

# 4752

BOOK 280 PAGE 653

EXHIBIT "B" OF DECLARATION OF DOCKSIDE CONDOMINIUM

BYLAWS  
OF  
DOCKSIDE CONDOMINIUM OWNER'S ASSOCIATION, INC.

BOOK 280 PAGE 654  
TABLE OF CONTENTS

BYLAWS

OF

DOCKSIDE CONDOMINIUM OWNER'S ASSOCIATION, INC.

	<u>Page</u>
ARTICLE I GENERAL PROVISIONS. . . . .	1
ARTICLE II MEMBERSHIP . . . . .	2
ARTICLE III BOARD OF DIRECTORS. . . . .	4
ARTICLE IV COMMITTEES. . . . .	9
ARTICLE V OFFICERS. . . . .	10
ARTICLE VI FISCAL MANAGEMENT . . . . .	11
ARTICLE VII COMPLIANCE. . . . .	14
ARTICLE VIII AMENDMENTS TO BYLAWS. . . . .	15
ARTICLE IX INDEMNIFICATION . . . . .	16
ARTICLE X MORTGAGES . . . . .	16

## BYLAWS OF

## DOCKSIDE CONDOMINIUM OWNER'S ASSOCIATION, INC.

## ARTICLE I

## GENERAL PROVISIONS

Section One. Applicability. These Bylaws provide for the governance of Dockside Condominium (hereinafter the "Condominium") pursuant to the requirements of the Condominium Act, Title 55, Chapter 4.2 §§ 55-79.73 through § 55-79.85 of the Code of Virginia of 1950, as amended (hereinafter the "Condominium Act"). The property located in Gloucester County, Virginia and more particularly described in the Declaration, has been submitted to the provisions of the Condominium Act by recordation simultaneously herewith of the Declaration with the Clerk of the Circuit Court of the County of Gloucester, Virginia.

Section Two. Association. The Condominium shall be governed by Dockside Condominium Owners Association, Inc., a non-stock, non-profit Virginia corporation (hereinafter the "Association"). The Association shall consist of all of the Unit Owners acting as a group in accordance with the Condominium Act pursuant to the Declaration and these Bylaws. For all purposes the Association shall act merely as an agent for the Unit Owners as a group. The Association shall have the responsibility of administering the Condominium, establishing the means and methods of collecting assessments and charges, arranging for the management of the Condominium and performing all of the other acts that may be required or permitted to be performed by the Association by the Condominium Act and the Declaration. Except as to those matters which the Condominium Act specifically requires to be performed by the vote of the Association, the foregoing responsibilities shall be performed by the Board of Directors or Managing Agent as more particularly set forth in Article III of these Bylaws.

Section Three. Compliance. All Unit Owners, tenants and occupants, their agents, servants, invitees, licensees and employees and others that use the Condominium Property, or any part thereof, are subject to, and shall comply with these Bylaws.

Section Four. Office. The office of the Association shall be located anywhere on the Condominium Property or such other place as may be designated from time to time by the Board of Directors of the Association.

Section Five. Definitions. Except to the extent otherwise provided by the Condominium Instruments, the terms defined in § 55-79.41 of the Code of Virginia of 1950, as amended, shall be deemed to have the meanings therein specified and ascribed to them wherever they appear in the Condominium Instruments, unless the context otherwise requires.

ARTICLE II

MEMBERSHIP

Section One. Generally. Every person or entity who is a record owner of a Unit in the Condominium, including contract sellers, 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. Membership shall be appurtenant to and may not be separated from ownership of any Unit which is subject to assessment by the Association. Ownership of such Unit shall be the sole qualification for membership.

Section Two. Annual Meetings. The first annual meeting of the Members shall be held within one year from the date of incorporation of the Association, but no later than one year after the conveyance of the first Unit, and each subsequent regular annual meeting of the Members shall be held on the same day of the same month of each year thereafter. If the day for the annual meeting of the Members is a legal holiday, the meeting will be held on the first day following which is not a legal holiday.

Section Three. Special Meetings.

(a) 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 the votes of the entire membership.

(b) On the earlier of (1) a day within thirty (30) days after the conveyance of seventy-five percent or more of the Units shall have been delivered to Unit Owners by the Declarant, or (2) the expiration of the maximum time permitted by § 55-79.74 of the Condominium Act, a special meeting of the Association shall be held at which all of the members of the Board of Directors designated by the Declarant shall resign, and the Unit Owners, including the Declarant if the Declarant owns one or more Units, shall thereupon elect successor members of the Board of Directors to act in the place and stead of those resigning.

