

**BLACKWATER RUN PROPERTY
OWNERS ASSOCIATION, INC.
BYLAWS**

ARTICLE 1

General Provisions

Section 1.1. Applicability. These Bylaws provide for the governance of the Blackwater Run, a development (the “development”) located in the City of Lynchburg, Virginia, and more particularly described in the Declaration.

Section 1.2. Office. The office of the Association and the Board of Directors shall be located at the Property or at such other place as may be designated from time to time by the Board of Directors.

Section 1.3. Definitions. Terms used herein without definition shall have the meanings specified for such terms in the Declaration. The following terms have the following meanings:

(a) “Developer Control Period” means the period prior to the earlier of (i) the date on which new Dwelling Unit construction within the limits of the subdivision completed by the Master Plan, or (ii) after five (5) years have lapsed since the recordation of the last Supplementary Declaration among the land records of the City of Lynchburg, Virginia, or (ii) the date specified in a notice from the Developer to the Lot Owners that the Developer is turning over control of the Association to the Lot Owners other than the Developer, whichever is sooner.

(b) “Lot” means any platted and subdivided piece of land intended to be developed as a Dwelling Unit or Units and to which is assigned a separate number or letter on any subdivision plat. The term also includes Lots contemplated within the Development Limits but not yet platted. The number of Lots contemplated by the Master Plan is 162.

(c) “Lot Owner” means anyone, including Developer, who owns a Lot in Blackwater Run whether platted or contemplated by the Master Plan.

(d) “Majority of the Lot Owners” means those Lot Owners owning Lots to which more than fifty percent of the votes actually voted in person or by proxy at a duly convened meeting at which a quorum is present. Any specified percentage of the Lot Owners shall mean the Lot Owners owning that percentage of the Lots voting at such a meeting.

(e) “Master Plan” means the then current plan for development within the Development Limits on file in the main office of the Developer.

(f) “Mortgagee” means an Institutional Lender holding the first mortgage or first deed of trust (“Mortgage”) encumbering a Lot in the development.

(g) "Officer" means any person holding office pursuant to Article 4 of the Bylaws.

(h) "Property Owners Association" or "Association" means the incorporated, non-profit membership corporation of all the Lot Owners owning Lots in the development (Blackwater Run Property Owners Association, Inc.).

ARTICLE 2

Property Owners Association

Section 2.1. Composition and Non-discrimination. The Property Owners Association shall consist of all the Lot Owners. The name of the Property Owners Association shall be Blackwater Run Property Owners Association, Inc. For all purposes the Property Owners Association shall act merely as an agent for the Lot Owners as a group. The Property Owners Association shall have the responsibility of administering the development, establishing the means and methods of collecting assessments and charges, arranging for the management of the development and performing all of the other acts that may be required or permitted to be performed by the Property Owners Association by the Declaration. The Association does not and shall not discriminate on the basis of race, color, religion (creed), gender, gender expression, age, national origin (ancestry), disability, marital status, sexual orientation, or military status, in any of its activities or operations. These activities include, but are not limited to, hiring and firing of staff, selection of volunteers and vendors, and provision of services. The Association is committed to providing an inclusive and welcoming environment for all of its members, staff, volunteers, subcontractors, and vendors.

Section 2.2. Annual Meetings. The annual meetings of the Property Owners Association shall be held once a year at least seventy-five days before the beginning of each fiscal year on such date other than a legal holiday as may be established by the Board of Directors upon notice as required by Section 2.5. At such annual meetings, members of the Board of Directors shall be elected in accordance with the requirements of Section 3.4 of these Bylaws. During the Developer Control Period, the Developer shall be entitled to designate members of the Board of Directors not elected pursuant to Section 2.4.

Section 2.3. Place of Meetings. Meetings of the Property Owners Association shall be held at the principal office of the Property Owners Association or at such other suitable place convenient to the Lot Owners as may be designated by the Board of Directors.

Section 2.4 Special Meetings. (a) The President shall call a special meeting of the Property Owners Association, if so directed by resolution of the Board of Directors or, after the termination of the Developer Control Period, upon a petition signed and presented to the Secretary by Lot Owners of not less than twenty-five percent of the Lots. The notice of any special meeting shall state the time, place and purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

(b) Not later than the termination of the Developer Control Period, a special meeting of the Property Owners Association shall be held at which a majority of the members of the Board of Directors shall be elected by the Lot Owners including the Developer if the Developer owns one or more Lots. If such election is held prior to the time required by this section, the members of the

Board of Directors elected at such election shall not take office until the earlier of the time such election is required to be held or resignation of a director appointed by the Developer without

appointment of a replacement within ten days. The elected members of the Board of Directors shall assume office in the order of the highest number of votes received. Any remaining members of the Board of Directors designated by the Developer shall continue to serve until their terms expire; provided, however, that no more than two such directors may serve during the first year after the special meeting and no more than one such director may serve during the second year after the special meeting.

Section 2.5. Notice of Meetings. The Secretary shall give to each Lot Owner a notice of each annual or regularly scheduled meeting of the Lot Owners at least twenty-one days prior to such, meeting stating the time, place and purpose thereof. The Secretary shall give to each Lot Owner notice of any special or other meeting of the Lot Owner at least seven days prior to such meeting stating the time, place, and purpose thereof. The giving of notice in the manner provided in this Section and Section 11.1 of the Bylaws shall be considered service of notice.

Section 2.6. Adjournment of Meetings. If at any meeting of the Property Owners Association a quorum is not present, Lot Owners of a majority of the Lots who are present at such meeting in person or by proxy may adjourn the meeting to a time not less than forty-eight hours after the time the original meeting was called.

