

# BYLAWS OF HUNNINGDON LAKES PROPERTY OWNERS ASSOCIATION

## ARTICLE I

### NAME AND LOCATION

The name of the corporation is HUNNINGDON LAKES PROPERTY OWNERS ASSOCIATION, hereinafter referred to as the "Association". The principal office of the Association shall be located at 860 Greenbrier Circle, Suite 600, Chesapeake, Virginia 23320, but meetings of members and directors may be held at such places within the State of Virginia as may be designated by the Board of Directors.

## ARTICLE II

### DEFINITIONS

Section 1. "Association" shall mean and refer to Hunningdon Lakes Property Owners Association, a Virginia non-stock corporation, its successors and assigns.

Section 2. "Builder" or "Builders" shall mean and refer to any person, partnership, corporation or other entity which purchases any Lot or Townhouse Site from Declarant (hereinafter defined), for the purpose of constructing thereon, and the selling in the ordinary course of business to Owners, detached single family dwellings or attached townhouse dwellings.

Section 3. "Common Area" shall mean that area so designated in the Declaration.

Section 4. "Declarant" shall mean and refer to Armada/Hoffler-Ecufin Associates, a Virginia general partnership, its successors and assigns if such successors or assigns should acquire from Declarant its remaining interest in the property referred to in the preamble of the Declaration for the purposes of development. Development shall mean and refer to the orderly subdivision of such property and the construction thereon of private and/or public water facilities, sewer facilities, streets and/or drainage facilities to serve said property for the purpose of selling same in the ordinary course of business to "Builders."

Section 5. "Declaration" shall mean and refer to that certain Declaration of Covenants, Conditions, Restrictions and Easements made by the Declarant (as herein defined), dated May 6, 1987, and recorded in the Clerk's Office of the 2 Circuit Court of the City of Chesapeake, Virginia, in Deed Book 2346, at page 600, as thereafter supplemented or amended.

Section 6. "Lot" shall mean and refer to that portion of the Property which is designated on any subdivision plat of the Property as a numbered or lettered building site of land upon which a detached, single-family dwelling is constructed, but shall not include any plot otherwise designated or any of the Common Area.

Section 7. "Member" shall mean and refer to those persons entitled to membership as provided in Article III hereof.

Section 8. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of fee simple title to any Lot or Townhouse Site which is a part of the Property, including contract sellers, but excluding those persons or entities having such interest merely as security for the performance of an obligation.

Section 9. "Property" shall mean and refer to that certain real property described in the Declaration of Covenants, Conditions, Restrictions and Easements herein described.

Section 10. "Townhouse Site" shall mean and refer to any portion of the Property designated on any subdivision plat of the Property as a numbered or lettered building site upon which a single-family dwelling of party wall construction (attached to one or more similar dwellings) is constructed, but shall not include any plot otherwise designated or any of the Common Area.

### ARTICLE III MEMBERSHIP

Section 1. Membership. Every person or entity who is a record owner of a fee or undivided fee interest in any Lot or Townhouse Site, including contract sellers, which are subject by the Declaration to assessment by the Association, shall be a Member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. No Owner shall have more than one membership. Membership shall be appurtenant to, and may not be separated from, ownership of any Lot or Townhouse Site which is subject to assessment, as aforesaid, by the Association. Ownership of such Lot or Townhouse Site shall be the sole qualification for membership.

Section 2. Suspension of Membership Rights. During any period in which a Member shall be in default in the payment of any annual or special assessment levied by the Association for a period of thirty (30) days or more, the voting rights of such Member and his right to use the Common Area shall be suspended by the Board of Directors until such assessment has been paid. Such rights of a Member may also be suspended, after notice and hearing, for a period not to exceed sixty (60) days, for violation of any rules and regulations established by the Board of Directors governing the use of the Common Area and facilities.

Section 3. Voting Rights. The Association shall have two classes of voting membership:

Class A. Class A Members shall be all those Owners as defined in this Article III, with the exception of the Declarant and Builders prior to and during the course of construction. Class A Members shall be entitled to one vote for each Lot or Townhouse Site in which they hold the interest required for Membership by this Article III. When more than one person holds such interest in any Lot or Townhouse Site, all such persons shall be Members, and the vote or votes for such Lot or Townhouse Site shall be exercised as the majority of such persons among themselves determine. At any meeting of the Members, a representation by any of such persons that a majority of such persons have agreed as to the vote or votes for such Lot or Townhouse Site shall be conclusive unless another of such persons contest such representation at such meeting prior to the casting of such vote or votes.