Section Four. 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, by mailing a copy of such notice, postage prepaid, at least twenty-one (21) days in advance of any annual or regularly scheduled meeting and at least seven (7) days in advance of any other meeting to each Member entitled to vote thereat, addressed to the Member's 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 Five. Voting. Each Unit is assigned one (1) vote which may be cast by the Unit Owner upon any call for a vote at any meeting.

the Association. Where the ownership of a Unit is in more than one person, the person who shall be entitled to cast the vote of such Unit shall be the person named in a certificate executed by all of the owners of such Unit and filed with the Secretary or, in the absence of such named person from the meeting, the person who shall be entitled to cast the vote of such Unit shall be the person owning such Unit who is present. If more than one person owning such Unit is present then such vote shall be cast only in accordance with their unanimous agreement pursuant to § 55-79.77(c) of the Condominium Act. Such certificate shall be valid until revoked by a subsequent certificate similarly executed. Subject to the requirements of § 55-79.72 of the Condominium Act, wherever the approval or disapproval of a Unit Owner is required by the Condominium Act, the Declaration or these Bylaws, such approval or disapproval shall be made only by the person who would be entitled to cast the vote of such Unit at any meeting of the Association. Except where a greater percentage is required by the Condominium Act, the Declaration or these Bylaws, the Unit Owners representing more than fifty percent of the votes in the Association, voting in person or by proxy at one time at a duly convened meeting at which a quorum is present is required to adopt decisions at any meeting of the Association. If the Declarant owns or holds title to one or more Units, the Declarant shall have the right at any meeting of the Association to cast the votes to which such Unit or Units are entitled. No Unit Owner may vote at any meeting of the Association or be elected to or serve on the Board of Directors if the Association has perfected a lien against his Unit and the amount necessary to release such lien has not been paid at the time of such meeting or election.

Section Six. Proxies. A vote may be cast in person or by proxy. Such proxy may be granted by any Unit Owner in favor of only another Unit Owner, a Mortgagee or the Declarant. Proxies shall be duly executed in writing, 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 Unit. Any proxy shall be void if it is not dated, if it purports to be revocable without notice as aforesaid, or if the signatures of any of those executing the same has not been witnessed by a person who also shall sign his full name and address. The proxy of any person shall be void if not signed by a person having authority, at the time of the execution of thereof, to execute deeds on behalf of that person. Except with respect to proxies in favor of a Mortgagee, no proxy shall in any event be valid for a period in excess of one hundred and eighty (180) days after the execution thereof.

Section Seven. Quorum. Except as otherwise provided in these Bylaws, Members having twenty-five percent (25%) of the total votes of the Association shall constitute a quorum at all meetings of the membership of the Association.

Section Eight. Adjournment of Meetings. If at any meeting of the Association a quorum is not present, Members who are present at such

meeting in person or by proxy, may adjourn the meeting from time to time, without notice other than announcement at said meeting, until a quorum shall be present or be represented.

Section Nine. Conduct of Meetings. The President shall preside over all meetings of the 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 then current edition of Robert's Rules of Order shall govern the conduct of all meetings of the Association when not in conflict with the Declaration, these Bylaws or the Condominium Act.

### ARTICLE III

#### BOARD OF DIRECTORS.

Section One. Management of Association. The affairs of the Association shall be managed by a Board of Directors (hereinafter referred to as the "Board").

Section Two. First Board. The Board shall, during the period of Declarant control, consist of three persons, none of whom need be Members of the Association. The first Board shall consist of persons designated by the Declarant and they shall serve until replaced by Declarant or until their successors are elected.

(a) The Declarant shall have the absolute right, at any time, in its sole discretion, to remove any member of the Board designated by Declarant and replace any such person with another person to serve on the Board. Notice of such action shall be given to the Association.

(b) "The period of Declarant's control" means the period ending on the earliest of (1) the date when Units to which a total of at least three-fourths of the undivided Interests in the Common Elements are not owned by Declarant, (2) the fifth anniversary of the date the Declarant ceases to be the only Unit Owner, or (3) the date specified by the Declarant in relinquishing the rights reserved by the Declarant under § 55-79.74 a, of the Condominium Act. For the purposes of the preceding sentence, the calculation of the fraction of the undivided Interests shall be based, at any given time, on the total undivided Interests to be assigned to all Units then registered with the Virginia Real Estate Commission, including all Units which can be added or converted to the Condominium pursuant to the Declaration. Notwithstanding the foregoing, the resignation of all of the members of the Board of Directors at a meeting of the Association shall end the period of Declarant control.