Section 2.7. Order of Business. The order of business at all meetings of the Property Owners Association shall be as follows:

- (a) roll call (proof of quorum);
- (b) proof of notice of meeting;
- (c) reading of minutes of preceding meeting;
- (d) reports of officers;
- (e) report of Board of Directors;
- (f) reports of committees;
- (g) election or appointment of inspectors of election (when so required);
- (h) election of members of the Board of Directors (when so required);
- (i) unfinished business; and
- (j) new business.

Section 2.8. Title to Lots. Title to a Lot may be taken in the name of one or more persons or entities (hereinafter, a "person"), in any manner permitted by law. The Property Owners Association may acquire, hold, and transfer full legal title to one or more Lots in the development in its own name.

Section 2.9. Voting. (a) Each Lot shall be entitled to cast one vote. Where the ownership of a Lot is in more than one person, the person who shall be entitled to cast the vote of such Lot shall be the person named in a certificate executed by all of the Owners of such Lot and filed with the Secretary or, in the absence of such named person from the meeting, the person who shall be entitled to cast the vote of such Lot shall be a person owning an Interest in such Lot who is present. If more

than one person owning such Lot is present, then such vote shall be cast only in accordance with their unanimous agreement. Such certificate shall be valid until revoked by a subsequent certificate similarly executed.

(b) Except where a greater number is required by the Declaration or these Bylaws, a majority of the Lot Owners present in person or by proxy is required to adopt decisions at any meeting of the Property Owners Association. If the Developer owns or holds title to one or more Lots, the Developer shall have the right at any meeting of the Property Owners Association to cast the votes to which such Lot or Lots are entitled.

(c) No Lot Owner may vote at any meeting of the Property Owners Association or be elected to or serve on the Board of Directors if payment of any assessment on his Lot is delinquent more than thirty days and the amount necessary to bring his account current has not been paid at the time of such meeting or election. There shall be no cumulative voting.

Section 2.10. Proxies. A vote may be cast in person or by proxy. Such proxy may be granted by any Lot Owner in favor of only another Lot Owner, the Secretary of the Property Owners Association, the Developer or his Mortgagee. Proxies shall be duly executed in writing, shall be witnessed, shall be valid only for the particular meeting designated therein and must be filed with the Secretary before the appointed time of the meeting. Such proxy shall be deemed revoked only upon actual receipt by the person presiding over the meeting of notice of revocation from any of the persons owning such Lot.

Section 2.11. Quorum. Except as otherwise provided in these Bylaws, the presence in person or by proxy of twenty-five percent or more of the Lot Owners shall constitute a quorum at all meetings of the Property Owners Association.

Section 2.12. Conduct of Meetings. The President shall preside over all meetings of the Property Owners Association and the Secretary shall keep the minutes of the meeting and record in a minute book all resolutions adopted at the meeting, as well as a record of all transactions occurring thereat. The President may appoint a person to serve as parliamentarian at any meeting of the Property Owners Association. The then current edition of Robert's Rules of Order for small assemblies shall govern the conduct of all meetings of the Property Owners Association when not in conflict with the Declaration, these Bylaws, or accepted past practice of the Association. All votes shall be tallied by tellers appointed by the President or other officer presiding over the meeting.

ARTICLE 3

Board of Directors

Section 3.1. Powers and Duties. The Board of Directors shall have all of the powers and duties necessary for the administration of the affairs of the Property Owners Association and may do all such acts and things as are not by the Declaration or by these Bylaws required to be exercised and done by the Property Owners Association. The Board of Directors shall have the power from time to

time to adopt any Rules and Regulations deemed necessary for the benefit and enjoyment of the development; *provided, however*, that such Rules and Regulations shall not be in conflict with the Declaration or these Bylaws. The Board of Directors shall delegate to one of its members or to a person employed for such purpose the authority to act on behalf of the Board of Directors on such matters relating to the duties of the Managing Agent (as defined in Section 3.3 hereof), if any, which may arise between meetings of the Board of Directors as the Board of Directors deems appropriate. In addition to the duties imposed by these Bylaws or by any resolution of the Property Owners Association that may hereafter be adopted, the Board of Directors shall on behalf of the Property Owners Association:

(a) Prepare and adopt an annual budget, in which there shall be expressed the assessments of each Lot Owner for the Net Upkeep Expenses.

(b) Make assessments against Lot Owners to defray the costs and expenses of the development, establish the means and methods of collecting such assessments from the Lot Owners for Net Upkeep Expenses.

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

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

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

(f) Make and amend the Rules and Regulations.

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

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

(i) Enforce by legal means the provisions of the Declaration, these Bylaws and the Rules and Regulations, act on behalf of the Lot Owners with respect to all matters arising out of any eminent domain proceedings, and notify the Lot Owners of any litigation against the Property Owners Association involving a claim in excess of ten percent of the amount of the annual budget.

(j) Obtain and carry insurance against casualties and liabilities, as provided in Article 6 of these Bylaws, pay the premiums therefor and adjust and settle any claims thereunder.

(k) Pay the cost of all authorized services rendered to the Property Owners Association and not billed to Lot Owners of individual Lots or otherwise provided for in Section 5.1 and 5.2 of these Bylaws.

(l) Keep books with detailed accounts in chronological order of the receipts and expenditures affecting the Property, and the administration of the development, specifying the expenses of maintenance and repair of the Common Areas and any other expenses incurred. Such books and vouchers accrediting the entries therein shall be available for examination by the Lot Owners, their attorneys, accountants and authorized agents during general business hours on business days at the times and in the manner set and announced by the Board of Directors for the general knowledge of the Lot Owners. All books and records shall be kept in accordance with generally accepted accounting practices and shall be audited once each year by an independent auditor retained by the Board of Directors. The cost of such audit shall be a Net Upkeep Expense.