Class B. Class B Members shall be the Declarant and Builders. Class B Members shall be entitled to three (3) votes for each Lot or Townhouse Site in which it (they) hold(s) the interest required for membership by this Article III, provided that the Class B Membership shall cease and be converted to Class A Membership (a) when the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership, or (b) on December 31, 1990, whichever shall first occur. Notwithstanding anything herein contained to the contrary, if the Declarant shall, at any time or from time to time, convey one or more undeveloped Lot(s) or Townhouse Site(s) to any person, firm or corporation, including Builders, the Declarant shall continue to have and exercise voting rights with respect to such Lots or Townhouse Sites to the same

extent as if it continued to own such Lots or Townhouse Sites, until such Lots or Townhouse Sites are developed and either conveyed to a purchaser for occupancy, or occupied as a dwelling.

#### ARTICLE IV

##### PROPERTY RIGHTS; RIGHTS OF ENJOYMENT

Section 1. Each member shall be entitled to the use and enjoyment of the Common Area and facilities as provided in the Declaration. Any Member may delegate his rights of enjoyment of the Common Area and facilities thereon to the members of his family, his tenants or contract purchasers, who regularly reside on the Property. Such Member shall notify the secretary of the Association in writing of the name or names of any such delegate(s). The rights and privileges of such delegate(s) are subject to suspension to the same extent as those of the Member.

#### ARTICLE V

##### BOARD OF DIRECTORS; SELECTION; TERM OF OFFICE

Section 1. Number. The affairs of this Association shall be managed by a Board of Directors of either three (3), six (6), or nine (9) directors, who need not be Members of the Association. The number of directors (within the numerical limits stated above) shall be fixed, from time to time, by resolution of the Board of Directors of the Association.

Section 2. Election and Term of Office. At the first annual meeting the Members shall elect one-third (1/3) of the directors for a term of one year, one-third (1/3) of the directors for a term of two years and the remaining one-third (1/3) of the directors for a term of three years; and at each annual meeting thereafter the Members shall elect one-third (1/3) of the directors for a term of three years each. Any vacancy occurring in the initial term or any subsequent term of the Board of Directors may be filled by the affirmative vote of a majority of the remaining directors, though less than a quorum of the Board of Directors, and any vacancy not so filled shall be filled at the next succeeding meeting of the Members of the Association. Any director elected to fill a vacancy shall serve as such until the expiration of the term of the director whose position he was elected to fill.

Section 3. Removal. Any director may be removed from the Board, with or without cause, by a majority vote of the Members of the Association. In the event of death, resignation or removal of a director, his successor shall be selected as set forth in Section 2 of this Article V.

Section 4. Compensation. No director shall receive compensation for any service other than any service rendered in a professional capacity such as attorney, certified public accountant, architect and the like, that he may render to the Association. Any director may be reimbursed for his actual out-of-pocket expenses incurred in the performance of his duties.

Section 5. Action Taken Without a Meeting. The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

#### ARTICLE VI

##### NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting of the Members. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more other persons who are Members of the Association or members of the Board of Directors. The Nominating Committee shall be selected by the President and approved by the Board of Directors prior to each annual meeting of the Members, to serve until the close

of that meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled are to be filled. Such nominations may be made from among Members or non-Members.

Section 2. Election. Election to the Board of Directors shall be by secret written ballot. At such election the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Articles of Incorporation. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

## ARTICLE VII MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held beginning with the calendar year 1985, at least quarter-annually, without notice, on such day, and at such place and hour, as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any two (2) directors after not less than three (3) days notice to each director.

Section 3. Quorum. A majority of the directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

## ARTICLE VIII POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall have power to:

- (a) appoint and remove officers of the Association and establish their compensation, if any;
- (b) adopt and publish rules and regulations governing the use of the Common Area and facilities, and the personal conduct of the Members and their guests thereon, and to establish penalties within the limits set out in the Declaration and the Articles of Incorporation, for the infraction thereof;
- (c) exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the Members by other provisions of these Bylaws, the Articles of Incorporation, or the Declaration;
- (d) declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from two (2) consecutive regular meetings of the Board of Directors; and
- (e) employ a manager, accountant, lawyer or other independent contractor, or such other employees as they deem necessary, and to prescribe their duties, and fix their compensation.