\* Section Three. Subsequent Boards. Upon the termination of the period of Declarant Control referred to in Section Two above, there will be held a special meeting of the Members of the Association pursuant to Article II, Section Three of these Bylaws for the purpose of electing members to the Board, which shall hereafter consist of five (5) persons.

all of whom shall be Unit Owners, or spouses of Unit Owners, Mortgagees or designees of the Declarant. The term of office for two (2) members of the Board shall be fixed for three (3) years, the term of office for two (2) members of the Board shall be fixed for two (2) years, and the term of office for one (1) member of the Board shall be fixed for one (1) year. At the expiration of the initial term of office of each member of this Board, a successor shall be elected to serve for a term of three (3) years. The members of the Board shall hold office until their respective successors shall have been elected by the Members of the Association.

Section Four. Election of Directors. Except for designating of Directors by Declarant, as hereinbefore provided, election of Directors shall be conducted in the following manner:

(a) Election of Directors shall be held at the annual meeting.

(b) Nomination for election to the Board shall be made by a nominating committee. Nominations may also be made from the floor at the annual meeting. The nominating committee shall consist of a Chairman, who shall be a member of the Board, and two or more Members of the Association. The nominating committee shall be appointed by the Board prior to each annual meeting of the Members to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The nominating committee shall make as many nominations for election to the Board as it shall in its discretion determine, but not less than the number of vacancies that are to be filled.

(c) The election shall be by secret ballot (unless dispensed with by unanimous consent) and by a plurality of the votes cast. There shall be no cumulative voting.

(d) Except as to vacancies created by removal of Directors by Members, vacancies in the Board occurring between annual meetings of Members shall be filled by the remaining Directors.

Section Five. Regular Meetings. Regular meetings of the Board shall be held monthly without notice 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 Six. Special Meetings. Special meetings of the Board shall be held when called by the president of the Association, or by any Director, after not less than three (3) days notice to each Director.

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

Section Eight. Quorum. A majority of the number of 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.

Section Nine. Compensation. No member of the Board shall receive any compensation from the Association for acting as such.

Section Ten. Powers and Duties. The powers and duties of the Association may, subject to the limitations set forth herein and in the Condominium Act, be exercised by the Board, in the Board's sole discretion. Such powers shall include without limiting the generality of the foregoing, the following:

(a) To prepare an annual budget, in which there shall be established the assessments of each Unit Owner for the Common Expenses.

(b) To make, levy and collect assessments against Unit Owners to defray the costs and expenses of the Condominium and Common Expenses of the Condominium, and accumulation of reserves for the replacement of Common Elements.

(c) To provide for the maintenance, repair, replacement, operation, improvement and management of the Common Elements, wherever the same are required to be done and accomplished by the Association for the benefit of its Members.

(d) To open bank accounts on behalf of the Association and designate the signatories thereof.

(e) To make, or contract for the making of, repairs, additions and improvements to or alterations of the Property and repairs 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.

(f) To keep books with detailed accounts in chronological order of the receipts and expenditures affecting the Property, and the administration of the Condominium, specifying the expenses of maintenance and repair of the Common Elements and any other expenses incurred. Such books and vouchers accrediting the entries thereupon shall be available for examination by the Unit Owners, their duly authorized agents or attorneys, during general business hours on working days at the times and in the manner set and announced by the Board for the general knowledge of the Unit Owners. All books and records shall be kept in accordance with good and accepted accounting practices.

(g) To adopt and amend administrative rules and regulations governing the details of the operation and use of the Common Elements, real and personal, in the Condominium, so long as such rules and regulations

amendments thereto do not conflict with the rights, privileges, restrictions and limitations which may be placed upon the use of such property under the terms of the Declaration and Exhibits attached thereto.

(h) To acquire, operate, lease, manage and otherwise trade and deal with property, real and personal, including Units in the Condominium on behalf of the Association, as may be necessary or convenient in the operation and management of the Condominium and in accomplishing the purposes set forth in the Declaration.

(i) To contract on behalf of the Association for the management of the Common Elements and to delegate to such Managing Agent such powers and duties of the Association as the Directors deem fit (see Section Fourteen below), to lease or concession such portions thereof and to ratify and confirm any existing leases or concessions of any part of the Common Elements.

(j) To enforce, by legal means, the provisions of the Declaration and any Exhibits attached thereto and the rules and regulations promulgated governing the use of the Common Elements.

(k) To cause the Association to pay all taxes and assessments of any type which affect any part of the Common Elements, other than Units (unless owned by the Association) and the appurtenances thereto, and to assess the same against the Members and their respective Units.

