as the same may be amended) recorded simultaneously with the Declaration and these Bylaws shall be used by the Owners for self- service parking purposes on a first-come, first-serve basis; provided, however, no more than two parking spaces may be used at any one time for vehicles under the control of the occupants of any one Unit. Vehicular repairs, including, without limitation, engine washing, may not be accomplished on the Property, except that minor repairs, including, without limitation, tire changing, may be accomplished 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 therefore, including, without limitation, towing improperly parked vehicles, and to charge the Owner for any costs incurred in the process.

ARTICLE VI **Repair and Reconstruction After Fire or Other Casualty**

Section 1. **When Repair and Reconstruction are Required**
Subject to the provisions of Section 4 of this Article VI, in the event of damage to or destruction of all or any of the Buildings as a result of fire, or other casualty, the Board of

Directors shall arrange for and supervise the prompt repair and restoration of the Buildings (including any damaged Units, and any floor coverings or any kitchen or bathroom fixtures initially installed therein by the Declarant, and replacements thereof installed by the Owners, but not including any furniture, furnishings, fixtures or equipment installed by the Owners in the Units). Notwithstanding the foregoing, each Owner shall have the right to supervise the redecorating of his Unit.

Section 2. **Procedure for Reconstruction and Repair**

(a) **Cost Estimates**. Immediately after a fire or other casualty causing damage to any Building, the Board of Directors shall obtain reliable and detailed estimates of the cost of repairing and restoring the Building (including any damaged Units, any floor coverings and kitchen and bathroom fixtures initially installed by the Declarant, and replacements thereof installed by the Owner, but not including any furniture, furnishings, fixtures or equipment installed by the Owner in the Unit) to a condition as good as that existing before such casualty. Such costs may also include professional fees and premiums for such bonds at the Board of Directors determines to be necessary.

(b) **Assessments**. If the proceeds of the insurance are not sufficient to defray the said estimated costs of reconstruction and repair as determined by the Board of Directors, or if at any time during reconstruction and repair, or upon completion of the reconstruction and repair, the funds for the payment of the costs thereof are insufficient, assessments shall be made against the Owners, in proportion to their respective votes in the Unit Owners' Association, in sufficient amounts to provide payment of such costs.

(c) **Plans and Specifications**. Any such reconstruction or repair shall be substantially in accordance with the plans and specifications under which the Property was originally constructed.

(d) **Encroachments**. Encroachments upon or in favor of Units which may be created as a result of such reconstruction or repair shall not constitute a claim or basis for any proceeding or action by the Owner upon whose property such encroachment exists, provided that such reconstruction is substantially in accordance with the Building Plans under which the Property was originally constructed. Such encroachments shall be allowed to continue in existence for so long as the reconstructed Building (s) shall stand.

Section 3. **Disbursements of Construction Funds**

(a) **Construction Fund**. The net proceeds of insurance collected on account of a casualty and the funds collected by the Board of Directors from assessments against Owners on account of such casualty shall constitute a construction fund which shall be disbursed in payment of the cost of reconstruction and repair in the manner set forth in this Section. If the proceeds of the insurance collected on account of a casualty exceed

Twenty Five Thousand Dollars (\$25,000), then the funds collected by the Board of Directors from assessments against the Owners shall be deposited by the Board of Directors with the Insurance Trustee, and the entire construction fund shall be disbursed by the Insurance Trustee; otherwise the construction fund shall be held and disbursed by the Board of Directors.

(b) **Method of Disbursement.** The construction fund shall be paid by the Board of Directors or the Insurance Trustee, as the case may be, in appropriate progress payments, to such contractors, suppliers and personnel engaged in performing the work or supplying materials or services for the repair and reconstruction of the Buildings as are designated by the Board of Directors.

(c) **Surplus.** It shall be presumed that the first monies disbursed in payment of the cost of reconstruction and repair shall be from insurance proceeds; and if there is a balance in the construction fund after the payment of all the costs of the reconstruction and repair for which the fund is established, such balance shall be distributed, as their respective interests may appear, to the Owners and their mortgages, i.e. the beneficial owners of the fund; provided, however, that the part of a distribution to a beneficial owner which is not in excess of assessments paid by the Owner into the construction fund shall not be made payable to any mortgage.

(d) **Common Elements** When the damage is to both Common Elements and Units, the insurance proceeds shall be applied first to the cost of repairing the Common Elements and the balance to the cost of repairing the Units in the shares set forth above.