Section 2. Duties. It shall be the duty of the Board of Directors:

- (a) to cause to be kept a complete record of all its acts and corporate affairs and to present a written summary thereof at the regular annual meeting of the Members, or at any special meeting, when such statement is requested in writing by one-fourth (1/4) of the Class A members (as defined in the Declaration and Articles of Incorporation) who are entitled to vote;
- (b) to supervise all officers, agents and employees of the Association, and to see that their duties are properly performed;
- (c) as more fully provided in the Declaration, to:

- i. fix the amount of the annual assessment against each Lot or Townhouse Site at least thirty (30) days in advance of each annual assessment period, as hereinafter provided in Article XIII of these Bylaws; and
  - ii. send written notice of each assessment to every Owner subject thereto at least (30) days in advance of each annual assessment period; and
- (d) to issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;
- (e) to procure and maintain adequate liability, hazard or other insurance for the protection of the Association and its property;
- (f) to cause all officers or employees having fiscal responsibilities to be bonded as it may deem appropriate;
- (g) to cause the Common Area (including any private roads lying therein) to be maintained, and to that end, the Board of Directors shall secure the services of such independent contractor(s) and/or employ such persons as shall demonstrate and possess all of the suitable skills, experience, equipment and resources for the maintenance of the Common Area in a professional and attractive manner and the maintenance of all landscaped areas in a healthy condition and neat appearance;
- (h) to prepare, or cause to be prepared, on an annual basis, for each forthcoming fiscal year (as defined in ARTICLE XVII hereof), a complete, itemized and detailed operating budget for such fiscal year, prepared in accordance with generally accepted accounting principles and practices, which budget shall:
- i. be submitted for approval and adoption by resolution of the Board prior to each annual meeting of the Members, and
  - ii. shall be presented to the Members at such annual meeting, for adoption and approval by a majority of a quorum of the Members present in person or by proxy at such meeting;
- (i) to prepare, or cause to be prepared, the annual Federal and State corporate income tax returns, which shall be filed in a timely manner.

## ARTICLE IX MEETINGS OF MEMBERS

Section 1. Annual meetings. Commencing with the year 1988, the annual meeting of the Members shall be held on the third Thursday of October of each year at the hour of 7:30 p.m.

Section 2. Special Meetings. Special meetings of the Members may be called at any time by the President or by the Board of Directors, or upon written request of the Members who are entitled to vote one-fourth (1/4) of all of the votes of the Class A membership.

Section 3. Notice of Meetings. Written notice of each meeting of the Members shall be given by or at the direction of the Secretary or person authorized to call the meeting either personally or by mailing a copy of such notice, postage prepaid, not less than 10, nor more than 50, days before the date of such meeting to each Member entitled to vote thereat, addressed to the Member at his address last appearing on the books of the Association or supplied by such Member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

Section 4. Quorum. The presence at the meeting, in person or by proxy, of Members entitled to cast one-tenth (1/10) of the votes of each class of Membership shall constitute a quorum for any action, except as otherwise provided in the Articles of Incorporation, the Declaration or these Bylaws. If, however, such quorum shall not be present or represented at any meeting, the Members entitled to vote thereat shall have the power to adjourn the meeting, from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

Section 5. Proxies. At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his Lot or Townhouse.

ARTICLE X  
OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices. The officers of this Association shall be a President, who shall at all times to be a member of the Board of Directors, one or more vice presidents, a Secretary, a Treasurer, and such other officer: as the Board may from time to time by resolution create.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Members.

Section 3. Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year or until his successor is elected and takes office, unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 4. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period and shall have such authority and perform such duties as the Board may from time to time determine.

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office as enumerated in Section 1 of this Article shall be filled by appointment by the Board of Directors. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7. Multiple Offices. The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

Section 8. Duties. The duties of the officers are as follows:

- (a) President. The President shall preside at all meetings of the Board of Directors and of the Members; shall see that orders and resolutions of the Board of Directors are carried out; shall sign all leases, mortgages, deeds and other written instruments in the name and behalf of the Association and shall co-sign all checks and promissory notes.
- (b) Vice-President. The Vice-President shall act in the place and stead of the President in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.
- (c) Secretary. The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; keep the corporate seal of the Association and affix it on all papers requiring said seal: serve notice of meetings of the Board and of the Members; keep appropriate current records showing the Members of the Association together with their addresses; and shall perform such other duties as required by the Board.
- (d) Treasurer. The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall co-sign all checks and promissory notes of the Association; keep proper books of account; cause an annual

review (and where specifically requested by the Board of Directors an audit) of the Association's books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be presented to the Membership at its regular annual meeting.