(l) To cause the Association to carry insurance for the protection of the Members and the Association against casualty and liability as required by the Declaration.

(m) To cause the Association to pay all costs of power, water, sewer and other utility services rendered to the Condominium which are not the specific responsibility of the Owners of the separate Units.

(n) To cause the Association to employ personnel, for reasonable compensation, to perform services required for proper administration of the purposes of the Association, including accountants, attorneys, contractors and other professionals.

(o) The Association shall have the right, when determined by the Board to be in the best interests of the Condominium, to grant exclusive licenses, easements, permits, leases, or privileges to any individual or entity, including Non-Unit Owners, which affect Common Elements and to alter, add to, relocate or improve Common Elements.

(p) To do such other things and acts not inconsistent with the Condominium Act, the Declaration or these Bylaws which the Board may be authorized to do by a resolution of the Association.

Section Eleven. Authority of First Board. The undertakings and contracts authorized by the first board, including the first budget, shall be binding upon the Association in the same manner as though

undertakings and contracts had been authorized by a Board duly elected by the Members of the Association.

Section Twelve. Removal of Directors. Should the Members of the Association at any duly convened regular or special meeting convened desire, they may remove any Director except Directors designated by Declarant with or without cause by the vote or agreement in writing by a majority of all Members and a successor may immediately be elected to fill the vacancy thus created. Should the Members fail to elect a successor, the Board may fill the vacancy.

Section Thirteen. Proviso. Notwithstanding anything herein contained to the contrary, the Directors shall not have the right or authority to do any act or take any action wherein the same would limit, modify or abridge the rights, privileges and immunities of the Declarant as set forth in the Declaration, the Articles of Incorporation and these Bylaws.

Section Fourteen. Managing Agent. The Board of Directors may employ for the Condominium a "Managing Agent."

(a) The Managing Agent shall perform such duties and services as the Board shall authorize. The Managing Agent shall perform the obligations, duties and services relating to management of the Property, the rights of Mortgagees and the maintenance of reserve funds in compliance with the provisions of the Bylaws and the Declaration.

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

(1) The accrual method of accounting shall be employed;

(2) Cash accounts of the Association shall not be commingled with any other accounts;

(3) No remuneration shall be accepted by the Managing Agent from vendors, independent contractors or others providing goods or services to the Association whether in the form of commissions, finders fees, service fees or otherwise; any discounts received shall benefit the Association;

(4) Any financial or other interest which the Managing Agent may have in any firm providing goods or services to the Association shall be disclosed promptly to the Board; and

(5) A monthly financial report shall be prepared for the Association disclosing:

(i) All income and disbursement activity for the preceding month;

(ii) The status of all accounts in an "actual" versus "projected" (budget) format; and

(iii) Any actual or pending obligations which are in excess of budgeted amounts by an amount exceeding the operating reserves or ten percent (10%) of a major budget category (as distinct from a specific line item in an expanded chart of accounts).

(c) Subject to the provisions of § 55-79.74(b) of the Condominium Act, during the period when persons designated by the Declarant constitute a majority of the Board, the Board may employ a Managing Agent for a term not to exceed two (2) years during said period. Any contract with the Managing Agent must provide that it may be terminated with cause on no more than thirty (30) days' written notice.

#### ARTICLE IV

#### COMMITTEES

Section One. Committees to be Appointed. The Association shall appoint a nominating committee as provided in Article III, Section Four(b) of these Bylaws. In addition, the Board may appoint other committees as deemed appropriate in carrying out its purposes, such as:

(a) A Recreation Committee which shall advise the Board on all matters pertaining to the recreational facilities, programs 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 on all matters pertaining to the maintenance, repair or improvement of the Property, 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, make such public releases and announcements as are in the best interests of the Association; and

(d) An Audit Committee which shall supervise the annual 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. The Treasurer shall be an ex officio member of the Committee.

Section Two. Duty of Committees. 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 is further concerned with the matter presented.

ARTICLE V

OFFICERS

Section One. Enumeration of Officers. The officers of this Association shall be a president, who shall at all times be a member of the Board, a vice president, a secretary and a treasurer and such other officers as the Board may from time to time by resolution create.

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

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

Section Four. 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, have such authority, and perform such duties as the Board may from time to time determine.

Section Five. 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 written 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 Six. Vacancies. A vacancy in any office may be filled in the manner prescribed for regular election. The officer elected to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section Seven. Multiple Offices. The office 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 Four of this Article.

