

BYLAWS
OF
BEACH COVE VILLAS UNIT OWNERS ASSOCIATION
(a/k/a BEACH COVE VILLAS ASSOCIATION)

Containing Twenty-four Units
Parcel Numbers:

41B A	1A	41B A	2A	41B A	3A
41B A	1B	41B A	2B	41B A	3B
41B A	1C	41B A	2C	41B A	3C
41B A	1D	41B A	2D	41B A	3D
41B A	1E	41B A	2E	41B A	3E
41B A	1F	41B A	2F	41B A	3F
41B A	1G	41B A	2G	41B A	3G
41B A	1H	41B A	2H	41B A	3H

BYLAWS

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AMENDED AND RESTATED BYLAWS
OF
BEACH COVE VILLAS UNIT OWNERS ASSOCIATION

(White Stone District, Lancaster County, Virginia)

THESE Amended and Restated BYLAWS, dated as of June 25, 2022, recite and provide:

RECITALS

By Declaration dated December 12, 1989 (the "Declaration"), recorded in the Clerk's Office of the Circuit Court of Lancaster County, Virginia, Windmill Point Marine Resort, Inc., a Virginia corporation (the "Declarant"), submitted a certain tract of land (the "Land") located in the White Stone District of Lancaster County, Virginia, as more particularly described in the Declaration, together with all the improvements, easements, rights and appurtenances thereunto belonging (the Land and such improvements, easements, rights and appurtenances being hereinafter collectively referred to as the "Property"), to the provisions of the Virginia Condominium Act thereby establishing the condominium development known as Beach Cove Villas, (the "Condominium").

Beach Cove Villas Unit Owners Association, an unincorporated association established pursuant to Section 55-1.1940 of the Virginia Condominium Act (the "Association"), has been formed for the purpose of operating and managing the Condominium, and the Amended and Restated Bylaws of the Association, which amend, supersede and replace in their entirety the Amended and Restated Bylaws dated as of March 20, 2010 of Beach Cove Villas Association, are as set forth hereinafter.

PROVISIONS

ARTICLE I. PLAN OF UNIT OWNERSHIP

Section 1. Applicability of Bylaws: Unit Ownership

These Bylaws provide the manner in which the Association will be governed, pursuant to the requirements of the Virginia Condominium Act, Va. Code Ann. Section 55-1.1900 et seq. (the "Condominium Act"). The property on which the Condominium has been and is to be constructed is located in the White Stone District of Lancaster County, Virginia, being more particularly described in the Declaration (the "Declaration") recorded in the Clerk's Office of the Circuit Court of Lancaster County, Virginia. Pursuant to the provisions of Section 55-1.1915 of the Condominium Act, every Unit Owner and all those entitled to occupy a Unit shall comply with the Bylaws. The acceptance of a deed or conveyance or the entering into a lease or the act of occupancy of a Condominium Unit shall conclusively establish the acceptance and ratification of these Bylaws, any 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 2. Definitions

The definitions of all capitalized words contained herein shall be those stated in Section 55-1.1900 of the Condominium Act unless the context clearly indicates otherwise.

Section 3. Office

The office of the Condominium and of the Board of Directors (the "Board of Directors") of the Association shall be designated by the Board of Directors. Correspondence that is directed to any of the four Directors shall be deemed sent to an acceptable office for the Association unless required to be sent to a specific Director.

ARTICLE II. UNIT OWNERS ASSOCIATION

Section 1. Composition

The Association shall be comprised solely of all Unit Owners. The Unit Owners, when acting collectively as the Association, and every other person occupying any Unit in the Condominium, or visiting the Condominium, shall comply with all the terms, provisions and conditions of the Condominium Act and shall act pursuant to the terms, provisions and conditions of the Declaration and these Bylaws. The Association shall have the responsibility for the administration of the Condominium, the collection of all assessments and charges, the management of the Condominium and the performance of all the other functions and duties necessary or desirable pursuant to the Act and the Declaration. Unless otherwise required to be performed by the vote of the Unit Owners, all of the foregoing functions and duties shall be performed as directed by the Board of Directors or as more particularly set forth in these Bylaws.

Section 2. Annual Meetings

The annual meeting of the Association shall be held on or about the third (3rd) Saturday in March of each year. At the annual meeting, the Board of Directors shall be elected by vote of the Unit Owners in accordance with the requirements of these Bylaws.

Section 3. Place of Meetings

- a) Meetings of the Association shall be held at such suitable place as the Board of Directors may designate or, in the event of any special meeting called by Unit Owners in accordance with the provisions of Section 4 of this Article, at such place designated in the notice of such special meeting.
- b) Except as otherwise provided in these Bylaws, meetings of the Unit Owners may be conducted through use of electronic meeting services designated by the Board of Directors. The Board of Directors shall adopt guidelines for the use of electronic means

for such meetings. Such guidelines shall ensure that persons accessing such meetings are authorized to do so and that persons entitled to participate in such meetings have an opportunity to do so.

Section 4. Special Meetings

The President of the Association shall call a special meeting of the Association if so directed by a resolution of the Board of Directors or, after the first annual meeting of the Association, upon a petition signed and presented to the Secretary by Unit Owners owning at least one-third (1/3) of the aggregate Percentage Interests in the Condominium. The notice of any special meeting shall state the time, place and purpose of such meeting. No business shall be transacted at a special meeting of the Association except as stated in the notice.

Section 5. Notice of Meetings

The Secretary of the Association shall give notice to every Unit Owner of each annual meeting of the Association at least twenty-one (21) days in advance of such meeting, and of each special meeting of the Association at least seven (7) days in advance of such meeting. Each such notice shall state the time, place and purpose of the meeting and shall be either sent by United States mail, postage prepaid, to each Unit Owner of record at his address on file with the Secretary or hand delivered by the Secretary of the Association, provided that the Secretary certifies in writing that such notice was duly delivered to each Unit Owner. In lieu of delivering notice as specified above, notice may be sent via electronic mail that provides documentation of delivery provided the Unit Owner consented in writing to such means. Notice will be sent by United States mail in the event the email is returned to the sender as undeliverable.

Section 6. Adjournment of Meetings

If any meeting of the Association cannot be held because a quorum is not present, the Secretary of the Association shall adjourn the meeting to a time not sooner than ninety-six (96) hours after the time of the originally scheduled meeting. The Secretary of the Association shall deliver notices of such adjournment to every Unit Owner in the manner provided in Section 5 of Article II of these Bylaws.

Section 7. Order of Business

The order of business at all meetings of the Association shall be as follows:

- a) Roll call and proof of quorum
- b) Proof of notice of meeting
- c) Reading and approval of minutes of preceding meeting
- d) Reports of officers
- e) Report of Board of Directors
- f) Reports of committees
- g) Election or designation 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
- k) Adjournment

Section 8. Title to Units

Title to a Condominium Unit may be taken in the name of one or more persons or entities (including the Association), in any manner permitted by law.

Section 9. Voting

Voting at all meetings of the Association shall be on a one vote per Unit basis. If a Unit is owned by more than one person, the person who shall be entitled to cast the vote in behalf of such Unit shall be the person named in a certificate executed by all of the owners of such unit and filed with the Secretary of the Association. In the absence from a meeting of the person named in the aforesaid certificate, or in the event that no such certificate is filed with the Secretary, the person who shall be entitled to cast the vote in behalf of such Unit shall be the person owning such Unit who is present. If more than one person owning such Unit is present, then the vote for that Unit shall be cast only upon the unanimous agreement of all such persons, pursuant to the Condominium Act. Except where a greater number is required by the Condominium Act, the Declaration or these Bylaws, a majority vote of the Unit Owners voting is required to adopt decisions at any meeting provided a quorum is present. No Unit Owner may vote at any meeting of the Association or be elected to or serve on the Board of Directors, if such Unit Owner is delinquent in the payment of any assessment under these Bylaws, or if such Unit Owner is in any way in default under the Condominium Act, the Declaration or these Bylaws.

Section 10. Proxies

A vote may be cast at any meeting of the Association in person, by proxy, by electronic means, or by absentee ballot. A proxy may be granted by any Unit Owner, or, where the Unit Owner is more than one person, by or on behalf of all such persons, but only in favor of another Unit Owner, the lawful resident of a Unit, or a Mortgagee. No such proxy shall be revocable except by actual notice to the person presiding over the meeting, by the Unit Owner or by any 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 any of those executing the same has not been witnessed by a person who shall sign his full name and address. The proxy of any person shall be void if not signed by a person having authority, at the time of the execution thereof, to execute deeds on behalf of that person. Any proxy shall terminate automatically upon the adjournment of the first meeting held on or after the date of that proxy.

Section 11. Quorum

Except as otherwise provided in these Bylaws, the presence in person or by proxy of Unit Owners of twenty-five percent (25%) or more of the aggregate Percentage Interests of the Condominium shall constitute a quorum at all meetings of the Association.

Section 12. Conduct of Meetings

The President of the Association shall preside over all meetings of the Association, and the Secretary of the Association shall keep the minutes of all meetings and record in a minute book all resolutions adopted and transactions occurring at the meeting. The then current edition of Roberts Rules of Order shall govern the conduct of all meetings of the Association when not in conflict with the Declaration, the Condominium Act or these Bylaws.

ARTICLE III. BOARD OF DIRECTORS

Section 1. Number and Qualifications

The affairs of the Association and of the Condominium shall be governed by the Board of Directors. The Board of Directors shall consist of four (4) persons, all of whom shall be Unit Owners, or spouses of Unit Owners, to function concurrently as the four officers of the Association: President, Vice President, Secretary and Treasurer.

Section 2. Powers and Duties

The Board of Directors shall have all powers and duties necessary for the administration of the affairs of the Association and the Condominium and may do all such acts and things as are not prohibited by the Condominium Act, the Declaration or these Bylaws. The Board of Directors shall have the power to adopt from time to time any Rules and Regulations deemed necessary or desirable for the benefit and enjoyment of the Condominium; provided, however, that such Rules and Regulations shall not conflict with the Condominium Act, the Declaration or these Bylaws. In addition to the duties imposed by the Bylaws or by any resolution of the Association that may hereafter be adopted, the Board of Directors shall on behalf of the Association:

- a) Prepare an annual budget, in which there shall be established the assessments of each Unit Owner for Common Expenses, which assessments shall be subject to adjustment as provided herein.
- b) Make assessments against Unit Owners to defray the cost and expense of the Condominium, establish the means and methods of collecting such assessments from the Unit Owners and establish the period of the installment payment of the annual assessment for Common Expenses. Unless otherwise determined by the Board of Directors, the annual assessment against each Unit Owner for his proportionate share of the Common Expenses shall be payable in equal quarterly installments, with each such installment to be due and payable in advance on the first (1st) day of each calendar quarter for such calendar quarter.
- c) Provide for the operation, care, upkeep, replacement, maintenance and surveillance of the Condominium.