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

(n) Borrow money on behalf of the development when required in connection with any one instance relating to the operation, care, upkeep and maintenance of the Common Areas; *provided, however*, that the consent of at least two-thirds in number of all Lot Owners, obtained either in writing or at a meeting duly called and held for such purpose in accordance with the provisions of these Bylaws, shall be required to borrow any sum in excess of Ten Thousand Dollars.

(o) Acquire, hold and dispose of Lots or land and mortgage the same if such expenditures and hypothecations are included in the budget adopted by the Property Owners Association.

(p) In its sole discretion, designate from time to time certain Common Areas as Reserved Common Areas and impose such restrictions and conditions on the use thereof as the Board of Directors deems appropriate.

(q) Do such other things and acts not inconsistent with the law, the Declaration or these Bylaws which the Board of Directors may be authorized to do by a resolution of the Property Owners Association.

Section 3.2. Managing Agent. The Board of Directors may employ for the development a "Managing Agent" at a compensation to be established by the Board of Directors.

(a) Requirements. The Managing Agent shall be a bona fide business enterprise, which has experience managing common interest residential communities and licensed or approved as may be required by law. Such firm shall have experience in real estate community management and shall employ persons possessing a high level of competence in the technical skills necessary to proper management of the development. The Managing Agent must be able to advise the Board of Directors regarding the administrative operation of the development and shall employ personnel

knowledgeable in the areas of development insurance, accounting, contract negotiation, labor relations and development regulation.

(b) Duties. The Managing Agent shall perform such duties and services as the Board of Directors shall direct. Such duties and services may include without limitation, the duties listed in subsections 3.1 (a), (c), (d), (e), (h), (j), (k), (l), (m), (q), and (r). The Board of Directors may delegate to the Managing Agent all of the powers granted to the Board of Directors by these Bylaws other than the powers set forth in subsections 3.1 (b), (f), (g), (n), (o) and (p). The Managing Agent shall perform the obligations, duties and services relating to the management of the property, the rights of Mortgagees and the maintenance of reserve funds in compliance with the provisions of these Bylaws.

(c) Standards. The Board of Directors shall impose appropriate standards of performance upon the Managing Agent. Unless the Managing Agent is instructed otherwise by the Board of Directors:

(1) the accrual method of accounting shall be employed and expenses required by these Bylaws to be charged to more than one but less than all Lot Owners shall be accounted for separately;

(2) two or more persons shall be responsible for handling cash to maintain adequate financial control procedures;

(3) cash accounts of the Property Owners Association shall not be commingled with any other accounts;

(4) no remuneration shall be accepted by the Managing Agent from vendors, independent contractors or others providing goods or services to the Property Owners Association whether in the form of commission, finders' fees, service fees or otherwise; and discounts received shall benefit the Property Owners Association;

(5) any financial or other interest which the Managing Agent may have in any firm providing goods or services to the Property Owners Association shall be disclosed promptly to the Board of Directors; and

(6) a monthly financial report shall be prepared for the Property Owners Association containing:

(A) an Income Statement reflecting all income and expense activity for the preceding month on an accrual basis;

(B) an Account Activity Statement reflecting all receipt and disbursement activity for the preceding month on a cash basis;

(C) an Account Status Report reflecting the status of all accounts in an "actual" versus "projected" (budget) format;

(D) a Balance Sheet reflecting the financial condition of the Property Owners Association on an unaudited basis;

(E) a Budget Report reflecting any actual or pending obligations which are in excess of budgeted amounts by an amount exceeding the operating reserves or ten percent of a major budget category (as distinct from a specific line item in an expended chart of accounts); and

(F) a Delinquency Report listing all Lot Owners who are delinquent in paying assessments and describing the status of any actions to collect such assessments.

(d) Limitations. The Board of Directors may employ a Managing Agent for a term not to exceed one year. Any contract with the Managing Agent must provide that it may be terminated, without payment of a termination fee, without cause on no more than ninety days' written notice and with cause on no more than ten days' written notice.

Section 3.3. Number and Terms of Office.

(a) Designated Members. The initial Board of Directors shall consist of no less than two nor more than five persons, all of whom shall be designated by the Developer. The term of office of at least one of such persons shall expire at the third annual meeting; the term of office of up to two additional persons shall expire at the second annual meeting; and the term of office of any other persons shall expire at the first annual meeting. The term of each designee shall be fixed by the Developer. At the special meeting required by Subsection 2.4(b), a number of the persons designated by the Developer shall resign if necessary, so that a majority of the members of the Board of Directors shall have been elected in accordance with Subsection 2.4(b). The persons elected shall serve for the remainder of the terms of office of the resigning members of the Board of Directors who such persons replace, or if no resignation was required, for the terms of office necessary so that the term of office of three members of the Board of Directors shall expire at each of the first three annual meetings after their election. The persons receiving the greatest vote shall be elected for the longest available terms. At the expiration of the terms of office of all members of the Board of Directors designated by the Developer or elected at the special meeting held pursuant to Subsection 2.4(b), all successor directors shall be elected to serve for a term of three years.

(b) Elected Members. No later than the first annual meeting of the Property Owners Association, the Board of Directors shall be composed of up to five persons, all of whom shall be Lot Owners, Mortgagees (or designees of Mortgagees), or designees of the Developer. Except for resignation or removal, the members of the Board of Directors shall hold office until their respective successors shall have been elected by the Property Owners Association.

Section 3.4. Election of Directors.

(a) Elections Committee. At least ninety days prior to the special meeting required by Section 2.4(b) of these Bylaws and each annual meeting of the Property Owners Association, the Board of Directors shall appoint an Elections Committee consisting of a member of the Board of Directors whose term is not then expiring and at least two other Lot Owners. The Elections Committee shall develop election procedures and administer such procedures as are approved by the

Board of Directors.