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

(a) President. The President shall be the chief executive officer of the Association. He shall have all the powers and duties which are usually vested in the office of President of an association, including, but not limited to, the power to appoint committees from among the Members from time to time as he may, in his discretion, determine appropriate to assist in the conduct of the affairs of the Association. In addition, he shall execute the necessary amendments to the Condominium Instruments from time to time as may be required for the creation and reassignment

Limited Common Elements by the Declaration and the Condominium Act. The President shall be a member of the Board.

(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 to the Board and to the Members; keep appropriate current records showing the Members of the Association together with their addresses; provide written notification to the first mortgagee of a Unit of any default by the mortgagor/Member of such Unit in the performance of such mortgagor's obligations under the Declaration governing the Property, the Articles of Incorporation of the Association or these Bylaws which is not cured within thirty (30) days upon receipt of a request for such information by such first mortgagee.

(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 sign all checks and promissory notes of the Association; keep proper books of account; cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year if such an audit is required by the Board of Directors; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting and deliver a copy of each to the Members.

## ARTICLE VI

### FISCAL MANAGEMENT

Section One. Manner and Notification. The Board shall fix and determine the sums necessary to pay all the Common Expenses, and other fees of the Condominium, including maintenance of proper reserves, pursuant to the provisions of the Declaration, Articles of Incorporation and these Bylaws. The same shall be assessed against the Unit Owners as provided in the Declaration and all the Exhibits attached thereto. Assessments for the first year (or pro rata portion thereof) of the operation of the Property shall be as set forth in a projected budget established by the Declarant as the same may be amended by the Board from time to time.

Section Two. Payments of Assessments. Except as specified to the contrary, funds for the payment of Common Expenses shall be assessed against the Unit Owners in the proportions provided in the Declaration. Said assessments shall be payable monthly, without notice, unless otherwise required by the Board. Special assessments, should such be required by the Board, shall be levied in the same manner as hereinbefore provided for regular assessments except notice thereof shall be given, and shall be

payable in the manner determined by the Board. FAILURE TO PAY ANY ASSESSMENT WITHIN TEN (10) DAYS FROM THE DATE DUE SHALL ENTITLE THE ASSOCIATION TO LEVY A LATE CHARGE AGAINST THE DEFAULTING UNIT OWNER OF TEN DOLLARS (\$10.00) AND A LIKE AMOUNT EACH THIRTY (30) DAYS THEREAFTER IF SUCH ASSESSMENT IS NOT PAID. THE PARTIES AGREE THAT THE LATE CHARGE IS NOT A PENALTY BUT IS VALID LIQUIDATED DAMAGES.

Section Three. Date of Commencement of Annual Assessments; Due Dates. The annual assessment provided for herein shall commence as to all Units on the first day of the month following the conveyance of the first Unit by the Declarant to the first user; provided, however, that if additional sections are annexed to the Property, as set forth in the Declaration, then the annual assessment provided for herein shall commence as to all the Units in such annexed section on the first day of the month following the conveyance of the first Unit in that section, notwithstanding that assessments may have already commenced on other Units already a part of the Property. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board shall fix the amount of the annual assessment against each Unit at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Unit Owner subject thereto. The due dates shall be established by the Board.

Section Four. Proposed Budget. A copy of the proposed one (1) year budget shall be mailed to Unit Owners not less than thirty (30) days prior to the meeting at which the budget will be considered together with a notice of the meeting. If the proposed budget is not adopted prior to the start of the new budget period, an assessment shall be presumed to be made in the amount of the last prior assessment and monthly installments on such assessments shall be due upon each installment payment date until changed by an amended assessment. In the event the assessments prove to be insufficient, the budget and assessments shall be amended at a meeting called for that purpose.

Section Five. Depository, Withdrawals. The depository of the Association shall be such bank or banks as shall be designated, from time to time, by the Directors and in which the monies of the Association shall be deposited. Withdrawal of monies from such accounts shall be only by checks signed by such persons as are authorized by the Directors. Should the Association employ a Managing Agent, and should in the course of such employment said Managing Agent be charged with any responsibilities concerning control of any of the funds of the Association, then, in such event, any agreement with such Managing Agent pertaining to the deposit and withdrawal of monies shall supersede the provisions hereof during the term of any such agreement.

Section Six. Records. The Association shall maintain true records and make available written summaries thereof as required by the Condominium Act and the Declaration. In addition, a financial statement shall be prepared annually and supplied to the Members prior to the adoption of the next ensuing year's budget.