- d) Designate, hire and dismiss any employees and/or contractors necessary for the maintenance, operation, repair and replacement of the Common Elements, and where appropriate, provide for the compensation of such employees and contractors and for the purchase of equipment, supplies and materials to be used by such personnel in the performance of their duties, which supplies and equipment shall be deemed part of the Property.
- e) Collect assessments from Unit Owners, deposit the proceeds in a bank depository which the Board of Directors shall approve, and use the proceeds to manage and administer the Condominium.
- f) Make and amend the Rules and Regulations.
- g) Open bank accounts on behalf of the Association and designate the signatories thereon; provided, however, that every check in excess of \$10,000 shall be signed by at least two (2) of the following officers of the Association: President, Vice President, Secretary or Treasurer.
- h) Make or contract for the making of, repairs, additions and improvements to or alterations of the Common Elements, and repairs to and restoration of the Common Elements, in accordance with the Bylaws, after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings.
- i) Enforce by legal means the provisions of the Declaration, these Bylaws and the Rules and Regulations and act on behalf of the Unit Owners with respect to all matters arising out of any eminent domain proceedings.
- j) Obtain insurance against casualties and liabilities, as provided in these Bylaws, pay the premiums therefore and adjust and settle any claims thereunder.
- k) Pay the costs of all authorized services rendered to the Association and not billed to Unit Owners individually.
- l) Keep books with detailed accounts in chronological order of the receipts and expenditures affecting the Property and the administration of the Condominium, specifying the expenses of maintenance and repair of the Common Elements and any other expenses incurred. Such books, together with all supporting documentation, shall be available for examination by the Unit Owners and their duly authorized agents or attorneys by agreement with the Treasurer and/or the Board of Directors with a minimum of 10 days written notice. Electronic images of all documentation shall be considered adequate supporting documentation unless otherwise required by law. All books and records shall be kept in accordance with generally accepted accounting practices, and the same may be audited at least once each year by an independent accountant retained by the Board of Directors who shall not be affiliated in any way with the Condominium or any Unit Owner. The cost of such audit shall be a Common Expense.

- m) Borrow money on behalf of the Condominium when required in connection with the operation and maintenance of the Common Elements, provided, however, that the consent of at least sixty-six and two thirds percent (66- 2/3%) of the Unit Owners, both in number and in aggregate Percentage Interests in the Condominium, obtained at a meeting duly called and held for such purpose in accordance with these Bylaws, shall be required to borrow any sum in excess of Fifteen Thousand Dollars (\$15,000) at one time or Thirty Thousand Dollars (\$30,000) cumulative within a calendar year. If any sum borrowed by the Board of Directors on behalf of the Association pursuant to the authority contained in this Paragraph m is not repaid by the Association, a Unit Owner who pays to the creditor such proportion thereof as his Percentage Interest bears to the total Percentage Interest in the Condominium shall be entitled to obtain from the creditor a release of any judgment or other lien which such creditor shall have filed or shall have the right to file against such Unit Owner's Condominium Unit.
- n) Acquire, hold and dispose of Condominium Units and mortgage the same provided such expenditures are included in the budget adopted by the Association.
- o) Furnish any information required by the Condominium Act, within ten (10) days after the receipt of a written request therefore from any Unit Owner.
- p) Do such other things and acts not inconsistent with the Condominium Act, the Declaration or these Bylaws which the Board of Directors may be authorized to do by a resolution of the Association.

Section 3. Election and Term of Office

- a) Any Unit Owner who is current in the payment of assessments and volunteers to run for the Board of Directors shall be added to the ballot. Volunteers may be accepted in advance or from the floor at the Annual Meeting. No Unit shall have more than one (1) representative from that Unit on the Board at a time.
- b) To provide experience and continuity for the Association, the term of office for members of the Board of Directors shall be fixed at two (2) years with two Directors' terms expiring each year. At each annual meeting of the Association, two members of the Board of Directors shall be elected. The other two members will remain on the Board with terms expiring the following year. Directors shall be elected by plurality of the vote. Accordingly, the two (2) directors receiving the highest number of votes shall be elected even if the votes received does not constitute a majority of the votes cast.
- c) Persons qualified to be members of the Board of Directors may be nominated for election only as follows:
 - 1) Any Unit Owner may submit to the Secretary of the Association a nominating petition to include a statement that the person nominated is willing to serve on the Board of Directors and a brief biographical sketch of the nominee; or

- 2) Nominations may be submitted from the floor at the meeting at which the election is held for each vacancy on the Board of Directors for which no more than one (1) person has been nominated in advance by a petition that complies with Subparagraph 1 hereof.

Section 4. Removal or Resignation

At any regular or special meeting of the Association, any one or more of the members of the Board of Directors may be removed with or without cause by a vote of Unit Owners owning more than fifty percent (50%) of the aggregate Percentage Interests in the Condominium, and a successor may then and there be elected to fill the vacancy thus created. A member of the Board of Directors may resign at any time upon providing notice of his resignation to the Secretary of the Association. In addition, a member of the Board of Directors shall be deemed to have resigned upon his conveyance of title to his Unit to a new Unit Owner.

Section 5. Vacancies

Vacancies in the Board of Directors caused by any reason other than the removal of a director by a vote of the Association shall be filled by a vote of a majority of the remaining members of the Board of Directors at a special meeting of the Board of Directors held for such purpose promptly after the occurrence of any such vacancy, even though the members of the Board of Directors present at such meeting constitute less than a quorum. Each person so elected shall be a member of the Board of Directors for the remainder of the term of the member being replaced and until a successor shall be elected at the next annual meeting of the Association.

Section 6. Organization Meeting

The first meeting of the Board of Directors following the annual meeting of the Association shall be held immediately following the annual meeting of the Association or as soon thereafter as is practical. No additional notice shall be required if the date, time, and location of such meeting is announced at the annual meeting of the Association. The meeting's purpose is to establish the officer roles for the newly elected Board. No Director shall hold the same officer position on the Board for more than three (3) terms (i.e., six years).

Section 7. Regular Meetings

- a) 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 members of the Board of Directors, but a meeting shall be held at least once every four (4) months. Notice of regular meetings of the Board of Directors shall either be hand delivered, mailed or emailed to each member of the at least three (3) business days prior to the date on which such meeting is scheduled to be held. Notice to the Unit Owners shall be given in a manner reasonably calculated to reach a majority of the Unit Owners which may include mail, hand delivery, email, or other method likely to reach most Unit Owners.

- b) Except as otherwise provided in these Bylaws, meetings of the Board of Directors may be conducted through use of electronic meeting services designated by the Board of Directors. The Board of Directors shall adopt guidelines for the use of electronic means for such meetings. Such guidelines shall ensure that persons accessing such meetings are authorized to do so and that persons entitled to participate in such meetings have an opportunity to do so.

Section 8. Special Meetings

Special meetings of the Board of Directors may be called by the President of the Association upon three (3) days prior written notice to each member of the Board of Directors, to be either given by hand delivery, mail or email, which notice shall state the time, place and purpose of the meeting. Notice to the Unit Owners shall be given in a manner reasonably calculated to reach a majority of the Unit Owners which may include mail, hand delivery, email, or other method likely to reach most Unit Owners. Special meetings of the Board of Directors shall be called by the President or Secretary of the Association in a like manner and on like notice of the written request of at least two (2) members of the Board of Directors.

Section 9. Waiver of Notice

Any member of the Board of Directors, may, 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 member of the Board of Directors at any meeting of the Board of Directors shall constitute a waiver of notice of such meeting by that member. If all members of the Board of Directors are present at any meeting of the Board of Directors, no notice shall be required, and any business may be transacted at such meeting.

Section 10. Quorum

At any meeting of the Board of Directors, a majority of the members of the Board of Directors shall constitute a quorum for the transaction of business, and the votes of a majority of the members of the Board of Directors present at a meeting at which a quorum is present shall constitute the decision of the Board of Directors. If at any meeting of the Board of Directors there shall be less than a quorum present, the meeting shall be adjourned.

Section 11. Compensation

No members of the Board of Directors shall receive any compensation for acting as such.

Section 12. Conduct of Meetings

The President of the Association shall preside over all meetings of the Board of Directors and the Secretary shall keep the minutes of the Board of Directors, including the recordation of all resolutions adopted by the Board of Directors and the recordation of all transactions and proceedings occurring at such meetings. The then-current edition of 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, provided, however, no action or decision of the Board shall be deemed to be invalid due to failure to strictly follow Roberts Rules of Order.

Section 13. Actions by Consent

Any actions by the Board of Directors required or permitted to be taken at any meeting may be taken without a meeting if all members of the Board of Directors shall consent in writing to such action. Any such written consent shall be filed with the minutes of the proceedings of the Board of Directors.

Section 14. Liability of the Board of Directors

- a) The members of the Board of Directors shall not be liable to the Association for any mistake of judgment, negligence or otherwise, except for their own individual willful misconduct or bad faith. The Association shall indemnify and hold harmless each member of the Board of Directors from and against all contractual liability to others arising out of contracts made by the Board of Directors on behalf of the Association unless any such contract shall have been made in bad faith or contrary to the provisions of the Condominium Act, or these Bylaws. Members of the Board of Directors as such shall have not personal liability with respect to any contract made by them on behalf of the Association. The liability, if any, of any Unit Owner arising out of any contract made by the officers or members of the Board of Directors or by the Board of Directors, or out of the aforesaid indemnity in favor of the members of the Board of Directors or officers, or for damages as a result of injuries arising in connection with the Common Elements, solely by virtue of the ownership by a Unit Owner of a Percentage Interest therein or for liabilities incurred by the Association, shall be limited to the total liability thereunder multiplied by his Percentage Interest in the Condominium, but only to the extent that such liability is not covered by any applicable policy of insurance carried by the Board of Directors on or for the benefit of the Association or its members. Every agreement made by the Board of Directors on behalf of the Association shall provide that the members of the Board of Directors are acting solely as agents for the Association and shall have no personal liability thereunder (except as Unit Owners) and that each Unit Owner's liability thereunder, if any, shall be limited in the manner specified above.
- b) The Association shall not be liable for any failure of water supply or other services to be obtained by the Association, including communication services, or paid for as a Common Expense, or for injury or damage to persons or property caused by the Elements or by a Unit Owner of any Unit, or any other person, or resulting from electricity, water, snow or ice which may lead or flow from or over any portion of the Common Elements or from any pipe, drain, conduit, appliance or equipment. The Association shall not be liable to any Unit Owner for loss or damage, by theft or otherwise, of articles which may be stored upon any of the Common Elements or Limited Common Elements. No diminution or abatement of any assessments, as herein elsewhere provided, shall be claimed or allowed for inconvenience or discomfort

arising from the making of repairs or improvements to the Common Elements or from any action taken by the Association to comply with any law, ordinance or with the order or directive of any governmental authority.