(b) Nominations. Persons qualified to be directors may be nominated for election only by a nominating petition submitted to the Chairman of the Elections Committee at least thirty-five days before the meeting at which the election is to be held signed by Lot Owners representing at least three Lots and either signed by the nominee or accompanied by a document signed by the nominee indicating willingness to serve as a member of the Board of Directors; provided, however, that additional nominations may be made 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 person has been nominated by petition. The nominee must either be present and consent to the nomination or have indicated in writing the willingness to serve. This Subsection (b) does not apply to Persons appointed to the Board of Directors by the Developer.

(c) Qualifications. No person shall be eligible for election as a member of the Board of Directors unless he is (alone or together with one or more other Persons) a Lot Owner. No Person shall be elected as a member of the Board or shall continue to serve as a member of the Board if he is more than sixty days delinquent in his financial obligations to the Property Owners Association and a lien has been filed against his Lot.

Section 3.5. Removal or Resignation of Directors. Except with respect to directors designated by Developer, at any regular or special meeting duly called, any one or more of the members of the Board of Directors may be removed with or without cause by a Majority of the Lot Owners and a successor may then and there be elected to fill the vacancy thus created. Any director whose removal has been proposed by the Lot Owners shall be given at least seven days' notice of the time, place and purpose of the meeting and shall be given an opportunity to be heard at the meeting. A member of the Board of Directors may resign at any time and, except for a director designated by the Developer, shall be deemed to have resigned upon disposition of his Lot, or if not in attendance at three consecutive regular meetings of the Board, unless the minutes reflect the Board's consent to such absence.

Section 3.6. Vacancies. Vacancies in the Board of Directors caused by any reason other than the removal of a director by a vote of the Property Owners Association shall be filled by a vote of a majority of the remaining Directors at a special meeting of the Board of Directors held for such purposes promptly after the occurrence of any such vacancy, even though the directors present at such meeting may constitute less than a quorum. Each person so elected shall be a member of the Board of Directors until a successor shall be elected at the next annual meeting of the Property Owners Association. During the Developer Control Period, the Developer shall designate the successor to any member previously designated by the Developer who resigns or is removed.

Section 3.7. Organizational Meeting. The first meeting of the Board of Directors following the annual meeting of the Property Owners Association shall be held within thirty days thereafter at such time and place as shall be fixed by the Property Owners Association at the meeting at which such Board of Directors shall have been elected, and no notice shall be necessary to the newly elected members of the Board of Directors in order legally to constitute such meeting, providing a majority of the whole Board of Directors is present at the meeting.

Section 3.8. Regular Meetings. Regular meetings of the Board of Directors may be held at

such time and place as shall be determined from time to time by a majority of the directors, but such meetings shall be held at least twice each fiscal year. Notice of regular meetings of the Board of Directors shall be given in writing to each director, by hand delivery, mail or telegraph, at least three business days prior to the day named for such meeting.

Section 3.9. Special Meetings. Special meetings of the Board of Directors may be called by the President on three days' notice to each director, given in writing or by telephone, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of at least three directors.

Section 3.10. Waiver of Notice. Any director may at any time, in writing, waive notice of any meeting of the Board of Directors, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a director, in person or by telephone communication, at any meeting of the Board of Directors shall constitute a waiver of notice by him of the time, place and purpose of such meeting. If all directors are present at any meeting of the Board of Directors, no notice shall be required and any business may be transacted at such meeting.

Section 3.11. Quorum of Board of Directors. At all meetings of the Board of Directors a majority of the directors shall constitute a quorum for the transaction of business, and the votes of a majority of the directors present at a meeting at which a quorum is present shall constitute the decision of the Board of Directors. If at any meeting of the Board of Directors there shall be less than a quorum present, a majority of those present may adjourn the meeting from time to time. At any such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice. A member of the Board of Directors who participates in a meeting by means of telephone communications shall be deemed present at the meeting for all purposes.

Section 3.12. Fidelity Bonds. As required by Subsection 6.4(a) hereof, there shall be obtained fidelity bonds in an amount not less than one-half the total annual assessments for the year (in such greater amounts as may be required by the Mortgagees) for all officers, directors and employees of the Property Owners Association, including without limitation the Managing Agent handling or responsible for Association funds. The premiums on such bonds shall constitute a Net Upkeep Expense.

Section 3.13. Compensation. No director shall receive any compensation from the Association for acting as such.

Section 3.14. Conduct of Meetings. The President shall preside over all meetings of the Board of Directors and the Secretary shall keep a minute book of the Board of Directors recording therein all resolutions adopted by the Board of Directors and a record of all transactions and proceedings occurring at such meetings. The then current edition of Robert's Rules of Order shall govern the conduct of the meetings of the Board of Directors when not in conflict with the Declaration or these Bylaws.