Section Seven. Fiscal Year. The fiscal year of the Association shall begin on the first day of January of each year; provided, however, that the Board is expressly authorized to adopt a different fiscal year in accordance with the provisions and regulations from time to time prescribed by the Internal Revenue Code of the United States of America. The budget year shall begin on January 1st of each year.

Section Eight. Acquisition of Units. At any foreclosure sale of a Unit, the Association or its designee may acquire the Unit being foreclosed. The term "foreclosure" as used in this Article shall mean and include any foreclosure of any lien, including a lien for assessments. The power of the Association to acquire a Unit at any foreclosure sale shall never be interpreted as a requirement or obligation on the part of the Association to do so at any foreclosure sale; the provisions hereof being permissive in nature and for the purpose of setting forth the power of the Association. The Association may also acquire Units in the event damaged Units are not restored pursuant to the provision of Article XII, Section Two of the Declaration.

Section Nine. Default in Payment of any Assessment Lien. In the event of a default by a Unit Owner in the payment of any assessment, the Association shall have all rights and remedies provided by law, including but not limited to, those provided by the Condominium Act, and the liability of the Owner of the Unit shall include liability for a reasonable attorney's fee and for court costs incurred by the Association incident to the collection of such assessment or enforcement of its lien. If the Association elects to enforce its lien by foreclosure, the Unit Owner shall be required to pay a reasonable rental for the Unit, to be fixed by the Board, and the Association shall be entitled to the appointment of a receiver to collect same. Nothing herein contained shall bar a suit to recover a money judgment for unpaid assessments without waiving the lien securing the same.

Section Ten. Limited Common Element Expenses. The expenses associated with the maintenance, repair, renovation, restoration and replacement of the Limited Common Elements shall be specially assessed against the Owners of the Units to whom such Limited Common Elements are assigned. To the extent that such expenses associated with the marina area (boat slips) cannot be individually assessed against any particular Unit Owner or Owners, such expenses shall be assessed against the Owners of the Units to which the boat slips are assigned as a whole, and apportioned among them on the basis of the linear size of their assigned boat slip as individual special assessments. Such assessments shall be payable monthly, and shall be subject to the provisions of Sections One through Nine of this Article, to the extent that they are not inconsistent with the provisions of this Section Ten.

## ARTICLE VII

## COMPLIANCE

Section One. Violation by Member; Remedies. In the event of a violation (other than the nonpayment of an assessment) by a Unit Owner of any of the provisions of the Declaration, these Bylaws, or the rules and regulations adopted pursuant to any of the same, the Association shall notify the Unit Owner by written notice of said breach, transmitted by mail, and if such violation shall continue for a period of ten (10) days from the date of notice, the Association shall have the right to treat such violation as an intentional, inexcusable and material breach thereof, and the Association may then pursue any remedy available. No action taken shall be deemed an "election of remedies." Upon a finding by the court that the violation complained of has occurred, the offending Unit Owner shall reimburse the Association (or Managing Agent, if any) for all costs and losses including reasonable attorney's fees and costs incurred in bringing such action. Failure on the part of the Association to maintain such action at law or in equity within thirty (30) days from the date of a written request, signed by a Unit Owner and sent to the Association, shall authorize any Unit Owner to bring an action at law or a suit in equity, on account of the violation, in the manner provided for in the Condominium Act. Any violations which are deemed by the Board to be a hazard to public health or safety may be corrected immediately as an emergency matter by the Association and the cost thereof shall be charged to the Unit Owner as a specific item and shall be a lien against said Unit with the same force and effect as if the charge was a part of the Common Expenses attributable to such Unit Owner. In the event of a noncontinuing default making the notice period impractical, the Association may take such punitive action, including but not limited to, the suspension of privileges for reasonable period of time without a corresponding reduction in assessments.

Section Two. Liability of Unit Owners. All Unit Owners shall be liable for the expense of any maintenance, repair or replacement rendered necessary by his act, neglect or carelessness, or by that of any member of his family, or his or their guests, employees, agents or lessees, but only to the extent that such expense is not met by the proceeds of insurance carried by the Association. Such liability shall include any increase in insurance rates occasioned by use or misuse, occupancy or abandonment of any Unit or its appurtenances. Nothing herein contained, however, shall be construed so as to modify any waiver by insurance companies of rights of subrogation. The expense of any maintenance, repair or replacement required shall be charged to said Unit Owner as a specific item and shall be a lien against said Unit with the same force and effect as if the charge was a part of the Common Expenses attributable to such Unit Owner's Unit.