(e) **Certificate** The Insurance Trustee shall be entitled to rely upon a certificate executed by the President or Vice President, and the Secretary of the Condominium certifying (i) whether the damaged Property is required to be reconstructed and repaired and, if such reconstruction and repair is not required, whether or not the Owners voted in favor of such reconstruction and repair provided in these Bylaws; (ii) the name of the payee and the amount to be paid with respect to disbursements from any construction fund held by it or whether surplus funds to be distributed are less than the assessments paid by the Owners; and (iii) all other matters concerning the holding and disbursing of any construction fund held by it. Any such certificate shall be delivered to the Insurance Trustee promptly after request.

Section 4. **When Reconstruction is not Required** If more than two-thirds (2/3) of the Buildings, in value, are destroyed by fire or other casualty and if eighty percent 80% of the Owners either: (a) at a regular or special meeting or (b) by a written document, within ninety (90) days after the date of such damage or destruction and the mortgages holding the mortgages constituting first liens on seventy-five percent (75%) of the Condominium Units encumbered by mortgages agree to waive and terminate the condominium regime, then the reconstruction shall not be required, and upon the recordation of an instrument terminating the condominium regime, the Property shall be subject to an action for the partition at the suite of the Owner or mortgagee of any Condominium Unit, in which event the net proceeds of sale and the insurance policies, if any, shall be considered as

one fund, and distribution by the Board of Directors or the Insurance Trustee, as the case may be, among all the Owners in proportion to their respective Percentage Interests, after first paying out of the share of each Owner, to the extent sufficient for this purpose, the amount of any unpaid liens on his Condominium Unit, in the order of the priority of such liens. Until the execution of judgment partitioning the Property, each Unit Owner, his heirs, successors or assigns shall have an exclusive right of occupancy of that part of the Property which formerly constituted his Unit.

ARTICLE VII

Sales, Leases, and Alienation of Condominium Units

Section 1. **No Severance of Ownership.** Except to the extent otherwise expressly provided by the Declaration, these Bylaws or the Condominium Act, the undivided interest in the Common Elements allocated to any Unit shall not be altered, 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 Condominium Unit unless and until he (or his 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 Condominium Unit, except as provided in Section 2 of Article V. The Board of Directors shall promptly furnish to any Unit Owner (or his devisee or personal representative) requesting the same in writing pursuant to this Section, a recordable statement certifying whether or not such Unit Owner is then obligated for any outstanding assessments previously levied against such Unit and the amount, if any, then outstanding. In the event that the Unit is subject to outstanding expenses previously levied against such Unit, the statement shall certify any waiver of, or failure or refusal to exercise, the right of the Association to prevent the disposition of such Unit, in all cases where the Association allows such disposition. Failure or refusal to furnish promptly such a statement in such circumstances shall make the above mentioned prohibition inapplicable to any such disposition of the Condominium Unit. 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 statement.

ARTICLE VIII

Mortgages

Section 1. **Notice to Board of Directors.** An Owner who mortgages his Condominium Unit shall notify the Board of Directors of the name and address of his mortgagee and shall file a conformed copy of the note and mortgage with the Board of Directors.

Section 2. **Notice of Unpaid Assessments for Common Expenses.** The Board of Directors, whenever so requested in writing by a mortgagee of a Condominium Unit, shall promptly report any then unpaid assessments for Common Expenses due from, or any other default by, the Owner of the mortgaged Condominium 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, shall send a copy of such notice to each holder of a mortgage covering such Owner's Condominium Unit whose name and address has theretofore been furnished to the Board of Directors. Further, the Board of Directors shall send said mortgages 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.

ARTICLE IX

Compliance and Default

Section 1. **Relief.** Each Owner of a Unit shall be governed by, and shall comply with, all of the terms of the Declaration, these Bylaws, and the Rules and Regulation, entitled 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, and 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, by any aggrieved Owner.

(b) **Additional Liability.** Each Owner shall be liable for the expense of all maintenance, repair, or replacement rendered necessary by his act, neglect, or carelessness of the act, neglect or carelessness of any member of his family or his 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 fire 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 Attorneys' Fees.** In any proceeding arising out of any alleged default by an Owner, the prevailing party shall be entitled to recover the costs of the proceeding, and such reasonable attorneys' fees as may be determined by the court.

(d) **No Waiver of Rights.** The failure of the Unit Owner's Association, the Board of Directors, or of an Owner to enforce any right, provision, covenant, or condition which may be granted by the Declaration, these Bylaws or the Rules and Regulations shall not constitute a waiver of the right of the Unit Owners' Association, the Board of Directors or the 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 Owner pursuant to any term, provision, covenant or condition of the Declaration, these Bylaws or the Rules and Regulations 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 that same from exercising such privileges as many be granted to such party by the Declaration, these Bylaws or the Rules and Regulations, or at law or in equity.

(e) **Interest** In the event of a default by any Owner in paying any Common Expenses or other sum assessed against him which continues for a period in excess of fifteen (15) days, such Owner shall be obligated to pay interest on the amounts due at the highest rate permitted by law (but in no event greater the twelve percent (12%) per annum) from the due date thereof.