Section 3.15. Action Without Meeting. Any action by the Board of Directors required or permitted to be taken at any meeting may be taken without a meeting if all of the members of the

Board of Directors shall individually or collectively 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 3.16. Liability of the Board of Directors, Officers, Lot Owners and Lot Owners Association. (a) The officers and members of the Board of Directors shall not be liable to the Property Owners Association or any Lot Owner for any mistake of judgment, negligence or otherwise, except for their own individual willful misconduct or bad faith. The Property Owners Association shall indemnify and hold harmless each of the officers and directors from and against all contractual liability to other arising out of the contracts made by the officers or the Board of Directors on behalf of the Property Owners Association unless any such contract shall have been made in bad faith or contrary to the provisions of the law, the Declaration or these Bylaws, except to the extent that such liability is satisfied by directors and officers liability. Officers and members of the Board of Directors shall have no personal liability with respect to any contract made by them in good faith and on behalf of the Property Owners Association. The liability of any Lot Owners arising out of any contract made by the officers or Board of Directors, or out of the indemnification of the members of the Board of Directors or officers, or for damages as a result of injuries arising in connection with the Common Areas solely by virtue of his ownership of a Lot or for liabilities incurred by the Property Owners Association, shall be limited to the total liability divided by 162 and then multiplied by the number of Lots owned by the Lot Owner. Every agreement made by the officers, the Board of Directors or the Managing Agent on behalf of the Property Owners Association shall, if obtainable, provide that the officers, the members of the Board of Directors or the Managing Agent, as the case may be, are acting only as agents for the Property Owners Association and shall have no personal liability thereunder (except as Lot Owners), and that each Lot Owner's liability thereunder shall be limited to the total liability thereunder divided by 162 and then multiplied by the number of Lots owned by the Lot Owner. The Property Owners Association shall indemnify any person who was or is a party or is threatened at be made a party to any threatened, pending or completed action, suit or proceeding by reason of the fact that he is or was a director or officer of the Property Owners Association against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement by him in connection with such action, suit, or proceeding if he acted in good faith and in a manner he reasonably believed to be in, or not opposed to, the best interest of the development.

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

Section 3.17. Common or Interested Directors. Each member of the Board of Directors shall exercise his powers and duties in good faith and with a view to the interests of the development. No contract or other transaction between the Property Owners Association and any of its directors, or between the Property Owners Association and any corporation, firm or association (including the

Developer) in which any of the directors of the Property Owners Association are directors or officers or are pecuniarily or otherwise interested, is either void or voidable because any such director is present at the meeting of the Board of Directors or any committee thereof which authorizes or approves the contract or transaction, or because his vote is counted for such purpose, if any of the conditions specified in any of the following subsections exists:

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

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

(c) The contract or transaction is commercially reasonable to the Property Owners Association at the time it is authorized, ratified, approved or executed.

Any common or interested directors may be counted in determining the presence of a quorum of any meeting of the Board of Directors or committee thereof which authorizes, approves or ratifies any contract or transaction, and may vote thereof to authorize any contract or transaction with like force and effect as if such director were not such director or officer of such Property Owners Association or not so interested.

Section 3.18. Board of Directors as Attorney-in-Fact. The Board of Directors is hereby irrevocably appointed as agent and attorney-in-fact for the Lot Owners of all of the Units and for each of them, to manage, control and deal with the interests of such Lot Owners in the Common Areas of the development to permit the Board of Directors to fulfill all of its powers, rights, function and duties. The Board of Directors is hereby irrevocably appointed as agent and attorney-in-fact for each Lot Owner, each Mortgagee, other named insured and their beneficiaries and any other holder of a lien or other interest in the development or the property to adjust and settle all claims arising under insurance policies purchased by the Board of Directors and to execute and deliver release upon the payment of claims. The Board of Directors may grant and accept easements and licenses over the Common Areas.

Section 3.19. Covenants Authority.

(a) Purpose. The Board of Directors may act to assure that the development shall always be maintained in a manner: (1) providing for visual harmony and soundness of repair; (2) avoiding activities deleterious to the esthetic or property values of the development; (3) furthering the comfort of the Lot Owners, their guests and tenants; and (4) promoting the general welfare and safety of the development community.

(b) Powers. The Board of Directors shall regulate the external design, appearance, use and maintenance of the Common Areas. The Board of Directors shall have the power to issue a cease and desist request to a Lot Owner, his guests, invitees, or lessees whose actions are inconsistent with the provisions of the law, the Declaration, the Rules and Regulations or resolutions of the Board of Directors (upon petition of any Lot Owner or upon its own motion). The Board of

Directors shall from time to time, as required, provide interpretations of the Declaration, Rules and Regulations and resolutions pursuant to the intents, provisions and qualifications thereof when requested to do so by a Lot Owner or upon its own volition.

ARTICLE 4

Officers

Section 4.1. Designation. The principal officers of the Property Owners Association shall be the President, the Vice President, the Secretary and the Treasurer, all of whom shall be elected from 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. Any other officers may, but need not, be Lot Owners or member of the Board of Directors. The office of the President and the office of the Secretary shall not be held by the same person.

Section 4.2. Election of Officers. The officers of the Property Owners 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.

Section 4.3. Removal of Officers. Upon the affirmative vote of a majority of all members of the Board of Directors, any officer may be removed, either with or without cause, and a successor may be elected at any regular meeting of the Board of Directors or at any special meeting of the Board of Directors, called for such purpose.

Section 4.4. President. The President shall be the chief executive officer of the Property Owners Association; preside at all meetings of the Property Owners Association and of the Board of Directors; have general and active management of the business of the Property Owners Association subject to the control of the Board of Directors; see that all orders and resolutions of the Board of Directors are carried into effect; and appoint committees from among the Lot Owners from time to time as the President may in his discretion decide is appropriate to assist in the conduct of the affairs of the Property Owners Association.

Section 4.5. Vice President. The Vice President shall take the place of the President and perform the duties of the President whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board of Directors shall appoint some other member of the Board of Directors to act in the place of the President, on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed by the Board of Directors or by the President.

Section 4.6. Secretary. The Secretary shall keep the minutes of all meetings of the Property Owners Association and of the Board of Directors; have charge of such books and papers as the Board of Directors may direct; give or cause to be given all notices required to be given by the Property Owners Association; maintain a register setting forth the place to which all notices to Lot Owners and Mortgagees hereunder shall be delivered; and, in general, perform all the duties incident to the office of Secretary.