Section Three. No Waiver. The failure of the Association or of a Unit Owner to enforce any right, provision, covenant or condition which may be granted by any of the provisions of the Declaration shall not constitute a waiver of the right of the Association or Unit Owner to

enforce such right, provision, covenant or condition in the future.

Section Four. Surviving Liability. Termination of membership in the Association shall not relieve said party from any liability, financial or otherwise, incurred by said party while a Member and shall in no way impair any rights that the Association has, or may have had, against the terminating Member.

## ARTICLE VIII

### AMENDMENTS TO BYLAWS

Amendments to Bylaws as hereinafter defined and provided for, shall be proposed and adopted in the following manner:

Section One. Proposal. Amendments to these Bylaws may be proposed by the Board acting upon vote of the majority of the Directors or by Members of the Association having twenty-five percent (25%) of the votes in the Association, whether meeting as Members or by an instrument in writing signed by them.

Section Two. Call for Meeting. Upon any amendment or amendments to these Bylaws being proposed by said Board or Members, such proposed amendment or amendments shall be transmitted to the President of the Association, or other officer of the Association in the absence of the President, who shall thereupon call a special joint meeting of the members of the Board and the Members of the Association for a date not sooner than fourteen (14) days or later than sixty (60) days from receipt by such officer of the proposed amendment or amendments. It shall be the duty of the Secretary to give to each Member written or printed notice of such meeting in the same form and in the same manner as notice of the call of a special meeting of the Members is required as herein set forth. Notice shall be posted at a conspicuous location on the Property.

Section Three. Vote Necessary; Recording. In order for such amendment or amendments to become effective, the same must be approved by an affirmative vote of sixty-six and two-thirds percent (66-2/3%) of the entire membership of the Board and by an affirmative vote of the Members having sixty-six and two-thirds percent (66-2/3%) of the votes in the Association. Thereupon, such amendment or amendments to these Bylaws shall be transcribed, certified by the President or a Vice President and Secretary or Assistant Secretary of the Association, and a copy thereof shall be recorded in the Clerk's Office of the Circuit Court for Gloucester County, Virginia, within ten (10) days from the date on which any amendment has been affirmatively approved by the Directors and Members.

ARTICLE IX

INDEMNIFICATION

Section One. Officers and Directors. The Association shall and does hereby indemnify and hold harmless every director and every officer, including the first officers and directors, his heirs, executors and administrators, against all loss, cost and expenses reasonably incurred by him in connection with any action, suit or proceeding to which he may be made a party by reason of his being or having been a director or officer of the Association, including reasonable counsel fees, except as to matters wherein he shall be finally adjudged in such action, suit or proceeding, to be liable for or guilty of gross negligence or willful misconduct. The foregoing rights shall be in addition to, and not exclusive of, all other rights to which such director or officer may be entitled.

ARTICLE X

MORTGAGES

Section One. Notice to Board of Directors. A Unit Owner who mortgages his Unit shall notify the Board of the name and address of his mortgagee. The Board shall maintain such information in a book entitled "Mortgagees of Units."

Section Two. Notice of Unpaid Assessments. The Board, whenever so requested in writing by an Institutional Lender holding a first mortgage on a Unit, shall promptly report any then unpaid assessments due from, or any other default by, the Owner of the mortgaged Unit.

Section Three. Examination of Books. Each Unit Owner and each Institutional Lender holding a first mortgage on a Unit shall be permitted to examine the books of account of the Association at reasonable times and upon reasonable notice on a business day, but not more often than once a month.

Section Four. Notice of Termination of Management Contracts. The Board shall notify the Institutional Lender having the maximum number of first mortgages on Units in the Condominium in writing of the termination of any management contract within ten (10) days of receipt or issuance of any notice of such termination by either the Association or the Managing Agent. Notwithstanding the foregoing, the prior written approval of the Institutional Lender having the maximum number of first mortgages on Units in the Condominium shall be required to effectuate any decision by the Association to terminate professional management and assume self-management of the Condominium.

Section Five. Other Mortgagees Rights. Every Institutional Lender holding a first mortgage on a Unit or their representatives shall be entitled to attend meetings of the Association and shall have the right to speak thereat. In addition thereto, every Institutional Lender holding a

first mortgage on a Unit shall have the right to require the submission of annual financial reports and other budgetary information.

IN WITNESS WHEREOF, we, being all of the Directors of Dockside Condominium Owners Association, Inc., have hereunto set our hands this 13 day of September, 1984.

E. Allan Gayle (SEAL)  
E. Allan Gayle

Conway H. Sheild, III (SEAL)  
Conway H. Sheild, III

Robert L. Freeman, Jr. (SEAL)  
Robert L. Freeman, Jr.