## ARTICLE XI COMMITTEES

Section 1. The President, with the approval of the Board of Directors, shall select a Nominating Committee, as provided in these Bylaws. In addition, the President, with the approval of the Board of Directors, may appoint other committees as deemed appropriate in carrying out its purposes, such as (but not limited to):

- (a) A Recreation Committee which shall advise the Board of Directors on all matters pertaining to the recreation program and activities of the Association and shall perform such other functions as the Board, in its discretion, determines;
- (b) A Maintenance Committee which shall advise the Board of Directors on all matters pertaining to the maintenance, repair or improvement of the Common Area and shall perform such other functions as the Board, in its discretion, determines;
- (c) A Publicity Committee which shall inform the Members of all activities and functions of the Association, and shall, after consulting with the Board of Directors, make such public releases and announcements as are in the best interest of the Association;
- (d) An Audit Committee which shall supervise the annual review or audit of the Association's books and approve the annual budget and statement of income and expenditures to be presented to the Membership at its regular annual meeting, as provided in ARTICLE X, Section 8 (d). The Treasurer shall be an ex officio member of the Audit Committee; and
- (e) An Architectural Committee which shall advise the Board of Directors on all matters pertaining to architectural control of structures erected, or to be erected, upon the Property.

Section 2. It shall be the duty of each committee to receive complaints from Members on any matter involving Association functions, duties and activities within its field of responsibility. It shall dispose of such complaints as it deems appropriate or refer them to such other committee, director or officer of the Association as may be concerned with the matter presented.

## ARTICLE XII BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any Member. The Declaration, the Articles of Incorporation and the Bylaws of the Association shall be available for inspection by any Member at the principal office of the Association, where copies may be purchased at reasonable cost.

## ARTICLE XIII ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. By the Declaration, each Member is deemed to covenant and agree to pay to the Association the following:

(1) annual assessments or charges, and (2) special assessments for capital improvements, such assessments to be fixed, established, and collected from time to time as hereinafter provided. The annual and special assessments, together with such interest thereon and costs of collection thereof, as hereinafter provided, shall be a continuing lien and charge upon each Lot or Townhouse Site against which each such assessment is made and sale or transfer of any such Lot or Townhouse Site shall not affect the validity of the assessment lien. Each such assessment, together with such interest,

costs and reasonable attorney's fees shall also be the personal obligation of the person or corporation who was the Owner of such Lot or Townhouse Site at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively for the purpose of promoting the recreation, health, safety and welfare of the residents of the Property through the ownership, improvements, operation and maintenance of the Common Area and the facilities thereon.

Section 3. Rate, Basis, and Maximum of Annual Assessments. Until January 1 of the year immediately following the conveyance of the first Lot or Townhouse Site to an Owner for occupancy, the maximum annual assessment for each Lot or Townhouse Site shall be \$75.00.

- (a) From and after January 1 of the year immediately following the conveyance of the first Lot or Townhouse Site to an Owner for occupancy, the maximum annual assessment may be increased each year either (i) by not more than five percent (5%) above the maximum annual assessment for the previous year or (ii) by not more than the rise, if any, in the Consumer Price Index for all Urban Consumers (published by the Department of Labor, Washington, D.C. for the preceding July), whichever is higher, by the Board of Directors of the Association without a vote of the membership; provided, however, the maximum annual assessment imposed against any Lot or Townhouse site owned by the Declarant or Builders until completion of construction of a dwelling on any such Lot or Townhouse Site and the occupancy thereof as a residence, shall be twenty-five percent (25%) of the assessment in effect from time to time as set forth above.
- (b) From and after January 1 of the year immediately following the conveyance of the first Lot or Townhouse Site to an Owner for occupancy, the maximum annual assessment may be increased above that set forth above by the assent of more than two-thirds (2/3) of the vote of each class of Members who are voting in person or by proxy, at a special meeting called for such purpose.
- (c) After consideration of current operating and maintenance costs and future needs of the Association, the Board of Directors may fix the annual assessment at an amount not in excess of the maximum permitted hereunder.
- (d) The following methods of computation shall be used when using the Consumer Price Index. The Consumer Price Index for All Urban Consumers establishes the United States City Average numerical rating for All Items under the Expenditure Category for the month of July, 1986, as 328.0. This will be the base rating. To determine the percentage to be applied to the maximum annual assessment for each subsequent year, divide this base rating into the numerical rating established by the Consumer Price Index for the month of July preceding the proposed assessment year. This adjustment percentage, if in excess of One Hundred Percent (100%), is multiplied by the original maximum annual assessment to obtain the maximum annual assessment for the subsequent year.