Section 4.7. Treasurer. The Treasurer shall (together with the Managing Agent, if any) be

responsible for Property Owners Association funds and securities; keep full and accurate financial records and books of accounts showing all receipts and disbursements; prepare all required financial data; deposit all monies and other valuable effects in the name of the Board of Directors, the Property Owners Association or the Managing Agent, in such depositories as may from time to time be designated by the Board of Directors; and, in general, perform all the duties incident to the office of Treasurer.

Section 4.8. Execution of Documents. All agreements, contracts, deeds, leases, checks and other instruments of the Property Owners Association and all checks drawn upon reserve accounts, shall be executed by any persons designated by the Board of Directors.

Section 4.9. Compensation of Officers. No officer shall receive any compensation from the Property Owners Association for acting as such officer.

ARTICLE 5

Operation of the Property

Section 5.1. Determination of Net Upkeep Expenses and Assessments Against Lot Owners.

(a) Fiscal Year. The fiscal year of the Property Owners Association shall be January 1 through December 31 unless otherwise determined by the Board of Directors.

(b) Preparation and Approval of Budget.

(1) At least sixty days before the beginning of each fiscal year, the Board of Directors shall adopt a budget for the Property Owners Association containing an estimate of the total amount considered necessary to pay the cost of maintenance, management, operation, repair and replacement of the Common Areas, and those parts of any Lot 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 Net Upkeep Expenses by the Declaration, these Bylaws, or a resolution of the Property Owners Association and which will require during the ensuing fiscal year for the administration, operation, maintenance and repair of the Property and the rendering to the Lot Owners of all related services.

(2) Such budget shall also include such reasonable amounts as the Board of Directors considers necessary to provide working capital, operating expenses, a general operating reserve for contingencies and replacements. At least sixty days before the beginning of each fiscal year, the Board of Directors shall send to each Lot Owner a copy of the budget in a reasonably itemized form which sets forth the amount of the Net Upkeep Expenses and any special assessment payable by each Lot Owner. Such budget shall constitute the basis for determining each Lot Owner's assessment for the Net Upkeep Expenses of the Property Owners Association.

(3) Assessment and Payment of Net Upkeep Expenses. Subject to the provisions of Subsection 9.1(a) hereof, the total amount of the estimated funds required from assessments for the operation of the Property set forth in the budget adopted by the Board of Directors shall be assessed equally against the Lot Owner, and shall be a lien against each Lot

Owner's Lot as provided in Section 9.2 of these Bylaws. Such expenses shall be paid by a special assessment against each Lot Owner, such assessment to be due within thirty (30) days of notice of the same. Within one hundred twenty days after the end of each fiscal year, the Board of Directors shall supply to all Lot Owners, and to each Mortgagee requesting same, an itemized accounting of the Net Upkeep 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, at the discretion of the Board of Directors, be placed in reserve accounts, be placed in a special account to be expended solely for the general welfare of the Lot Owners. Any net shortage shall be assessed promptly against the Lot Owners and shall be payable within thirty (30) days of notice of the same.

(d) Reserves. The Board of Directors shall build up and maintain reasonable reserves for working capital and replacement of common area assets. Expenditures not originally included in the annual budget which may become necessary during the year shall be charges first against such reserves. If the reserves are inadequate for any reason, including non-payment of any Lot Owner's assessments, the Board of Directors may at any time levy a further assessment, which shall be assessed against the Lot Owners according to their Percentage Interest and which may be payable in a lump sum or in installments as the Board of Directors may determine. The Board of Directors shall serve notice of any such further assessment on Lot Owners by a statement in writing giving the amount and reasons therefor, and such further assessment shall, unless otherwise specified in the notice, be due within thirty (30) days of notice of the same. All Lot Owners so notified shall be obligated to pay the amount of such assessment. Such assessment shall be a lien as of the effective date as set forth in the preceding Subsection (c).

(e) Effect of Failure to Prepare or Adopt Budget. The failure or delay of the Board of Directors to prepare or adopt a budget for any fiscal year shall not constitute a waiver or release in any manner of a Lot Owner's obligation to pay his allocable share of the Net Upkeep Expense as herein provided.

(f) Accounts. All sums collected by the Board of Directors with respect to assessments against the Lot Owners or from any other source may be commingled into a single fund or held for each Lot Owner in accordance with his Percentage Interest.

Section 5.2. Payment of Net Upkeep Expenses. Each Lot Owner shall pay the Net Upkeep Expenses assessed by the Board of Directors pursuant to the provisions of Section 5.1. No Lot Owner may exempt himself from liability for his contribution toward Net Upkeep Expenses by waiver of the use or enjoyment of any of the Common Areas or by abandonment of his Lot. No Lot Owner shall be liable for the payment of any part of the Net Upkeep Expenses assessed against his Lot subsequent to the date of recordation of a conveyance by him in fee of such Lot. Prior to or at the time of any such conveyance, all liens, unpaid charges and assessments shall be paid in full and discharged. The purchaser of a Lot shall be jointly and severally liable with the selling Lot Owner for all unpaid assessments against recordation, without prejudice to the purchaser's right to recover from the selling Lot Owner amounts paid by the purchaser therefor.

Section 5.3. Collection of Assessments. The Board of Directors, or the Managing Agent at the request of the Board of Directors, shall take prompt action to collect any assessments for Net

Upkeep Expenses due from any Lot Owner which remain unpaid for more than thirty days from the due date for payment thereof. Any assessment, or installment thereof, not paid within five days after due shall accrue a late charge in the amount of Ten Dollars per month, or such other amount as may be established from time to time by the Board of Directors such as interest.