Section 15. Covenants Committee

- a) **Establishment and Functions.** The Board of Directors may establish a committee (the "Covenants Committee"), consisting of three (3) members appointed by the Board of Directors, each to serve for a term of one (1) year, to ensure that the Condominium shall always be maintained in a manner:
 - 1) Providing for visual harmony and soundness of repairs;
 - 2) Avoiding activities deleterious to the aesthetic or property values of the Condominium;
 - 3) Furthering the comfort of the Unit Owners, their guests and tenants; and
 - 4) Promoting the general welfare of the Condominium
- b) **Powers.** The Covenants Committee shall regulate the external design, appearance, use and maintenance of the Common Elements. The Covenants Committee shall have the power to issue cease and desist orders to Unit Owners, their guests, invitees or lessees whose actions are inconsistent with the provisions of the Condominium Act, the Declaration, these Bylaws, any Rules and Regulations or resolutions of the Board of Directors.
- c) The Board of Directors may at their discretion function as the Covenants Committee concurrent with their roles as members of the Board of Directors and officers of the Association.

ARTICLE IV. OFFICERS

Section 1. Designation

The principal officers of the Association 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 or desirable for the efficient administration of the Condominium. The President, Vice President, Secretary and Treasurer shall be members of the Board of Directors. Any other officers shall not be members of the Board of Directors.

Section 2. Election of Officers

The officers of the Association shall be elected annually by the Board of Directors at the organizational meeting of each new Board 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 a majority of all members of the Board of Directors, any officers may be removed, either with or without cause, and a successor may be elected at any regular meeting of the Board of Directors or at any special meeting of the Board of Directors called for such purpose.

Section 4. President

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

Section 5. Vice President

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

Section 6. Secretary

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

Section 7. Treasurer

The Treasurer shall have responsibility for funds and securities of the Association and 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. The Treasurer shall be responsible for the deposit of all monies and other valuable effects in the name of the Board of Directors, the Association or the Managing Agent, in such depositories as may from time to time be designated by the Board of Directors. Finally, the Treasurer shall perform all of the general duties incident to the office of treasurer of a stock corporation organized under the Virginia Nonstock Corporation Act.

Section 8. Agreements, Contracts, Deeds, Etc.

All agreements, contracts, deeds, leases, checks and other instruments of the Association for expenditures or obligations in excess of Ten Thousand Dollars (\$10,000), shall be executed by any two of the following officers of the Association: President, Vice President, Secretary, or Treasurer. All such instruments or expenditures or obligations of Ten Thousand Dollars (\$10,000) or less may be executed by any one of the above persons designated by the Board of Directors.

Section 9. Compensation of Officers

No officer shall receive any compensation from the Association for acting as such.

ARTICLE V. OPERATION OF THE PROPERTY

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

- a) Fiscal Year. The fiscal year of the Association shall be the calendar year unless otherwise determined by the Board of Directors.
- b) Preparation and Approval of Budget
 - i) Before the end of the prior fiscal year, the Board of Directors shall adopt a budget for the Association containing an estimate of the total amount of money 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 pursuant to the Condominium Act, the Declaration, these Bylaws or a resolution of the Board of Directors and which will be required during the upcoming fiscal year for the administration, operation, maintenance and repair of the Property and the rendering to the Unit Owners of all related services.
 - ii) Such budget shall also include such reasonable amounts as the Board of Directors considers necessary to provide working capital, a general operating reserve and a reserve for contingencies and replacements. On or before the next succeeding first day of January, the Board of Directors shall send to each Unit Owner a copy of the budget in a reasonably itemized form which sets forth the estimated amount of the Common Expenses and any special assessment payable by each Unit Owner. Such budget shall constitute the bases for determining each Unit Owner's assessment for the Common Expenses of the Association.
- c) Assessment and Payment of Common Expenses. Subject to the provisions of these Bylaws, the total amount of the estimated funds required for the operation of the Condominium set forth in the budget adopted by the Board of Directors shall be assessed against each Unit Owner in proportion to his respective Percentage Interest in the

Condominium and shall be a lien against each Unit Owner's Unit as provided herein. On or before the first (1st) day of each fiscal year, and the first (1st) day of each of the succeeding three (3) calendar quarters in each fiscal year, each Unit Owner shall be obligated to pay to the Board of Directors one-quarter (1/4) of such assessment. Within ninety (90) days after the end of each fiscal year, the Board of Directors shall supply to all Unit Owners, and to each mortgagee which requests the same, an itemized accounting of the Common Expenses for such fiscal year actually incurred and paid, together with a tabulation of the amounts collected pursuant to the budget adopted by the Board of Directors for such fiscal year, and showing the net amount over or short of the actual expenditures plus reserves. Any amount accumulated in excess of the amount required for actual expenses and reserves shall, if the Board of Directors deems it advisable, be credited according to each Unit Owner's Percentage Interest in the Condominium to the next quarterly installment(s) due from Unit Owners under the current fiscal year's budget, until exhausted. Any net shortage shall be assessed promptly against the Unit Owners in accordance with their Percentage Interest and shall be payable either, as the Board of Directors may determine, (i) in full with payment of the next quarterly assessment due; or (ii) in not more than two (2) equal quarterly installments, as the Board of Directors may determine.

- d) Reserves. The Board of Directors shall fund and maintain reasonable reserves for working capital, operations, contingencies and replacements. Extraordinary expenditures not originally included in the annual budget which may become necessary during the fiscal year shall be charged first against such reserves. If the reserves are inadequate for any reason, including non-payment of any Unit Owner's assessment, the Board of Directors may at any time levy a further assessment, which shall be assessed against the Unit Owners according to their respective Percentage Interests in the Condominium, 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 of all Unit 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 quarterly payment which is due more than ten (10) days after the delivery of such notice of further assessment. All Unit Owners shall be obligated to pay the adjusted quarterly amount, or if such further assessment is not payable in installments, the amount of such assessment. Such assessment shall be a lien against each Unit Owner's Unit as of the effective date as set forth herein.
- e) Reserve Study. The Board of Directors shall:
 - (i) Conduct at least once every five years a study to determine the necessity and amount of reserves required to repair, replace, and restore the capital components as defined in § 55.1-1965 of the Condominium Act;
 - (ii) Review the results of that study at least annually to determine if reserves are sufficient; and
 - (iii) Make any adjustments the Board of Directors deems necessary to maintain reserves, as appropriate.

- f) Effect of Failure to Prepare or Adopt Budget. The failure or delay by the Board of Directors to prepare or adopt a budget for any fiscal year shall not constitute a waiver or a release in any manner of a Unit Owner's obligation to pay this allocable share of the Common Expenses as herein provided whenever the same shall be determined and, in the absence of any annual budget or adjusted budget, each Unit Owner shall continue to pay each quarterly installment at the quarterly rate established for the previous fiscal year until notice of the quarterly payment which is due more than ten (10) days after such new annual or adjusted budget shall have been delivered. Such notice shall also require a retroactive payment by the Unit Owner to the first (1st) day of the new fiscal year of the increased assessment.
- g) Accounts. All sums collected by the Board of Directors with respect to assessments against the Unit Owners or from any other source may be commingled in a single fund or account but shall be held for each Unit Owner in accordance with his respective Percentage Interest in the Condominium.

Section 2. Payment of Common Expenses

Each Unit Owner shall pay, and shall be personally liable for, his proportionate share of the Common Expenses assessed by the Board of Directors pursuant to the provisions hereof. No Unit Owner may exempt himself/herself from liability for this contribution toward the Common Expenses by waiver of the use or enjoyment of any Common Elements or by abandonment of his Unit. No Unit Owner shall be liable for the payment of any part of the Common Expenses assessed against his Unit after the date of recordation of a deed of conveyance by him/her in fee of such Unit. Before or at the time of any such conveyance, all liens, unpaid charges and assessments shall be paid in full by the seller and discharged. The purchaser of a Unit shall be jointly and severally liable with the selling Unit Owner for all unpaid assessments against the selling Unit Owner or his Unit for the selling Unit Owner's proportionate share of the Common Expenses up to the time of such recordation, without prejudice to the purchaser's right to recover from the selling Unit Owner amounts paid by the purchaser therefore; provided, however, that any such purchaser shall be entitled to a statement from the Board of Directors of the Association setting forth the amount of the unpaid assessments against the selling Unit Owner or his Unit within five (5) days after making a written request therefore, and such purchaser shall not be liable for, nor shall the Unit conveyed be subject to, a lien for any unpaid assessments in excess of the amount set forth in such written statement; and provided, further, that each Mortgagee who comes into possession of a Condominium Unit by virtue of foreclosure or by deed or assignment in lieu of foreclosure or any purchaser (other than the original Unit Owner) at a foreclosure sale, shall take the Condominium Unit free of any claim for unpaid assessments or charges against such Unit which accrue prior to the date on which such Mortgagee or purchaser comes into possession thereof, except for claims for a pro rata share of such assessments or charges resulting from a pro rata reallocation of such assessments or charges to all Condominium Units including the Mortgagee's Condominium Unit.

Section 3. Collection of Assessments

The Board of Directors shall take prompt action to collect any assessment for Common

Expenses due from any Unit Owner which remains unpaid for more than thirty (30) days after the due date for payment thereof. Any assessment, or installment thereof, not paid within five (5) days after the due date therefore shall accrue a late charge in the amount of five percent (5%) of the overdue assessment or installment, and if any such assessment or installment thereof remains unpaid for a period in excess of fifteen (15) days after the date thereof, the unpaid principal amount thereof shall bear interest as hereinafter provided in Article IX hereof.

Section 4. Statement of Common Expenses

The Board of Directors shall promptly provide any Unit Owner, contract purchaser or Mortgagee, upon a written request, with a statement in writing of all unpaid assessments for Common Expenses due from a Unit Owner. The Board of Directors may impose a reasonable charge for the preparation of such statement to cover the cost of preparation to the extent permitted by the Condominium Act.