(f) **Abatement and Enjoinment of Violations by Owners.** The violation of any rule or regulation adopted by the Board of Directors, or the breach of any Bylaw contained herein, or the breach of any provision of the Declaration, shall give the Board of Directors the right, in addition to any other rights set forth in these Bylaws: (a) 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 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 (b) 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 Contributions.

(a) The total annual contribution of each Owner for the Common Expenses pursuant to Article V, Section 1 of these Bylaws is hereby declared to be a lien levied against the Condominium Unit of such Owner within the purview of the Condominium Act, which lien shall be effective when perfected in accordance with said Act.

(b) In any case where an assessment against an Owner is payable in installments, upon a default by such Owner in the payment of any single installment, which continues for ten (10) days after written notice of such default has been sent to the Owner, 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 then balance owing may be declared due and payable in full by the service of notice to such effect upon the defaulting Owner by the Board of Directors or the Managing Agent.

(c) The lien for contribution may be foreclosed in the manner provided by the laws of the Commonwealth of Virginia by suit brought in the name of the Board of Directors, or the Managing Agent, acting on behalf of the Unit Owners' Association. During the pendency of such suit the Owner shall be required to pay a reasonable rental for the Condominium Unit for any period prior to sale pursuant to any judgment or order of any court having jurisdiction over such sale. The plaintiff in such proceeding shall have the right to the appointment of a receiver, if available under the then laws of the Commonwealth of Virginia.

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

ARTICLE X

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 registered or certified United States mail, return receipt requested, first-class postage prepaid, (i) if to an Owner, at the address of his Unit and at such other address as the Owner may have designated by notice in writing to the Secretary, or (ii) if to the Unit Owners' Association, the Board of Directors at the Managing Agent, at the principal office of the Managing Agent or at such other address as shall be designated by notice in writing to the Owners pursuant to this Section.

Section 2. **Invalidity.** The invalidity of any part of these Bylaws shall not impair or affect in any manner the validity, enforceability or effect of the balance of these Bylaws.

Section 3. **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, of the intent of any provision thereof.

Section 4. **Gender.** The use of the masculine gender in these Bylaws shall be deemed to include the feminine gender and the use of the singular shall be deemed to include the plural, whenever the context so requires.

ARTICLE XI

Amendments to Bylaws

Section 1. **Amendments.** Except as otherwise provided in this Section, these Bylaws may be modified or amended either (i) by a vote of sixty-six and two-thirds percent (66-2/3%) of the Owners at any regular or special meeting, provided that notice of the proposed amendment shall have been given to each Owner simultaneously with the notice of such meeting or (ii) pursuant to a written instrument duly executed by at least sixty-six and two-thirds percent (66-2/3 %) of the Owners; provided, however that (a) Section 2 of Article II, insofar as it provides that the Declarant, under certain conditions, shall be entitled to select a specified number of the members of the Board of Directors and (b) this Section 1 of Article XI may not be amended, prior to the time that the Declarant relinquishes control of the Board of Directors (as provided in Section 2 of Article II); without the consent in writing of the Declarant.

Section 2. **Recording.** A modification or amendment of these Bylaws shall become effective only if such modification or amendment is recorded in the Office of the Clerk of the Circuit Court in and for Loudoun County, Virginia.

Section 3. **Conflicts.** No modification or amendment of these Bylaws may be adopted which shall be inconsistent with the provisions of the condominium Act. A modification or amendment once adopted and recorded as provided for herein shall then constitute part of the official Bylaws of the Condominium, and all Owners shall be bound to abide by such modifications or amendment.

Section 4. **Approval of Mortgagees.** These Bylaws contain provisions concerning various rights, priorities, remedies and interests of the mortgages of Condominium Units. Such provisions in these Bylaws are to be construed as covenants for the protection of the mortgages on which they may rely in making loans secured by mortgages on the Condominium 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. If there is more than one mortgagee holding mortgages on the Condominium Units, it shall be sufficient to obtain the written consent of the institutional mortgages holding first liens on seventy- five percent (75%) of the Condominium Units encumbered by mortgages.

Section 5. **Non-Interference With Declarant**. So long as the Declarant owns one or more Condominium Units, no Bylaw amendment or Rule and Regulation shall be adopted that could interfere (a) with the sale, lease, or other disposition of such Unit(s) or (b) with the right of the Declarant to vote the votes appurtenant thereto.