Section 5.4. Statement of Net Upkeep Expenses. The Board of Directors shall promptly provide any Lot Owner, contract purchaser or Mortgagee so requesting the same in writing with a written statement of all unpaid assessments for Net Upkeep Expenses due from such Lot Owner. The Board of Directors may impose a reasonable charge for the preparation of such statement to cover the cost of preparation.

Section 5.5. Maintenance, Repair, Replacement and Other Net Upkeep Expenses.

(a) By the Board of Directors. The Board of Directors shall be responsible for the maintenance, repair and replacement (unless, if in the opinion of not less than eighty percent of the Board of Directors such expense was necessitated by the negligence, misuse or neglect of a Lot Owner) of all Common Areas as is assigned to the Association by the declaration.

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

(c) Manner of Repair and Replacement. All repairs and replacements shall be subsequently similar to the original construction and installation and shall be of first-class quality, but may be done with contemporary building materials and equipment. The method of approving payment vouchers for all repairs and replacements shall be determined by the Board of Directors.

Section 5.6. Additions, Alteration or Improvements by Board of Directors. Except during the Developer Control Period, whenever in the judgment of the Board of Directors the Common Areas shall require additions, alterations or improvements costing in excess of Ten Thousand Dollars during any period of twelve consecutive months, the making of such additions, alterations or improvements requires the prior approval of a Majority of the Lot Owners, and the Board of Directors shall assess all Lot Owners benefited for the cost thereof as a Net Upkeep Expense. Any additions, alterations or improvements costing Ten Thousand Dollars or less during any period of twelve consecutive months may be made by the Board of Directors without approval of the Lot Owners and the cost thereof shall constitute a Net Upkeep Expense. The Ten Thousand Dollar limitation may be altered annually. Notwithstanding the foregoing, if, in the opinion of not less than eighty percent of the members of the Board of Directors, such additions, alteration or improvements are exclusively or substantially exclusively for the benefit of the Lot Owner or Lot Owners requesting the same, such requesting Lot Owners shall be assessed therefore in such proportion as they jointly approve or, if they are unable to agree thereon, in such proportion as may be determined

by the Board of Directors.

ARTICLE 6

Insurance

Section 6.1. Liability Insurance. The Board of Directors shall obtain and maintain comprehensive general liability (including libel, slander, false arrest and invasion of privacy coverage and broad form errors and omissions coverage for directors) and property damage insurance in such limits as the Board of Directors may from time to time determine, insuring each member of the Board of Directors, the Managing Agent, each Lot Owner and the Developer against any liability to the public or to the Lot Owners (and their invitees, agents and employees) arising out of, or incident to the ownership and/or use of the Common Areas. Such insurance shall be issued on a comprehensive liability basis and shall contain: (i) a cross liability endorsement under which the rights of a named insured under the policy shall not be prejudiced with respect to his action against another named insured; (ii) hired and non-owned vehicle coverage; (iii) host liquor liability coverage with respect to events sponsored by the Property Owners Association; (iv) deletion of the normal products exclusive with respect to events sponsored by the Property Owners Association; and (v) a "severability of interest" endorsement which shall preclude the insurer from denying liability to a Lot Owner because of negligent acts of the Property Owners Association or of another Lot Owner. The Board of Directors shall review such limits once each year. Reasonable amounts of "umbrella" liability insurance in excess of the primary limits shall also be obtained if possible.

Section 6.2. Other Insurance. The Board of Directors may obtain and maintain:

(a) adequate fidelity coverage to protect against dishonest acts on the part of officers, directors, trustees and employees of the Property Owners Association, including the Managing Agent. Such fidelity bonds shall: (i) name the Property Owners Association as an obligee; (ii) be written in an amount not less than one-half the total annual assessments for the year or the amount required by the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation or such similar entity, whichever is greatest; and (iii) contain waivers of any defense based upon the exclusion of persons who serve without compensation from any definition of "employee" or similar expression.

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

(c) fire insurance with extended coverage covering any improvements to the Common Areas; and

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

ARTICLE 7

Compliance and Default

Section 7.1. Relief. Each Lot Owner shall be governed by, and shall comply with, all of the terms of these Bylaws and the Declaration as any of the same may be amended from time to time. In addition to the remedies provided by law, a default by a Lot Owner shall entitle the Property Owners Association, acting through its Board of Directors or through the Managing Agent, to the following relief:

(a) Additional Liability. Each Lot Owner shall be liable for the expense of all maintenance, repair or replacement rendered necessary by his act, neglect or carelessness or the act, neglect or carelessness of any member of his family or his employees, agents, guests or licensees but only to the extent that such expense is not covered by the proceeds of insurance carried by the Board of Directors. Such liability shall include any increase in casualty insurance rates occasioned by use, misuse, occupancy or abandonment or any Lot 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 Attorney's Fees. In any proceeding arising out of any alleged default by a Lot Owner, the Association shall be entitled to recover the costs of such proceeding and such reasonable Attorney's Fees actually incurred as may be determined by the court.

(c) No Waiver of Rights. The failure of the Property Owners Association, the Board of Directors or of a Lot Owner to enforce any right, provision, covenant or condition which may be granted by these Bylaws or the Declaration shall not constitute a waiver of the right of the Property Owners Association, the Board of Directors or of a Lot Owner to enforce such right, provision, covenant or condition in the future. All rights, remedies and privileges granted to the Lot Owners Association, the Board of Directors or of a Lot Owner pursuant to any term, provision, covenant or condition shall be deemed to be cumulative and the exercise of any one or more thereof shall not be deemed to constitute an election of remedies, nor shall it preclude the party exercising the same from exercising such other privileges as may be granted to such by these Bylaws, the Declaration, or at law or in equity.