Section 5. Maintenance and Repair

a) By the Board of Directors

The Board of Directors shall be responsible for the maintenance, repair and replacement of all of the Common Elements (including the Limited Common Elements), whether located inside or outside of the Units, the cost of which shall be charged to all Unit Owners as a Common Expense; provided, however, that each Unit Owner shall perform normal maintenance on the Limited Common Elements appurtenant to his Unit and any portion of the remaining Common Elements which the Board of Directors, pursuant to the Rules and Regulations, has given him/her permission to utilize, including without limitation the items enumerated in Subsection b hereof.

b) By the Unit Owner

- i) Each Unit Owner shall keep his Unit and its mechanical equipment (i.e., including but not limited to HVAC systems and hot water heaters), appliances and doors and windows in good order, condition and repair and in a clean and sanitary condition, and shall do all redecorating and painting, which may at any time be necessary to maintain the attractive appearance and sound condition of his Unit. In addition, each Unit Owner shall be responsible for all damage to any other Units or to the Common Elements or the Limited Common Elements resulting from his failure to make any of the repairs required hereby. Each Unit Owner shall perform his responsibility in such a manner as shall not reasonably disturb or interfere with the other Unit Owners. Each Unit Owner shall promptly report to the Board of Directors any defect or need for repairs for which the Board of Directors is responsible.
- ii) The Unit Owner of any Unit to which a deck or entrance stairway is appurtenant (as a Limited Common Element) shall perform the normal maintenance for such balcony, deck, or stairway including keeping it in a clean and sanitary condition,

free and clear of snow, ice and any accumulation of water, and the Unit Owner shall also make all repairs thereto caused or permitted by his negligence, misuse or neglect. All structural repairs or replacements shall be made by the Board of Directors and charged to all Unit Owners as a Common Expense as provided herein.

- iii) Maintenance, repair, restoration, and replacement of stairs from the deck of ground level units on the south side of the building with direct access to the beach are the responsibility of the Unit Owner. Stairs shall be maintained in conformity with the quality and architectural style of the building elements.

c) Manner of Repair and Replacement

All repairs and replacements shall be substantially like the original construction and installation and shall be of first-class quality. Repairs and replacements shall be made as quickly as is practicable after any loss sustained. 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 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 Fifty Thousand Dollars (\$50,000) during any period of twelve (12) consecutive months, and the making of such additions, alterations or improvements shall have been approved by a majority of the Unit Owners, the Board of Directors shall proceed with such additions, alterations or improvements and shall assess all Unit Owners for the cost thereof as a Common Expense. Any additions, alterations or improvements costing Fifty Thousand Dollars (\$50,000) or less during any period of twelve (12) consecutive months may be made by the Board of Directors without approval of the Unit Owners and the cost thereof shall constitute a Common Expense.

Section 7. Additions, Alterations or Improvements by the Unit Owners

No Unit Owner shall make any structural addition, alteration or improvements in or to his Unit without the prior written consent of the Board of Directors. No Unit Owner shall paint, stain, or alter the exterior of his Unit, including the doors and windows without the prior written consent of the Board of Directors. The Board of Directors shall be obliged to answer any written request by a Unit Owner for approval of a proposed structural addition, alteration or improvement in such Unit Owner's Unit within forty-five (45) days after such request. If the Board fails to respond within forty-five (45) days, the Unit Owner may provide written notice to the Board of its failure to respond. If the Board fails to respond within (10) days of such notice, the lack of response shall constitute a consent by the Board of Directors to the proposed structural addition, alteration or improvement. Written requests made and approved under this provision may be made via electronic communications means and shall be preserved by the Board of Directors. If any application to any governmental body or official is required to be executed by the Association before the Unit Owner can proceed with any such addition, alteration or improvement, and provided consent has been given by the Board of Directors, the application

shall be executed on behalf of the Association by the Board of Directors or their designee, but only without incurring any liability on the part of the Board of Directors or any of them to any contractor, subcontractor or materialman on account of such addition, alteration or improvement, or to any person having claim for injury to person or damage to property arising therefrom. Subject to the approval of any Mortgagee of any affected Units, the Board of Directors and any Unit Owner affected, any Unit may be subdivided or may be altered so as to relocate the boundaries between such Unit and any adjoining Units. The Secretary, at the cost of the Unit Owner (including any legal costs associated with the preparation to the necessary documentation), shall record any necessary amendment to the Declaration to affect such action as provided in Section 55.1-1932 of the Condominium Act.

Section 8. Restrictions on Use of Units; Rules and Regulations

a) **Leases and Rentals.** Any leasing or rental of Units is subject to the following restrictions:

- 1) Leasing of Units by Unit Owners for 30 days or longer is permitted subject to all applicable zoning and use restrictions and to the following restrictions:
 - (i) The entire Unit must be leased as one unit,
 - (ii) all leases must be in writing and must provide that failure to comply with the provisions of the Act, the Declaration, the Bylaws and any Rules and Regulations shall constitute a default under that lease,
 - (iii) tenants are required to obtain and maintain renter's insurance deemed acceptable by the Board of Directors for the entire term of the lease and proof of such insurance shall be provided to the Association prior to the tenant moving into the Unit and subsequently upon demand,
 - (iv) occupancy is limited to two (2) persons per bedroom, excluding children aged two (2) and younger;
 - (v) tenants may not sub-lease their Unit; and
 - (vi) the leasing of Units by Unit Owners shall also be subject to such other restrictions as the Board may subsequently impose.

The Board of Directors shall provide a standard lease addendum form and waiver and assumption of risk form for use by Unit Owners. The lease addendum form is provided as Exhibit A to these Bylaws and may not be altered except by the Board of Directors. The Board of Directors may modify this form as it deems appropriate to be consistent with applicable law and to protect the Association and other occupants of the Condominium. Each Unit Owner of a Condominium Unit shall, promptly following the execution of any lease of a Condominium Unit, forward a conformed copy thereof together with the executed addendum to the Board of Directors. The foregoing provisions of this subparagraph shall not apply to a Mortgagee in possession of a Unit as a result of a foreclosure or other judicial sale, or as a result of any proceeding in lieu of foreclosure.

- 2) Rental of Units by Unit Owners for terms less than 30 days (short-term) is permitted subject to all zoning and use restrictions and to the following conditions:

- (i) A rental is defined as the exchange of money, goods or services or the payment by the renter of costs and expenses related to the Unit. Compensation to the Unit Owner in any of these forms is subject to the terms of this provision.
- (ii) Unit Owners renting for less than 30-day terms are subject to all applicable county registration requirements and shall provide the Board of Directors proof of registration prior to executing any rental agreement. County registration documentation shall be updated annually with the Board of Directors.
- (iii) Unit Owners will provide proof of insurance reflecting coverage with an endorsement for use of the Unit as a rental property deemed acceptable by the Board of Directors to the Association prior to renting the Unit. Proof of insurance documentation shall be updated annually with the Board of Directors.
- (iv) Unit Owners shall hire a management company (the Management Agent), subject to approval by the Board of Directors, who is compensated by the Unit Owner and acts as an agent to address all issues arising from the rental of the Unit. The Unit Owner shall ensure that the current contact information for the Management Agent is available any time the Unit is rented. The Management Agent shall address violations of Declaration, Bylaws and Rules and Regulations that arise from the rental on the day of the occurrence or as soon thereafter as is reasonably practical. The Management Agent shall be responsible for removal of renters who violate the terms and conditions of the rental agreement.
- (v) Rentals are subject to the following restrictions:
 - (a) the entire Unit must be rented as one unit;
 - (b) all short-term rental agreements must be in writing signed by someone eighteen (18) years of age or older and must acknowledge that failure to comply with the Declaration, Bylaws, and any Rules and Regulations determined by the Board of Directors to be applicable to short term rentals shall constitute immediate cause for removal from the property;
 - (c) no more than six (6) persons, excluding children aged two (2) and younger, may occupy the unit;
 - (d) at least one person residing in the Unit must be eighteen (18) years or older
 - (e) no pets are permitted; and
 - (f) the short-term rental of Units by Unit Owners shall also be subject to such other restrictions as the Board may subsequently impose.

The Board of Directors shall provide a standard rental agreement addendum which includes a list of rules and regulations applicable to short-term rentals and a waiver of liability form. The Unit Owner shall forward a copy of the executed rental agreement thereof together with the executed addendum to the Board of Directors no later than three (3) days before the start of the rental period. The rental agreement addendum is provided as Exhibit B to these Bylaws. The Board of Directors may modify this form as it deems appropriate to be consistent with applicable law and to protect the Association and other

occupants of the Condominium.

Unit Owners may apply to the Board of Directors for exceptions to this short-term rental policy in writing no less than three (3) days prior to the commencement of the rental. Any exceptions shall be considered on a case-by-case basis and are in the sole discretion of the Board. The foregoing provisions of this subparagraph shall not apply to a Mortgagee in possession of a Unit as a result of a foreclosure or other judicial sale, or as a result of any proceeding in lieu of foreclosure.

- b) Charges for Damage. The Board of Directors may charge each Unit Owner for the expense of all maintenance, repair or replacement to the Common Elements, or to those parts of Units as to which the Association has the responsibility to maintain and repair, rendered necessary by the Unit Owner's act, neglect or carelessness, or the act, neglect or carelessness of any member of his family or employees, agents, licensees, guests, lessees or other occupants or visitors. The payment and collection of any charge made pursuant to the foregoing provision shall be in accordance with the terms providing for payment and collection of assessments in these Bylaws and the Condominium Act, including, without limitation, the right reserved to the Board to accelerate payment of assessments and the right to recovery of attorney's fees and costs.
- c) Use of Property. No Waste. Nothing shall be done or kept in any Unit or in the Common Elements which will increase the rate of insurance for the Condominium or any part thereof without the prior written consent of the Board of Directors. No Unit 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 Condominium or any part thereof or which would be in violation of any law, regulation or administrative ruling. No waste will be committed in the Common Elements.
- d) Compliance with Laws and Zoning. No immoral, improper, offensive or unlawful use shall be made of the Condominium or any part thereof, and all valid laws and regulations of all governmental agencies having jurisdiction thereof shall be observed. All valid laws, orders, rules, regulations and requirements applicable to any portion of the Condominium 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 Condominium, and if the latter, then the cost of such compliance shall be a Common Expense.
- e) Architectural Control. No Unit Owner shall obstruct any of the Common Elements nor add anything to the Common Elements (e.g., plants or fixtures) without the approval of the majority of the Board of Directors. This provision includes the installation of satellite dishes and other communication devices. See Article V. Section 8 p) for satellite dish installation guidelines. Nothing shall be altered or constructed in or removed from the Common Elements except upon the prior written consent of the Board of Directors. See Article V. Section 7 for timing of requests for Board Approval.