THIS BYLAWS with the certificate annexed thereto, was delivered to the Clerk of the Circuit Court of Gloucester County, Virginia, on the 13 day of December, 19 84 admitted to record at 12:14 o'clock P. M. and is recorded.

Teste:

Charles E. King, Jr. Clerk

AMENDMENT TO THE BYLAWS OF  
DOCKSIDE CONDOMINIUM OWNER'S ASSOCIATION, INC.

(PHASE \_\_\_)

THIS AMENDMENT to the Bylaws of Dockside Condominium Owner's Association, Inc., a Virginia non-stock corporation (hereinafter referred to as the "Association") is made this \_\_\_ day of \_\_\_\_\_, 1988.

WHEREAS, by the Declaration of Dockside Condominium dated \_\_\_\_\_, 19\_\_\_\_, and recorded in the Office of the Clerk of the Circuit Court for the County of Gloucester, Virginia, in Deed Book \_\_\_\_\_, page \_\_\_\_\_ (hereinafter referred to as the "Declaration"), Declarant did submit certain real property situate, lying and being in the County of Gloucester, Virginia, to the regime established by the Condominium Act, Title 55, Chapter 4.2, § 55-79.39 through § 55-79.103 of the Code of Virginia of 1950, as amended (hereinafter referred to as the "Condominium Act") and did thereby create and establish a condominium form of ownership for the property known as Dockside Condominium (hereinafter referred to as the "Condominium"); and

WHEREAS, pursuant to § 55-79.73(a) of the Condominium Act, a set of bylaws (hereinafter referred to as the "Bylaws") was simultaneously recorded with the Declaration providing for the self-government of Dockside Condominium by the Association comprised of all the Unit Owners therein; and

WHEREAS, the Declarant, by amendment to the Declaration, has added certain of the additional land to the Condominium pursuant to § 55-79.63 of the Condominium Act; and

WHEREAS, § 55-79.73(c) of the Condominium Act provides that an amendment to the Declaration creating Units upon the additional land requires an amendment to the Bylaws of the Association to reallocate each Unit's liability for Common Expenses in the Condominium and to state the voting rights of each Unit Owner in the Association.

NOW, THEREFORE, pursuant to the requirements of § 55-79.73(c) of the Condominium Act, and upon motion duly made, seconded and unanimously adopted at a special meeting of the members and Board of Directors of the Association, the Bylaws are hereby amended as follows:

Reallocation of Voting Rights and Liability for Common Expenses. Pursuant to Section 55-79.73(c) of the Condominium Act, the liability for Common Expenses and voting rights in the Condominium are hereby reallocated to each and every Unit, in accordance with the formula for allocation of Common Expenses contained in Article Four of the Declaration and Article Seven of the Bylaws.

Except as modified by this Amendment, all terms and provisions of the Bylaws, are hereby expressly ratified and confirmed, and shall remain in full force and effect and shall be applicable to the Condominium Units and Common Elements created hereby.

WITNESS the following signature, this \_\_\_\_\_ day of \_\_\_\_\_, 1988.

DOCKSIDE CONDOMINIUM OWNER'S ASSOCIATION, INC.

By: \_\_\_\_\_

STATE OF VIRGINIA  
CITY/COUNTY OF \_\_\_\_\_, to wit:

I, \_\_\_\_\_, a Notary Public in and for the City and State aforesaid, whose commission expires on the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, do hereby certify that \_\_\_\_\_, as \_\_\_\_\_ of DOCKSIDE CONDOMINIUM OWNER'S ASSOCIATION, INC., whose name is signed to the foregoing writing bearing date on the \_\_\_\_\_ day of \_\_\_\_\_, 1988, has acknowledged the same before me in my City and State aforesaid.

Given under my hand this \_\_\_\_\_ day of \_\_\_\_\_, 1988.

\_\_\_\_\_  
Notary Public

**INDEX TO PHASES AND UNITS OF DOCKSIDE CONDOMINIUMS**

<u>PHASE NO</u>	<u>NUMBER OF BUILDINGS</u>	<u>BUILDING NOS.</u>	<u>UNITS</u>
One (1)	Four (4)	1, 2, 3, 4	24
Two (2)	Two (2)	5, 25	12
Three (3)	One (1)	6	6
Four (4)	Three (3)	12, 23, 24	18
Five (5)	One (1)	7	6
Six (6)	One (1)	9	6
Seven (7)	One (1)	15	6
Eight (8)	One (1)	8	6
Nine (9)	One(1)	16	6