(d) Interest. In the event of a default by any Lot Owner in paying any sum assessed against his Lot other than for Net Upkeep Expenses which continues for a period in excess of fifteen days, interest at a rate not to exceed the lower of the maximum permissible interest rate which may be charged by a Mortgagee under a Mortgage at such time or eighteen percent per annum may be imposed in the discretion of the Board of Directors on the principal amount unpaid from the date due until paid.

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

(f) Legal Proceedings. Failure to comply with any of the terms of the Declaration, these Bylaws and the Rules and Regulations shall be grounds for relief, 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 and any other relief afforded by a court of competent jurisdiction, all of which relief may be sought by the Property Owners Association, the Board of Directors, the Managing Agent or, if appropriate, by an aggrieved Lot Owner and shall not constitute an election of remedies.

Section 7.2. Lien for Assessments.

(a) The total assessment of each Lot Owner of Net Upkeep Expenses of any special assessment, or any other sum duly levied (including without limitation, attorney's fees, fines, interest, late charges, etc.) made pursuant to these Bylaws is hereby declared to be a lien levied against the Lot of such Lot Owner which lien shall, with respect to such assessments, be effective on the first day of the next month which begins more than seven days after delivery to the Lot Owner of notice of each special assessment or levy. The Board of Directors or the Managing Agent may file for record such other or further notice of any such lien, or such other or further document, as may be required to confirm the establishment and priority of such.

(b) Acceleration. In any case where an assessment against a Lot Owner is payable in installments, upon a default by such Lot 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 or other assessment, including specifically any special assessment, may be declared due and payable in full by the service of notice of such effect upon the defaulting Lot Owner and his mortgagee by the Board of Directors or the Managing Agent.

(c) Enforcement. The lien for assessments may be enforced and foreclosed in any manner permitted by laws of the Commonwealth of Virginia, by power of sale pursuant to Section 7.3 hereof or action in the name of the Board of Directors, or the Managing Agent, acting on behalf of the Property Owners Association. During the pendency of such suit the Lot Owner shall be required to pay a reasonable rental for the 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 laws of the Commonwealth of Virginia.

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

Section 7.3. Supplemental Enforcement of the Lien. In addition to the proceedings at law or in equity for the enforcement of the lien established by the Declaration, these Bylaws or by law, all of the Lot Owners may be required by the Developer or the Board of Directors to execute bonds conditioned upon the faithful performance and payment of the installments of the lien established thereby and may likewise be required to secure the payment of such obligation by a Declaration of trust recorded among the land records of Bedford County, Virginia, granting unto a trustee or

trustees appropriate powers to the end that, upon default in the performance of such bond declaration of trust may be foreclosed by such trustee or trustees acting at the direction of the Board of Directors. In the event any such bonds have been executed and such declaration of trust is recorded, then any subsequent purchaser of the Lot shall take title subject thereto and shall assume the obligations provided for therein.

Section 7.4. Subordination and Mortgage Protection. Notwithstanding any other provisions hereof to the contrary, the lien of any assessment levied pursuant to these Bylaws upon any Lot (and any penalties, interest or assessments, late charges or the like) shall be subordinate to, and shall in no way affect the rights of the holder of a Mortgage made in good faith for value received; provided, however, that such subordination shall apply only to assessments which have become due and payable prior to a sale or transfer of such Lot pursuant to a decree or deed of foreclosure, or any proceeding in lieu of foreclosure. Such sale or transfer shall not relieve the purchaser of the Lot at such sale from liability for any assessments thereafter becoming due, nor from the lien of any such subsequent assessment, which lien shall have the same effect and be enforced in the same manner as provided herein.

ARTICLE 8

Amendments to Bylaws

Section 8.1. Amendments. These Bylaws may not be modified or amended except by vote of at least two thirds (2/3) of the Lot Owners; *provided, however*, that until the expiration of the Developer control period, no Section of these Bylaws may be amended in any respect without the prior written consent of the Developer. All amendments to the Bylaws shall be prepared and recorded by the Secretary.

Section 8.2. Approval of Mortgagees. These Bylaws contain provisions concerning various rights, priorities, remedies and interest of Mortgagees. Such provisions in these Bylaws are to be construed as covenants for the protection of such Mortgagees on which they may rely in making loans secure by Mortgagees. Accordingly, no amendment or modification of these Bylaws impairing or affecting such rights, priorities, remedies or interest of a Mortgagee shall be adopted without the prior written consent of the Mortgagee.

ARTICLE 9

Miscellaneous

Section 9.1. Notices. All notices, demands, bills, statements or other communications, under their Bylaws shall be in writing and shall be deemed to have been duly given when delivered personally or mailed by United States mail, postage pre-paid or if notification is of a default or lien, mailed by registered or certified United States mail, return receipt requested, postage pre-paid, (i) if to a Lot Owner, at the address which the Lot Owner shall designate in writing and file with the Secretary or, (ii) if no such address is designated, at the address of the Lot of such Lot Owner, or (iii) if to the Property Owners Association, the Board of Directors or the Managing Agent, at the principal office of the Managing Agent or at such other address as shall be designated by notice in writing to the Lot Owners pursuant to the Section. If a Lot 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 thereunder.

Section 9.2. 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 9.3. Gender. The use of the masculine gender in these Bylaws shall be deemed to include the feminine and neuter genders and the use of the singular shall be deemed to include plural, and vice versa, whenever the context so requires.

Section 9.4. Construction. These Bylaws shall be interpreted according to the laws of the State of Virginia.

IN WITNESS WHEREOF, the Developer has caused these Bylaws to be executed on behalf of the Property Owners Association by its principal officer this _____ day of _____, 2021.

**BLACKWATER RUN PROPERTY
OWNERS ASSOCIATION, INC.**

By: _____
Its President