- f) Storage in Common Elements. The sidewalks, entrances, passages, walkways, stairways and all of the Common Elements must not be obstructed or encumbered or used for any purpose other than entering and exiting to and from the Units. Carriages, bicycles, wagons, shopping carts, chairs, benches, umbrellas, tables or any other objects of similar type and nature may not be stored therein. Temporary storage not to exceed 7 days, provided the Unit Owner is residing at the Property, may be permitted provided the item does not block passage of any pedestrian or impede evacuation in the event of an emergency. The Board of Directors may designate storage areas in the Common Elements. The Board of Directors reserves the right to remove items not stored in accordance with this provision.
- g) Storage Under the Buildings. Unit Owners may be permitted to store kayaks, stand up paddle boards, crab pots, beach chairs, umbrellas and tables, and other outdoor gear under the building of their individual unit at the discretion of the Board of Directors. All items are stored at the Unit Owner's risk and the Association will not be responsible for any losses. Items must be stored neatly and out of view if possible. No gasoline cans, propane tanks or other combustible items, including gas powered vehicles, may be stored under the buildings. The Board reserves the right to remove and dispose of broken or damaged items and items that have not been used for an extended period of time or which appear to have been abandoned. Unit Owners are encouraged to label their personal belongings
- h) Parking. Two parking spaces are designated for each Unit with unit numbers painted to indicate each space. Spaces that are not designated are available on a "first come, first served" basis. No Unit Owner or Tenant or guest should use a space assigned to another Unit without permission. No vehicle shall remain on the Property unless it has current state license plates, county tags, and valid inspection sticker. Vehicle repairs of an kind shall not be permitted on the Property. The cost of maintenance and repair of all parking areas shall be a Common Expense.
- i) Golf Cart and Other Motorized Vehicle Parking. Golf carts and other small, motorized vehicles shall be parked in the Unit Owner's designated parking space except during charging. The Board of Directors may designate other permitted parking areas for such vehicles. All vehicles must be maintained in working order.
- j) Boat, Camper and Trailer Storage. No trailers, campers, recreational vehicles, storage pods or boats may be parked on the Property except in areas designated exclusively for such purposes by the Board of Directors. The Board of Directors may determine not to permit parking of such items on the Property.
- k) Signs. One "For Sale/For Lease" sign may be placed in the window of a Unit facing the parking lot/marina side of the building when a Unit is actively listed for sale or lease. Real estate signs should conform to the standard real estate signs in common usage in the area. No signs of any type shall be placed on any other location visible from the Common Elements without the permission of the Board of Directors or by court order. The Unit Owner will have seven (7) days after the settlement/leasing of the Unit to

remove any real estate sign. No other signs of any character are permitted without the prior written consent of the Board of Directors. The provisions of this subparagraph shall not be applicable to any mortgagee which comes into possession of any Unit by reason of any foreclosure, deed in lieu of foreclosure or other proceeding in lieu of foreclosure.

- l) Pets. Only orderly domesticated pets (e.g., dogs, cats, or birds in a cage) are permitted. No other animals are permitted. Any pets must be accompanied and under the full control of their owners at all times in any portion of the Common Elements or Limited Common Elements of the Condominium property. All pets shall be inoculated as required by law. Any animal creating a nuisance or unreasonable disturbance (e.g., prolonged barking) shall be permanently removed from the property upon ten (10) days written notice from the Board of Directors. Pet owners must immediately clean up any pet waste on Condominium property. Unit owners are responsible for all damages to Condominium property caused by pets and hold the Condominium harmless from any loss, claim or liability whatsoever arising from keeping a pet.
- m) Annoyance and Noise. Any use or practice which is a source of annoyance to other residents, or which interferes with the peaceful enjoyment and proper use of any of the Property by its residents, is prohibited. This includes but is not limited to loud music, television, musical instruments, or amplifiers. Nothing should be done to interfere with the rights, comforts, quiet enjoyment, and convenience of other Unit Owners, tenants or guests.
- n) Smoke Detectors, Carbon Monoxide Detectors and Fire Extinguishers. Unit Owners shall install and maintain in good operating condition, smoke detectors, as required by law, in each Unit. The Unit Owner shall be responsible for keeping the smoke detector(s) operable at all times. At least one carbon monoxide detector is required for each Unit containing gas fueled appliances. Owners shall have a fire extinguisher or other fire suppressant readily accessible.
- o) Fireplaces. Fireplaces and chimneys must be maintained in good working order with consideration for the safety of all Unit Owners and Property. Fireplaces that are in use shall be inspected periodically but no less than every three (3) years by a licensed professional. Fireplaces that are in frequent use shall be inspected annually. The Board of Directors may request Unit Owners to provide documentation of proof of inspection. Owners shall have a fire extinguisher or other fire suppressant readily accessible.
- p) Satellite Dishes. Satellite dishes may not be installed on any Common Element (e.g. roofs or siding walls) without permission from the Board of Directors. Satellite dishes of less than 1 meter in diameter may be installed on the individual Unit Owner's deck band board provided that the satellite dish and its wiring do not impede or impair the view of a lower or adjacent Unit Owner. Wires should be neatly hidden in conduit as much as practicable. Any holes or cuts in the fiber cement siding must be properly sealed and painted with a matching color to prevent deterioration of the siding. Any satellite dish no longer in use shall be removed within 60 days of discontinuance of use

including removing unused wiring and patching and sealing access points. The cost of repairs resulting from damage due to installation or removal shall be charged to the Unit Owner. The Board of Directors reserves the right to remove unused satellite dishes and wires at the Owners expense.

- q) Propane Tanks. Propane tanks shall only be installed in areas designated by the Board of Directors and shall not be located under any building, within three (3) feet of any Unit opening or within five (5) feet of any source of ignition. Unit Owners should periodically have tanks and valves inspected for safety by a professional (e.g. LP gas supplier or plumber) and should comply with all tank requalification timetables, generally every 12 years. Portable propane tanks for grills or fire pits shall not be stored under any building, within three (3) feet of any Unit opening or within five (5) feet of any source of ignition.
- r) Grills and fire pits/bowls. No charcoal, natural gas or other grills or cooking devices with an open flame nor wood or gas burning fire pits/bowls of any type shall be operated on the Limited Common Elements (e.g., decks) attached to each Unit. All such fires, grills, or cooking devices shall be permitted only in outdoor locations at least ten (10) feet from any combustible material (e.g., buildings, grasses, vegetation) or as designated by the Board of Directors. Grills and fires should never be left unattended. Spark screens are encouraged for all open-air fires. Electric grills are permitted provided there is no open flame source for cooking and cooking is monitored. Cooking that involves boiling, steaming or frying liquids is not permitted on decks. Owners shall have a fire extinguisher or other fire suppressant readily accessible when cooking on a deck. Owners shall not leave electrical appliances plugged into an outdoor electrical outlet when not in use.
- s) Pest Control. Unit Owners shall promptly address any infestation of pest such as rodents, insects, or snakes and shall take reasonable steps to promptly exterminate and eradicate the problem to prevent the infestation from spreading to other Units. The Board of Directors reserves the right to hire an exterminator at the Unit Owner's expense to address an infestation that a Unit Owner fails to control.
- t) Carpeting/Floor Coverings. Sufficient carpeting and/or padding shall be maintained on at least eighty percent (80%) of the floor surfaces (excluding kitchens, closets and bathrooms) in Units located over other Units, to adequately reduce transmission of sound between Units. The Board of Directors reserves the right to require proof of coverage in the event of excessive noise complaints.
- u) Garbage. Refuse and bagged garbage shall be deposited in the dumpster provided. Nothing should be left outside of the dumpster. Extra fees charged by the trash removal service for the improper disposal of garbage including excessive amounts of construction materials will be charged to the responsible Unit Owner.
- v) Clothes Lines. No clothes lines may be maintained in the Common Elements or the Limited Common Elements.

- w) Window Treatments. Window treatments for all windows in all Units of the Condominium shall be made of white material, or lined with white material, so that all such window treatments appear white from the exterior of the Units.
- x) Recreational Facilities. Any portions of the Common Elements on which recreational facilities may now or hereafter be developed may be used for general recreational purposes by Unit Owners, their families, tenants and guests. The Board of Directors may, from time to time, promulgate reasonable rules and regulations regarding the use of any such recreational facilities and all parties using same shall abide by such rules and regulations
- y) Use of Common Elements. Use of the Common Elements (i.e. the beach and grounds), by any Unit Owner, his/her family, guests, tenants and other occupants of his Unit is at their sole risk. Unit Owners are responsible for ensuring that family, friends, guests and other visitors have a clear understanding of this policy.
- z) Penalties. Non-compliance with Rules and Regulations in this section are subject to penalties documented in Section 55-1.1959 of the Condominium Act and in Article IX. Section 1. of these Bylaws.

Section 9. Right of Access

- a) By the acceptance and recordation of a deed of conveyance, each Unit Owner grants a right of access to his Unit to the Board of Directors or its designee for the purpose of exercising and discharging their respective powers and responsibilities, including, without limitation, making inspections, correcting any condition originating in a Unit and threatening another Unit, the Common Elements or the Limited Common Elements in his Unit or elsewhere in the Property or correcting any condition which violates the provisions of any Mortgage covering any Condominium Unit.
- b) The Board of Directors has provided each Unit with a wall mounted combination key lockbox located outside the front door of each Unit. Unit Owners are responsible for maintaining a working front door key to the Unit in the lockbox and providing the lockbox combination to the Board of Directors. Any changes to the combination should be immediately reported to a Board of Directors member. The Board of Directors will not share such codes with contractors or anyone else without the permission of the Unit Owner.
- c) If emergency access to a Unit is necessary when no one is available and the resident has not provided the Association with access to the lockbox and working keys in the lockbox, the Unit Owner shall bear all costs related to forced entry of the Unit.
- d) If a representative of the Association enters a Unit from which the Unit Owner is absent, the Association will leave written notice of the date, time and purpose of entry signed by the authorized Association representative. Alternatively, this communication may be made via electronic means provided the sender confirms receipt by the recipient.

The Board of Directors reserves the right to levy monetary violations charges for any Unit Owner who does not comply with this requirement. Any such violations charges shall be adopted in accordance with Section 55.1.1959 of the Condominium Act. See Article IX, Section 1. (g) for fines and penalties.

Section 10. Utility Charges

The cost of utilities, if any, serving the Common Elements shall be a Common Expense. The cost of trash removal and disposal for all the Units shall also be a Common Expense.

Section 11. 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 these Bylaws. Copies of the Rules and Regulations shall be furnished by the Board of Directors to each Unit Owner prior to the time when the same shall become effective. Non-compliance with Rules and Regulations are subject to penalties documented in accordance with Section 55.1-1959 of the Condominium Act and in Article IX. Section 1. g) of these Bylaws.