Section 4. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that Year only, for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a described capital improvement upon the Common Area, including the necessary fixtures and personal property related thereto, provided that any such assessment shall have the assent of more than two-thirds (2/3) of the votes of each class of Members who are voting in person or by proxy at a meeting duly called for this purpose; and provided further that no such special assessment shall exceed an amount equal to twice the then current maximum annual assessment.

Section 5. Quorum for Any Action Authorized Under Sections 3 and 4. At the first meeting called, as provided in Sections 3 and 4 hereof, the presence at the meeting of Members or of proxies entitled to cast sixty percent (60%) of all votes of each class of membership shall constitute a quorum. If the required quorum is not forthcoming at any meeting, another meeting may be called, subject to the applicable notice requirement, at which subsequent or postponed the quorum requirement shall be one-half (1/2) of that required at the preceding meeting; provided, however, that no such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.



Section 6. Date of Commencement of Annual Assessments: Due Dates. The annual assessments provided for herein shall commence as to each Lot or Townhouse Site on the first day of the month following the latter to occur of (a) the first conveyance of the Common Areas (or any portion thereof) to the Association, or (b) the due recordation of the subdivision plat creating such Lot or Townhouse Site. The first annual assessment shall be adjusted according to the number of full calendar months remaining in the calendar year. The Board of Directors of the Association shall fix the amount of the annual assessment against each Lot or Townhouse Site at least thirty (30) days in advance of each annual assessment period; but in the absence of such action by resolution of the Board of Directors, the annual assessment shall be in the amount last fixed. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates of assessments shall be established by resolution of the Board of Directors. The Association shall, upon demand at any time, furnish a certificate in writing signed by an officer of the Association setting forth whether the assessments on a specified Lot or Townhouse Site have been paid. A reasonable charge may be made by the Board for the issuance of these certificates. Such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid.

Section 7. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage or first deed of trust on any Lot or Townhouse Site. Foreclosure of any such first mortgage or first deed of trust shall extinguish such lien for assessments due prior to such foreclosure (but such assessment lien shall attach to any excess proceeds of the foreclosure), and no such foreclosure shall relieve such Lot or Townhouse Site from liability for any assessments thereafter becoming due or from the lien thereof.

Section 8. Effect of Nonpayment of Assessments: Remedies of the Association. Any assessment which is not paid when due shall be deemed delinquent. If the assessment, or any part thereof, is not paid within 30 days after the due date, the Board of Directors of the Association may impose a late payment fee equal to ten percent (10%) of said delinquent amount or \$10.00, whichever is greater, and the assessment and late payment fee shall bear interest from the due date at the rate of eight percent (8%) per annum (or such greater per annum rate as may hereafter, from time to time, be permitted by applicable regulations of the Veterans Administration or by law). The Association may, as hereinafter provided and in addition to all other rights and remedies provided herein or by law, bring an action at law against the Owner(s) personally obligated to pay the same, or foreclose the assessment lien against the Lot or Townhouse Site, as the case may be, and in either case, late payment fees, interest at the above rate, costs of collection, including actual attorney's fees incurred, shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot or Townhouse Site. In the event of default in the payment of any assessment when due, and in addition to any other remedies herein or by law provided, the Association may enforce each such obligation in any manner provided by law or in equity, including without limitation, by either or both of the following procedures:

- (a) Enforcement by Suit. The Board may cause a suit at law to be commenced and maintained in the name of the Association against any Owner or Member to enforce each such assessment obligation. Any judgment rendered in any such action shall include the amount of the delinquency, together with late payment fees, interest thereon at the rate hereinabove provided from the date of delinquency, and costs of collection, including actual attorney's fees incurred, as provided above.
- (b) Enforcement of Lien. The Declaration creates a lien, with power of sale, on each and every Lot or Townhouse Site within the Property, to secure payment to the association of any and all assessments and other sums levied against any and all Owners and such Lots or Townhouse Sites, together with late payment fees, interest thereon at the rate hereinabove provided from the date of delinquency, and all costs of collection which may be paid or incurred by the Association in connection therewith, including actual attorney's fees incurred. If such assessment is not paid when due, the Association may elect to record a memorandum of lien on behalf of the Association against the Lot or Townhouse Site of which such assessment is delinquent, said memorandum of lien to be recorded in the Clerk's Office of the Circuit Court of the City of Chesapeake, Virginia. Such a memorandum of lien shall be executed and acknowledged by any officer of the Association, and shall contain substantially the following information:
  - i. The name of the Owner at the time of the recording;

- ii. A brief legal description and the street address of such Lot or Townhouse Site against which such memorandum of lien is filed;
- iii. The total amount claimed to be due on the lien for the amount of the delinquency, late payment fees, interest thereon, costs of collection and attorney's fees.
- iv. A statement that the memorandum of lien is filed by the Association pursuant to Article VI of the Declaration.
- v. A statement that a lien is claimed against said Lot or Townhouse Site in the amount equal to the amount therein stated.

Any such lien may be foreclosed by appropriate action in court or in the manner provided by law for the judicial foreclosure of a judgment lien, mortgage or deed of trust as set forth by the laws of the Commonwealth of Virginia, as the same may be modified or amended. The lien provided for in the Declaration shall be in favor of the Association and shall be for the benefit of all Members. The Association shall have the power to bid at any foreclosure sale and to purchase, acquire, hold, lease, mortgage and convey any such Lot or Townhouse Site. In the event such foreclosure is by action in court, actual attorney's fees incurred, court costs, title search fees, interest and all other costs and expenses shall be allowed. Each Owner, by becoming an Owner of any Lot or Townhouse Site expressly consents, and waives any objection, to the notice, enforcement and foreclosure of this lien in the manner above provided.

Section 9. Exempt Property. The following property subject to the Declaration shall be exempt from the assessments created therein: (1) all Property dedicated to and accepted by a local public authority and (2) the Common Areas. However, no land or improvements devoted to dwelling use shall be exempt from said assessments.

Section 10. Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all Lots and Townhouse Sites, and may be collected as often as monthly.

#### ARTICLE XIV CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the words: HUNNINGDON LAKES PROPERTY OWNERS ASSOCIATION.

#### ARTICLE XV AMENDMENTS

Section 1. These Bylaws may be amended, at a regular or special meeting of the Members, by a vote of a majority of a quorum of Members present in person or by proxy, except that the Federal Housing Administration or the Veterans Administration shall have the right to approve amendments so long as Class B Membership exists.

Section 2. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

#### ARTICLE XVI INDEMNIFICATION AND INSURANCE

Section 1. Indemnity.

(a) To the full extent that the Virginia Nonstock Corporation Act, as it exists on the date hereof or may hereafter be amended, permits the limitation or elimination of the liability of directors or officers, a director or officer of the Association shall not be liable to the Association or its members for monetary damages.

**THIS HAS BEEN CONVERTED TO A SEARCHABLE FORMAT FOR LEGAL ISSUES PLEASE CONSULT THE SCANNED VERSION!!!**

(b) To the full extent permitted and in the manner prescribed by the Virginia Nonstock Corporation Act and any other applicable law, the Association shall indemnify a director or officer of the Association who is or was a party to any proceeding by reason of the fact that he is or was such a director or officer or is or was serving at the request of the Association as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, or other enterprise.

Section 2. Insurance. The Board of Directors of the Association may secure and maintain at the expense of the Association, and if available, such policies of insurance as it may consider appropriate to insure any person who is serving or has served as a director, officer, or employee of the Association, against liability and expenses arising out of his or her status as such.

ARTICLE XVII  
MISCELLANEOUS

The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

IN WITNESS WHEREOF, we, being all of the original directors of Hunningdon Lakes Property Owners Association, have hereunto set our hands this 14th day of September 1987.

Signed by John L Cote Initial Director and Stephen L Pepler, Initial Director