IN WITNESS WHEREOF, the Declarant has caused these Bylaws to be executed by it's duly authorized officers and its corporate seal to be hereto affixed this 24th day of October, 1974

PURSUANT TO THE CONDOMINIUM ACT
OF THE COMMONWEALTH OF VIRGINIA

THE YEONAS COMPANY, a corporation organized and existing under the laws of the Commonwealth of Virginia (hereinafter referred to as the “Declarant”), does hereby declare:

1. Submission of Property. The Declarant hereby submits the Land, described in Part I of Exhibit A annexed hereto, together with the building and improvements thereon erected and owned by the Declarant in fee simple absolute (hereinafter called the “Property”), to the provisions of the Condominium Act of the Commonwealth of Virginia [Tit. 55, §§ 55-79.39, et. Seq., 1950 Code of Va., as amended], in order to create a plan of condominium ownership in such Property. The Property is now described as Newberry Condominium, Phase I on the Plate of Condominium Subdivision attached hereto as Exhibit B.

The Declarant hereby reserves the option, to be exercised at its sole discretion, to submit to the Virginia Condominium Act all or any part of the real property described as Additional Land in Part II of the aforesaid Exhibit A and to add all or any part of the Additional Land to the condominium regime created by this Declaration. In the event that all or any part of the Additional Land is added to the existing condominium regime, (i) the expanded condominium regime shall continue to be known as Newberry Condominium; (ii) the expanded condominium regime shall be subject to all the provisions of this Declaration and the exhibits attached hereto; (iii) each Unit Owners in the expanded regime shall be a member of the Unit Owners’ Association; (iv) each Unit shall be assigned one (1) vote in the Unit Owners’ Association; and (v) the Percentage, Phase I shall change as described in Exhibit D annexed hereto and made a part hereof.

Further, the Declarant hereby reserves the option, to be exercised at its sole discretion, to contribute a recreation area, including a Community Building, swimming pool and other improvements (and any other recreation area or swimming pool) to the Condominium Common Elements as

Units. Such provisions in these Bylaws are to be construed as covenants for the protection of the mortgages on which they may rely in making loans secured by mortgages on the Condominium 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. If there is more than one mortgagee holding mortgages on the Condominium Units, it shall be sufficient to obtain the written consent of the institutional mortgages holding first liens on seventy- five percent (75%) of the Condominium Units encumbered by mortgages.

Section 5. Non-Interference With Declarant. So long as the Declarant owns one or more Condominium Units, no Bylaw amendment or Rule and Regulation shall be adopted that could interfere (a) with the sale, lease, or other disposition of such Unit(s) or (b) with the right of the Declarant to vote the votes appurtenant thereto.

IN WITNESS WHEREOF, the Declarant has caused these Bylaws to be executed by its duly authorized officers and its corporate seal to be hereto-affixed this ___ day of _____, 1974

DECLARATION ESTABLISHING
A PLAN FOR CONDOMINIUM OWNERSHIP OF
PREMISES LOCATED IN BROAD RUN MAGISTERIAL DISTRICT,
LOUDOUN COUNTY, VIRGINIA
PURSUANT TO THE CONDOMINIUM ACT
OF THE COMMONWEALTH OF VIRGINIA

THE YEONAS COMPANY, a corporation organized and existing under the laws of the Commonwealth of Virginia (hereinafter referred to as the “Declarant”), does hereby declare:

1. Submission of Property. The Declarant hereby submits the Land, described in Part I of Exhibit A annexed hereto, together with the building and improvements thereon erected and owned by the Declarant in fee simple absolute (hereinafter called the “Property”), to the provisions of the Condominium Act of the Commonwealth of Virginia [Tit. 55, §§ 55-79.39, et. Seq., 1950 Code of Va., as amended], in order to create a plan of condominium ownership in such Property. The Property is now described as Newberry Condominium, Phase I on the Plate of Condominium Subdivision attached hereto as Exhibit B.

The Declarant hereby reserves the option, to be exercised at its sole discretion, to submit to the Virginia Condominium Act all or any part of the real property described as Additional Land in Part II of the aforesaid Exhibit A and to add all or any part of the Additional Land to the condominium regime created by this Declaration. In the event that all or any part of the Additional Land is added to the existing condominium regime, (i) the expanded condominium regime shall continue to be known as Newberry Condominium; (ii) the expanded condominium regime shall be subject to all the provisions of this Declaration and the exhibits attached hereto; (iii) each Unit Owners in the expanded regime shall be a member of the Unit Owners’ Association; (iv) each Unit shall be assigned one (1) vote in the Unit Owners’ Association; and (v) the Percentage, Phase I shall change as described in Exhibit D annexed hereto and made a part hereof.

Further, the Declarant hereby reserves the option, to be exercised as its sole discretion, to contribute a recreation area, including a Community Building, swimming pool and other improvements (and any other recreation area or swimming pool) to the Condominium Common Elements as