ARTICLE VI. INSURANCE

Section 1. Authority to Purchase

- a) Except as otherwise expressly provided herein, all insurance policies relating to the Property shall be purchased by the Board of Directors. The Board of Directors shall not be liable for the failure to obtain any coverages required by these Bylaws or for any loss or damage resulting from such failure if such failure is due to the unavailability of such coverages from reputable insurance companies, or if such coverages are available only at a demonstrably unreasonable cost. The Board of Directors shall promptly furnish to each Unit Owner written notice of the procurement of, subsequent changes in, or termination of, insurance coverage obtained on behalf of the Association in compliance with Section 55.1-1963 (C).
- b) Each such policy shall provide that:
 - 1) The insurer waives any right to claim by way of subrogation against the Association, the Board of Directors, the Unit Owners and or the Manager of the Condominium (the "Manager"), and their respective agents, employees, guests and, in the case of the Unit Owners, the members of their households and any tenants, guests and other occupants of the respective Units;
 - 2) Such policy shall not be cancelled, invalidated or suspended due to the conduct of any Unit Owner (including his invitees, tenants, guests, other occupants or agents and employees) or of any member, officer or employee of the Board of Directors or the Manager, without a prior demand in writing that the Board of Directors or

the Manager cure the defect and neither shall have so cured such defect within sixty (60) days after such demand; and

- 3) Such policy may not be cancelled or substantially modified (including cancellation for non-payment of premium) without at least sixty (60) days prior written notice to the Board of Directors, the Manager and, in the case of physical damage insurance, to all Mortgagees.
- c) All policies of insurance shall be written by reputable companies licensed to do business in the Commonwealth of Virginia.
 - d) The deductible, if any, on any insurance policy purchased by the Board of Directors shall generally be a Common Expense. However, if restoration, repair or replacement is required as a result of an insured loss under the Association's master casualty insurance policy, then the amount of any deductible thereunder shall be paid by the party or parties: (1) who has responsibility for the maintenance, repair, or replacement of the item of property, circumstance or condition causing the loss; or (2) who would have had the responsibility for the maintenance, repair, or replacement of the property damaged in the loss in the absence of insurance. Moreover, should the cause of the damage or need for restoration, repair, or replacement arise out of circumstances or conditions originating in or emanating from a Unit or any portion or component thereof, the Unit Owner shall be responsible for paying any deductible under the Association's master casualty insurance policy, without regard to the negligence or carelessness of such Unit Owner. Accordingly, each Unit Owner should obtain the appropriate individual Unit Owner's insurance coverage to provide coverage for this obligation. The costs of any deductible due under this Section shall be treated as an assessment against the Unit charged and for which the Association shall have a lien. To the extent that the cause of the damage or need for restoration, repair, or replacement arises out of circumstances or conditions originating in or emanating from more than one Unit, the cost of the deductible may be equitably apportioned by the Board of Directors against all responsible Unit Owners. The responsible Unit Owners shall be jointly and severally liable for the insurance deductible and such expense shall constitute an assessment against their Units, for which the Association shall have a lien.
 - e) Certificates of insurance must be issued to Unit Owners and Mortgagees upon request.

Section 2. Physical Damage Insurance

- a) The Board of Directors shall obtain and maintain a blanket, "all risk" form policy of fire insurance with extended coverage, vandalism, malicious mischief, wind storm, debris removal, cost of demolition and water damage endorsements, insuring the entire Property (including all of the Units and the bathroom and kitchen fixtures, appliances and wall coverings and floor coverings initially installed therein by the Declarant but not including furniture, wall and floor coverings, furnishings or other personal property or appliances supplied or installed by the Unit Owners), together with all air-conditioning equipment and similar machinery contained therein and covering the interests of the Association, the Board of Directors and all Unit Owners

and their Mortgagees as their interest may appear (subject, however, to the loss payment and adjustment provisions in favor of the Board of Directors and the Insurance Trustee contained herein) in an amount equal to one hundred percent (100%) of the then current replacement cost of the Property (exclusive of the Land, excavations, foundations and other items typically excluded from such coverage), and without deduction for depreciation (such amounts to be redetermined annually by the Board of Directors with the assistance of the insurance carrier affording such coverage).

b) Such policy shall also provide:

1) The following endorsements (or equivalent):

- i) "No control" (to the effect that coverage shall not be prejudiced by an act or neglect of any occupant or Unit Owner or their agent when such act or neglect is not within the control of the insured, or the Unit Owners collectively; nor by any failure of the insured, or the Unit Owners collectively to comply with any warranty or condition with regard to any portion of the condominium over which the insured, or the Unit Owners collectively, have no control);
- ii) "Contingent liability from operation of building laws or codes";
- iii) "Increased cost of construction" or
- iv) "Condominium replacement cost"; and
- v) "Agreed amount" or "elimination of co-insurance clause"; and

2) That any "no other insurance" clause expressly exclude individual Unit. Owners' policies from its operation, that the physical damage policy purchased by the Board of Directors shall be deemed primary coverage and all individual Unit Owners' policies shall be deemed excess coverage, and in no event shall the insurance coverage obtained and maintained by the Board of Directors hereunder provide for or be brought into contribution with insurance purchased by individual Unit Owners or their Mortgagees, unless otherwise required by law.

c) A duplicate original of all insurance policies, all renewals thereof and any sub-policies or certificates and endorsements issued thereunder, together with proof of payment of premium, shall be delivered by the insurer to any Mortgagee requesting the same at least thirty (30) days before the expiration of the current policy. Prior to obtaining any insurance policy or policies, the Board of Directors shall obtain an appraisal from an insurance company or such other source as the Board of Directors may determine, of the current replacement cost of the Property (exclusive of the Land, excavations, foundations and other items typically excluded from such coverage), without deduction or depreciation, for the purpose of determining the amount of physical damage insurance to be secured pursuant to this section. All Mortgagees shall be notified promptly of any event giving rise to a claim under such policy.

Section 3. Liability Insurance

The Board of Directors shall obtain and maintain comprehensive general liability coverage and property damage insurance in such limits as the Board of Directors may from time to time determine. The Board of Directors, the Managing Agent (if one is employed), and each Unit Owner shall be insured against any liability to the public or to the Unit Owners (and their invitees, tenants, guests, other occupants and agents and employees) arising out of or incident to the ownership or use of the Common Elements or the Limited Common Elements or the administration of the Condominium or management of the Condominium. Such insurance shall be issued on a comprehensive liability basis and shall contain:

- a) a cross-liability endorsement under which the rights of a named insured under the policy shall not be prejudiced with respect to his or her action against any other named insured;
- b) hired and non-owned vehicle coverage; and
- c) a "severability of interest" endorsement which shall preclude the insurer from denying liability to a Unit Owner because of negligent acts of the Association or of another Unit Owner.

The Board of Directors shall review such limits once each year, but in no event shall such insurance be less than One Million and No/100 Dollars (\$1,000,000.00) covering all claims for bodily injury or property damage arising out of one occurrence. Reasonable amounts of "umbrella" liability insurance in excess of the primary limits shall also be obtained.

Section 4. Other Insurance

The Board of Directors shall obtain and maintain:

- a) An adequate blanket fidelity bond or employee dishonesty insurance policy to protect against dishonest acts on the part of Officers, directors, trustees and employees of the Association and all others who handle or are responsible for handling funds of the Association, including the Managing Agent and any employees of the Managing Agent. Such fidelity bonds shall:
 - 1) Name the Association as the insured;
 - 2) Be written in an amount equal to the lesser of \$1 million or the amount of reserve balances of the unit owners' association plus one-fourth of the aggregate annual assessment of such unit owners' association. The minimum coverage amount shall be \$10,000. Such coverage shall, at a minimum, meet the requirements of section 55-1-1963.B of the Condominium Act, as amended;
 - 3) Contain an appropriate endorsement to the policy to cover any persons who serve without compensation if the policy would not otherwise cover volunteers;
- b) Whether or not required by any governmental or quasi-governmental agency including without limitation the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation, flood insurance in accordance with the then-applicable regulations of such agency or as otherwise determined appropriate by the Board of Directors;

- c) Workmen's compensation insurance if and to the extent necessary to meet the requirements of law; and
- d) Such other insurance as the Board of Directors may determine to be necessary or desirable or as may be reasonably requested from time to time by a Mortgagee, a majority of the Unit Owners or the Manager.

Section 5. Separate Insurance

Each Unit Owner shall obtain insurance for such Unit Owner's benefit, at such Unit Owner's own expense, providing coverage upon their personal property and for their personal liability as well as upon any improvements made by them to their Unit (under coverage normally called "improvements and betterments coverage"); provided, however, that no Unit Owner shall be entitled to exercise their right to acquire or maintain such insurance coverage so as to decrease the amount which the Board of Directors, on behalf of all Unit Owners and the Association, may realize under any insurance policy maintained by the Board of Directors or to cause any insurance coverage maintained by the Board of Directors to be brought into contribution with insurance coverage obtained by a Unit Owner. All such policies shall contain provisions by which the right of subrogation is waived. No Unit Owner shall obtain separate insurance policies on the Condominium except as provided in this Section. Renters are required to obtain and maintain renter's insurance and this requirement shall be a requirement of the lease addendum required by Article V. Section 8 (a) of these Bylaws. Unit Owners will be required to provide proof of insurance to the Board of Directors upon request. The Association, its directors or officers, and the Managing Agent shall not be liable for any failure to enforce this Section. A Unit Owner's failure to comply with this Section shall be deemed a violation of the Condominium Instruments and shall trigger the Association's authority to implement remedies for violations described therein in Article IX.

Section 6. Board of Directors as Agent

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

ARTICLE VII. REPAIR & RECONSTRUCTION AFTER FIRE OR OTHER CASUALTY

Section 1. When Repair and Reconstruction are Required

Subject to the provisions of Section 4 of this Article VII, in the event of damage or destruction to all or any of the Buildings, the Common Elements or the Limited Common Elements as a result of fire or other casualty the Board of Directors, under the direction of the Insurance Trustee, if any, shall arrange for and supervise the property repair and restoration of the Buildings (including without limitation any damaged Units, and the wall and floor coverings,

kitchen or bathroom fixtures, and appliances existing at the time of the creation of the Condominium by Declarant, but not including any furniture, furnishings, fixtures, wall coverings, appliances, equipment or other personal property supplied or installed by the Unit Owners in the Units), the Common Elements and the Limited Common Elements. Notwithstanding the foregoing, each Unit Owner shall have the right to supervise the redecorating of the Unit.

Section 2. Procedure for Reconstruction and Repair

- a) Cost Estimates. Immediately after a fire or other casualty causing damage to any building or the Common Elements or Limited Common Elements, the Board of Directors shall obtain reliable and detailed cost estimates for the repair and restoration of such portion (including without limitation any damaged Units and any wall and floor coverings and kitchen and bathroom fixtures and appliances installed at the time of the creation of the Condominium by Declarant, but not including any other furniture, furnishings, fixtures, appliances or equipment installed by the Unit Owners in the Unit) to a condition as good as that existing before such casualty. Such costs may also include professional fees determined to be necessary or desirable.
- b) Assessments. If the proceeds of insurance are insufficient to defray such estimated costs of reconstruction and repair, or if upon completion of reconstruction and repair, the funds for the payment of the cost thereof are insufficient, the amount necessary to complete such reconstruction and repair may be obtained from the appropriate reserves or shall be declared by the Board of Directors to be a Common Expense and a special assessment therefore shall be levied against all Unit Owners.
- c) Plans and Specifications. Any such reconstruction or repair shall be substantially in accordance with the original construction of the Property.
- 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 Unit Owner upon whose property such encroachment exists, provided that such reconstruction is substantially in accordance with the Building Plans pursuant to 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

The proceeds of insurance, and the sums received by the Board of Directors from collection of assessments against Unit Owners to supplement such proceeds, shall constitute a construction fund which shall be disbursed by the Board of Directors, -in payment of the cost of reconstruction and repair in the following manner:

- a) If the estimated cost of reconstruction and repair is less than Two Hundred Thousand Dollars (\$200,000), then the construction fund shall be disbursed in payment of such

cost upon order of the Board of Directors.

- b) If the estimated cost of reconstruction and repair is Two Hundred Thousand Dollars (\$200,000) or more, then the construction fund shall be disbursed in payment of such cost upon approval of an architect or general contractor licensed to practice in the Commonwealth of Virginia to supervise such work, with payment to be made from time to time as the work progresses. The architect or general contractor shall be required to furnish a certificate giving a brief description of the services and materials furnished by various contractors, subcontractors, suppliers and any other person who has rendered services or furnished materials in connection with the work and stating that:
 - 1) The sums requested by them in payment are justly due and owing and that such sums do not exceed the value of the services and materials furnished;
 - 2) There is no other outstanding indebtedness known to the architect or general contractor for the services and materials described; and
 - 3) The cost as estimated by the architect or general contractor for the work remaining to be done subsequent to the date of such certificate does not exceed the amount of the construction fund remaining after payment of the sums so requested.

It shall be presumed that the first monies disbursed in payment of the cost of reconstruction and repair shall be from the insurance proceeds, and, if there is a balance in the construction fund after the payment of all costs of the reconstruction and repair for which the fund is established, such balance shall be divided among all Unit Owners in proportion to their respective Percentage Interest in the Condominium.

When the damage is to Common Elements, Limited Common Elements and Units, the insurance proceeds shall be applied first to the cost of repairing those portions of the Common Elements which enclose and service the Units, then to the cost of repairing the other Common Elements, then to the cost of repairing the Limited Common Elements and thereafter to the cost of repairing the Units.

Section 4. When Reconstruction is Not Required

In the event of insubstantial damage to the Common Elements or the Limited Commons Elements and if the Board of Directors shall elect not to repair the same, then in such event any insurance proceeds received on account of such damage shall be distributed among all Unit Owners in proportion to their respective Percentage Interest in the Condominium or, if the amount remaining is less than five percent (5%) of the Association's budget for that year, may be utilized by the Association to offset other Common Expenses and to reduce future assessments due from the Unit Owners. If the Condominium shall be terminated pursuant to the Condominium Act, the net assets of the Condominium, together with the net proceeds of all insurance policies, if any, shall be divided by the Board of Directors among all Unit Owners in proportion to their respective Percentage Interest in the Condominium, after first paying out of the share of each Unit Owner, to the extent sufficient therefore, the amount of any unpaid liens on his Unit in the order of priority of such liens.

ARTICLE VIII. MORTGAGES AND DEEDS OF TRUST

Section 1. Notice to Board of Directors

A Unit Owner who mortgages his 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. For the purposes of these Bylaws, the term "Mortgage" as used herein shall be deemed to mean and refer to any mortgage or deed of trust which constitutes a first lien on any Unit, and the term "Mortgagee" shall be deemed to mean and refer to any institutional lender secured by any such first mortgage or deed of trust.

Section 2. Notice of Default, Casualty or Condemnation

The Board of Directors, when giving notice to any Unit Owner of a default in the payment of an assessment for Common Expenses or any other default, shall contemporaneously send a copy of such notice to the Mortgagee of such Unit. Each Mortgagee shall also be promptly notified of any casualty giving rise to a possible claim under any insurance purchased hereunder and of any taking by condemnation or eminent domain and the actions of the Association with respect thereto.

Section 3. Notice of Amendment of Declaration or Bylaws

The Board of Directors shall give notice to all Mortgagees thirty (30) days before the date on which the Unit Owners, in accordance with the provisions of these Bylaws, materially amend the Declaration or these Bylaws.

Section 4. Mortgagees' Approvals

Unless all Mortgagees shall have given their prior written approval, neither the Association nor any Unit Owner shall:

- a) Change the Percentage Interest in the Condominium or obligations of any Unit;
- b) Subdivide, partition or relocate the boundaries of any Unit encumbered by a Mortgage or the Common Elements or Limited Common Elements of the Condominium; or
- c) By act or omission, withdraw the submission of the Property to the Condominium Act, except as provided by the Condominium Instruments or the Condominium Act.

Section 5. Other Rights of Mortgagees

All Mortgagees and their representatives shall be entitled to attend and speak at meetings of the Association. All Mortgagees shall have the right to examine the books of account and records of the Condominium and to require the submission of annual financial reports and other reasonable budgetary information.

ARTICLE IX. COMPLIANCE AND DEFAULT

Section 1. Relief

Each Unit Owner shall comply with all the terms of the Declaration, these Bylaws, all Rules and Regulations and the Condominium Act as any of the foregoing may be amended from time to time. In addition to the remedies provided in the Condominium Act, a default by a Unit Owner shall entitle the Association acting through its Board of Directors, to the following relief:

- a) Additional Liability. Each Unit Owner shall be liable for the expense of all maintenance, repairs or replacements rendered necessary by his action, failure to act, neglect or carelessness or the action, failure to act, neglect or carelessness of any member of his family or of his tenants, guests, other occupants, employees, agents or licensees, but only to the extent that such expense is not covered by the proceeds of insurance carried by the Board of Directors. Such liability shall include any increase in casualty insurance rates occasioned by the 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.
- b) Costs and Attorneys' Fees. In any proceeding arising out of any alleged default by a Unit Owner, the Board of Directors shall be entitled to recover the cost of such proceedings together with all reasonable attorneys' fees.
- c) No Waiver of Rights. The failure of the Association, the Board of Directors, or a Unit Owner to enforce any right, provision, covenant or condition which may be granted or otherwise contained in the Condominium Act, the Declaration, the Bylaws or any Rules and Regulations, shall not constitute a waiver of the right of the foregoing to enforce such right, provision, covenant or condition in the future. All rights, remedies and privileges granted to the Association, the Board of Directors, or any Unit Owner pursuant to any term, provision, covenants or condition of the Condominium Act, the Declaration, the Bylaws or any 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 any party exercising the same from exercising such other rights, remedies and privileges as may be granted to such party by the Condominium Act, the Declaration, these Bylaws and any Rules and Regulations or at law or in equity.
- d) Interest. In the event of a default by any Unit Owner in paying any sum assessed against his Unit which continues for a period in excess of fifteen (15) days, the unpaid principal amount thereof shall bear interest at the rate of eighteen percent (18%) per annum from the due date until paid.
- e) Abating and Enjoining Violations by Unit Owners. The violation or breach of any of the Rules and Regulations adopted by the Board of Directors, these Bylaws, the Declaration or the Condominium Act shall give the Board of Directors the right, in addition to any other right set forth in these Bylaws:
 - i) To enter the Unit in which, or as to which, such violation or breach exists and to abate and remove, at the expense of the defaulting Unit Owner, any structure, thing or condition that may exist therein contrary to the provisions of the applicable

instrument, and the Board of Directors shall not thereby be deemed guilty in any manner of trespass; or

- ii) To enjoin, abate or remedy, by appropriate legal proceedings, either at law or in equity, the continuation of any such breach.
- f) Legal Proceedings. Failure to comply with any of the terms of the Declaration, these Bylaws, the Rules and Regulations or the Condominium Act shall be grounds for relief, including, without limitation, 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 or any other relief afforded by a court of competent jurisdiction, all of which relief may be sought by the Association, the Board of Directors, or, if appropriate, by any aggrieved Unit Owner and shall not constitute an election of remedies.
- g) Other Penalties. Failure by a Unit Owner to comply with any of the terms of the Declaration, these Bylaws and any Rules and Regulations, shall subject such Unit Owner to other penalties that may be established by resolution of the Board of Directors, including, but not limited to, the imposition of monetary violation charges. Any such resolution to be adopted by the Board of Directors shall be adopted in accordance with Section 55-1.1959 of the Condominium Act.

Before penalties may be assessed, the Board of Directors will provide notice of a hearing at least 14 days in advance by certified mail, return receipt requested. After a hearing before the Board of Directors, the Board of Directors will send notice of the hearing results within 7 days of the hearing date also be certified mail return, receipt requested. Violations charges will be payable upon receipt of notification.

Section 2. Lien for Assessments

- a) The total annual assessment of each Unit Owner for Common Expenses and any special assessment made pursuant to these Bylaws is hereby declared to be a lien levied against the Condominium Unit of such Unit Owner as provided in the Condominium Act, which lien shall, with respect to annual assessments, be effective on the first day of each fiscal year of the Condominium and, as to special assessments, on the first day of the next month which begins more than seven (7) days after delivery to the Unit Owner of notice of such special assessment. The Board of Directors may file or record such other or further notice of any such lien, or such other or further document, as may be required by the Condominium Act or by the laws of the Commonwealth of Virginia to confirm or perfect the establishment and priority of such lien.
- b) In any case where an assessment against a Unit Owner is payable in installments, upon a default by a Unit Owner in the timely payment of any installment, the maturity of the remaining total of the unpaid installments of such assessments may be accelerated, at the option of the Board of Directors, and the entire balance of the annual assessment may be declared due and payable in full by the service of notice to such effect upon the defaulting Unit Owner, and his Mortgagee, by the Board of

Directors.

- c) The lien assessments, either annual or special, may be enforced and foreclosed in the manner provided by the laws of the Commonwealth of Virginia by an action in the name of the Board of Directors. During the pendency of such action, the applicable Unit 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 proceedings shall have the right to the appointment of a receiver, if available, under the then laws of the Commonwealth of Virginia.
- d) A suit to recover a money judgment for unpaid assessments, either annual or special, shall be maintainable without foreclosing or waiving the lien securing the same, and a foreclosure shall be maintainable notwithstanding the pendency of any suit to recover a money judgment.

ARTICLE X. AMENDMENTS TO BYLAWS

Section 1. Amendments

These Bylaws may not be modified or amended except as provided in the Condominium Act. Subject to the foregoing provisions, amendments to these Bylaws shall require the affirmative vote of at least sixty-six and two-thirds percent (66-2/3%) of the aggregate Percentage Interests in the Condominium.

Section 2. Approval of Mortgagees

These Bylaws contain provisions concerning various rights, priorities, remedies and interests of the Mortgagees. Such provisions in these Bylaws are to be construed as covenants for the protection of such Mortgagees on which the Mortgagees may rely in making loans secured by mortgages. Accordingly, no amendment or modification of these Bylaws impairing or affecting such rights, priorities, remedies or interests of a Mortgagee may be adopted without the prior written consent of that Mortgagee.

Section 3. Recording

A modification or amendment of these Bylaws shall become effective only when and if such modification or amendment is recorded in the Clerk's Office of the Circuit Court of the County of Lancaster, Virginia.

Section 4. Conflicts

No modifications or amendments 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 Unit Owners shall be bound to abide by such modification or amendment.

ARTICLE XI. MISCELLANEOUS

Section 1. Notices

All notices, demands, bills, statements or other communications under these Bylaws shall be in writing and shall be deemed to have been duly given if either delivered personally or if sent by United States mail, postage prepaid (or otherwise as the Condominium Act may permit), (a) if to a Unit Owner, at the address which the Unit Owner shall designate in writing and file with the Secretary of the Association or, if no such address is designated, at the address of the Unit of such Unit Owner, or (b) if to the Association, the Board of Directors or to the Managing Agent, at the principal office of the Association, or at such other address as shall be designated by notice in writing to the Unit Owners pursuant to this section. If a Unit is owned by more than one person, each such person who so designates an address in writing to the Secretary shall be entitled to receive all notices hereunder. In lieu of delivering notice as specified above, notice may be sent via electronic mail that provides documentation of delivery provided the Unit Owner consented in writing to such means. Notice will be sent by United States mail in the event the email is returned to the sender as undeliverable.

Section 2. Captions

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

Section 3. Gender

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

WITNESS the following signature.

**BEACH COVE VILLAS UNIT OWNERS
ASSOCIATION**

By: _____

**Margaret Leigh Banducci
President**

EXHIBIT "A"
CONDOMINIUM UNIT LEASE ADDENDUM

THIS ADDENDUM to a certain lease ("Lease") dated _____ for the premises located at Unit _____ Beach Cove Drive, White Stone, Virginia ("Unit"), is made this _____ day of _____, 20__ by and between _____ ("Landlord") and _____ ("Tenant").

WITNESSETH THAT:

In consideration of the mutual covenants, promises and agreements contained in the Lease and herein, Landlord and Tenant hereby agree that the following provisions are added to the Lease, and that in the event of any conflict between the provisions of the Lease and the provisions of this Addendum, the provisions of this Addendum shall control.

1) Applicability of Governing Documents.

a) Governing Documents and Rules. Tenant's right to use and occupy the Unit at Beach Cove Villas Condominium ("Premises") and the right to use the Common Elements of Beach Cove Villas Condominium shall be subject and subordinate in all respects to the provisions of the Declaration and Bylaws of the Association ("Governing Documents") and to such other rules and regulations as the Board of Directors of Beach Cove Villas Unit Owner's Association ("Association") may from time to time promulgate ("Rules and Regulations"). Tenant acknowledges receiving a copy of the Governing Documents and the Rules and Regulations from Landlord, but further agrees that any non-receipt of these documents shall not constitute a defense to any breaches thereof. Tenant further understands and agrees that the Association may suspend his or her right to use facilities and services (including recreational facilities and parking privileges) provided by the Association in accordance with the procedures set forth in the Governing Documents, adopted resolutions of the Association, and the Rules and Regulations for Tenant's violation of those documents or the Landlord's failure to pay assessments to the Association.

b) Use of Common Elements. Tenant acknowledges that use of the Common Elements by Tenant, their family and guests is at their sole risk.

c) Renter's Insurance. Tenant shall obtain and maintain renter's insurance in an amount deemed acceptable by the Board of Directors of the Association for the entire term of the Lease. Proof of such insurance shall be provided to the Association prior to moving into the Unit and subsequently upon demand.

d) Violations. Any violation of the provisions of the Governing Documents, this Addendum or the Rules and Regulations by Tenant, or Tenant's family, guests, agents, licensees or invitees, shall constitute a material breach of the Lease. In the event of such violation or in the event of Tenant's nonpayment of rent to the Association pursuant to Paragraph 1 (e) below, the Association shall have the right to take appropriate action, including legal action

against the Landlord, Tenant or both, for injunctive relief, damages or any other remedies necessary. The Association may avail itself of such right to terminate the Lease and evict Tenant from the Premises after giving 45 days' written notice to Landlord, and Landlord hereby appoints the President of the Association as Landlord's attorney-in-fact for the purpose of exercising this right and for no other purpose. Landlord agrees that Landlord shall pay the Association all costs and attorney's fees incurred by the Association in enforcing the Governing Documents and Rules and Regulations and in exercising any other rights and remedies set forth herein.

e) **Rights Granted.** The Lease grants Tenant a leasehold estate in the Premises for the lease term specified together with a license granting Tenant, for such lease term, Landlord's rights to use the Common Elements and common facilities of the Association provided that Tenant and Tenant's family, invitees, licensees, employees and agents exercise such license in accordance with the provisions of the Governing Documents and Rules and Regulations; provided, however, that Landlord retains all membership rights and obligations in the Association including, without limitation, the right to vote and the obligation to pay assessments.

f) **Assignment of Rent.** If, at any time after signing of this Addendum, the Landlord is delinquent in the payment of amounts due from Landlord to the Association as required by the Governing Documents, the Landlord and Tenant acknowledge that the Association may demand and immediately shall receive payment from Tenant of all rent and other amounts due or becoming due from Tenant to Landlord, up to an amount sufficient to pay all sums due from Landlord to the Association, and any such payment from Tenant to the Association shall be deemed to be a full and sufficient payment of rent to Landlord in accordance with the Lease, and Tenant shall be discharged from any obligation to pay such amounts directly to Landlord, so long as such payments are made to the Association, until Landlord's delinquency to the Association has been cured. Landlord hereby assigns to the Association the right to take legal action for non-payment of rent, including the right to terminate the Lease, evict Tenant, and obtain possession of the Premises, as set forth in paragraph 1 (c) above, if tenant fails to pay the Association any amounts due pursuant to this Paragraph. The Landlord remains liable for all amounts due the Association under the Governing Documents and shall be responsible for payment of such amounts if the Tenant fails to make his monthly payment to the Association pursuant to this Paragraph. The Landlord shall remain responsible for any and all costs of collection of the Association assessments, including costs and attorneys' fees.

2) **Uses.** The Premises will be used only as permitted by the Governing Documents and Rules and Regulations. Tenant will not use or allow the Premises or the Condominium Common Elements to be used for any disorderly or unlawful purposes or in any manner offensive to others and Tenant will comply with all applicable laws and ordinances.

3) **Suspension of Other Privileges.** The Association may, at any time, suspend other privileges of the Landlord or the Tenant, including the Tenant's right to use the Condominium Common Elements, where the Association has not been provided with a copy of the executed Lease and Lease Addendum.

IN WITNESS WHEREOF, the parties hereto have caused this Addendum to be duly executed on the date first written above.

LANDLORD:

TENANT:

Print name

Print name

AFTER EXECUTION AND PRIOR TO THE DATE THE TENANT MOVES INTO THE UNIT, THE ORIGINAL OR A COPY OF THE LEASE AND THIS LEASE ADDENDUM MUST BE PROVIDED TO THE ASSOCIATION.

EXHIBIT "B"
SHORT-TERM CONDOMINIUM UNIT RENTAL AGREEMENT ADDENDUM

THIS ADDENDUM to a certain rental agreement ("Rental Agreement") dated _____ for the premises located at Unit _____ Beach Cove Drive, White Stone, Virginia ("Unit"), is made this _____ day of _____, 20____ by and between _____ ("Landlord") and _____ ("Renter".)

WITNESSETH THAT:

In consideration of the promises and agreements contained in the Rental Agreement and herein, Landlord and Renter hereby agree that the following provisions are added to the Rental Agreement, and that in the event of any conflict between the provisions of the Rental Agreement and the provisions of this Addendum, the provisions of this Addendum shall control.

1) Rules and Regulations.

- a) Rules and Regulations. Renter's right to use and occupy the Unit at Beach Cove Villas Condominium ("Unit") and the right to use the Common Elements of Beach Cove Villas Condominium shall be subject to the rules and regulations as the Board of Directors of Beach Cove Villas Unit Owner's Association ("Association") may from time to time promulgate ("Rules and Regulations"). Renter acknowledges receiving a copy of the Rules and Regulations from Landlord, but further agrees that any non-receipt of these documents shall not constitute a defense to any breaches thereof.
- b) Use of Common Elements. Renter acknowledges that use of the Common Elements by Renter, their family and guests is at their sole risk.
- c) Violations. Any violation of the Rules and Regulations by Renter, or Renter's family, or invitees, shall constitute a material breach of the Rental Agreement and shall be cause for dismissal from the Association property. Landlord agrees that Landlord shall pay the Association all costs and attorney's fees incurred by the Association in enforcing the Rules and Regulations and in exercising any other rights and remedies set forth herein.

2) Uses. The Premises will be used only as permitted by the Rules and Regulations. Renter will not use or allow the Premises or the Condominium Common Elements to be used for any disorderly or unlawful purposes or in any manner offensive to others and Renter will comply with all applicable laws and ordinances.

3) Suspension of Other Privileges. The Association may, at any time, suspend other privileges of the Landlord or the Renter, including the Renter's right to use the Condominium Common Elements, where the Association has not been provided with a copy of the executed Rental Agreement and this Addendum.

IN WITNESS WHEREOF, the parties hereto have caused this Addendum to be duly executed on the date first written above.

LANDLORD:

RENTER:

Print name

Print name

AFTER EXECUTION AND NOT LESS THAN 3 DAYS PRIOR TO THE DATE THE RENTER OCCUPIES THE UNIT, THE ORIGINAL OR A COPY OF THE RENTAL AGREEMENT AND THIS ADDENDUM MUST BE PROVIDED TO THE ASSOCIATION.