

EXHIBIT A

BYLAWS

OF

MARINER'S QUAY CONDOMINIUM ASSOCIATION, INC.

Section 1.1 Name. The name of this association is Mariner's Quay Condominium Association, Inc. (the "Association").

Section 1.2 Principal Office. The principal office of the Association shall be located at 333 Stoneshore Road, Virginia Beach, Virginia 23452.

ARTICLE 2

DEFINITIONS

Section 2.1 Declaration of Condominium.

"Declaration" as used herein means that certain Declaration made as of the 21st day of November, 1994, by Affordable Homes, Inc. (hereinafter sometimes called the "Declarant"), pursuant to the provisions of the Condominium Act of the Commonwealth of Virginia, as set forth in Chapter 4.2, Title 55, Code of Virginia of 1950, as amended (the "Condominium Act") which declaration is or is intended to be recorded in the Clerk's Office of the City of Chesapeake, Virginia, and to which a copy of these Bylaws is appended.

Section 2.2 Other Definitions. Unless it is plainly evident from the context that a different meaning is intended, all of the terms used herein shall have the same meaning as they are defined to have in the Declaration, or the Articles of Incorporation of the Association, and if not defined in either, then in the Condominium Act.

ARTICLE 3

MEMBERSHIP

Section 3.1 Members. Each Unit Owner shall be a member of the Association and shall be entitled to vote in respect of the affairs of the Association. No other person may be a member of the Association or vote in its affairs.

Section 3.2 Change of Ownership. Upon the recording of a deed or other instrument establishing a change of record title to a Condominium Unit, and the delivery to the Association of a certified copy of said instrument, the Unit Owner designated by said instrument shall become a member of the Association and the

membership of the prior Unit Owner, the interest existing by virtue of his prior ownership of such Condominium Unit, shall be hereby terminated.

ARTICLE 4

MEETINGS OF MEMBERS

Section 4.1 Location. All meetings of members shall be held at a principal office of the Association as specified in the notice or at such other place as the members shall agree upon.

Section 4.2 Annual Meetings. Within one (1) year of the conveyance of the first Unit, the Declarant shall call the first meeting of Unit Owners. Thereafter, meetings of the members shall be held annually. The Secretary shall send to each Unit Owner notice of the time, place and purpose or purposes of each annual meeting not more than fifty and not less than twenty-one days in advance of such meeting. Such notice shall be given in the manner provided by the Condominium Act, to-wit: such notice shall be sent by United States mail to all Unit Owners of record at the addresses of their respective Condominium Units and to such other addresses as any of them may have designated to such officer; or, such notice may be hand delivered by such officer, provided such officer certifies in writing that notice was delivered to the person of the Unit Owner. At such meetings the members of the Board of Directors shall be nominated and elected in the manner provided in section 5.2 hereof. The members may transact such other business at such meetings as may properly come before them.

Section 4.3 Special Meetings. Special meetings of the members may be called at any time by the President. In addition, it shall be the duty of the President to call a special meeting of the Unit Owners if so directed by a resolution of the Board of Directors or upon a petition signed and presented to the Secretary by the Unit Owners of Condominium Units to which at least twenty-five percent (25%) of the total votes appertain. Notice of any special meeting shall be made in the manner provided in Section 4.2 above, and the notice of said special meeting shall be given not more than fifty and not less than seven days in advance thereof.

Section 4.4 Notice to Institutional Mortgagees. The Secretary shall give written notice of any and all annual and special meetings of members to all Institutional Mortgagees holding first Mortgages on Condominium units who request in writing to be so notified. Such notice shall be sent by United States mail at the address shown for such Institutional Mortgagee in the Book of Mortgages. Each such Institutional Mortgagee shall be entitled to designate a representative to attend any meeting of the members.

Section 4.5 Proxies. At all meetings of members, each member may vote in person or by a proxy duly elected by or on

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behalf of the Unit Owner, or, in cases where the Unit Owner is more than one person, by or on behalf of all such persons. No proxy shall be revocable except by actual notice to the persons presiding over the meeting, by the Unit Owner or by any such persons, that it be revoked. Any proxy shall be void if it is not dated, if it purports to be revocable without notice as aforesaid, or if the signatures of any of those executing the same have not been witnessed by a person who shall sign his full name and address. The proxy of any person shall be void if not signed by a person having authority, at the time of the execution thereof, to execute deeds on behalf of that person. Any proxy shall terminate automatically upon the adjournment of the first meeting held on or after the date of that proxy.

Section 4.6 Voting.

(a) In the event that any Condominium Unit is owned by more than one person, if only one of such persons is present at a meeting of the Unit Owners that person shall be entitled to cast the votes appertaining to that Condominium Unit; but if more than one of such persons is present, the vote appertaining to that Condominium Unit shall be cast only in accordance with their unanimous agreement, which consent shall be conclusively presumed if any one of them purports to cast the votes appertaining to that Condominium Unit without protest being made forthwith by any of the others to the person presiding over the meeting.

(b) No member shall be eligible to vote if such member is more than thirty days delinquent in payments due the Association.

(c) Subject to the conditions set forth in this section and section 5.2, a Unit Owner shall be entitled to cast one vote at all meetings of Unit Owners for each one percent interest in the Common Elements appurtenant to his Unit. The total number of votes of all Unit Owners shall be equal to the number of Units in the Condominium.

Section 4.7 Quorum. Except as otherwise provided herein, the presence in person or by proxy of Unit Owners having twenty-five percent (25%) of the total authorized votes of all Unit Owners shall constitute a quorum at all meetings of the Unit Owners.

Section 4.8 Majority Vote. The vote of a majority of Unit Owners at a meeting at which a quorum shall be present shall be binding upon all Unit Owners for all purposes except where the Declaration, and Bylaws, of the Association or law requires a higher percentage.

Section 4.9 Majority of Unit Owners. As used in these Bylaws, the term "majority of Unit Owners" shall mean those Unit

Owners having more than fifty percent (50%) of the total authorized votes of all Unit Owners present in person or by proxy and voting at any meeting of the Unit Owners; provided, however, if fifty percent (50%) or more of the votes in the Association appertain to twenty-five percent (25%) or less of the Units, then "majority of Unit Owners" shall be deemed to include, in addition to the aforesaid percentage of votes, assent by the Unit Owners of a like majority of the Units.

ARTICLE 5

DIRECTORS

Section 5.1 Number and Qualification. Until their successors shall have been elected at the first meeting of the Unit Owners following expiration of Declarant's control pursuant to Article 11 of the Declaration, the affairs of the Association shall be managed by a Board of Directors composed of three (3) person, who need not be a member of the Association, designated by the Declarant. Thereafter, the affairs of the association shall be managed by a Board of Directors composed of five (5) persons, who need not be members of the Association.

Section 5.2 Election. Beginning with the first meeting of the unit owners following the expiration of the Declarant's control pursuant to article 11 of the Declaration, the five members of the Board of Directors shall be nominated and elected by the members of the Association. Each director so elected shall hold office until his term expires and until his successor has been duly chosen and has taken office or until he shall resign or shall have been removed. Any Director may be re-elected.

Section 5.3 Compensation. No compensation shall be paid to directors for their services as directors. However, compensation may be paid to a director in his capacity as an officer, employee, contractor or agent for services rendered to the Association, as long as such compensation is approved in advance by the Board of Directors, and the director receiving such compensation is not permitted to vote in respect thereof.

Section 5.4 Removal and Resignation. Any director may resign at any time by giving written notice to the President or the Secretary of the Association. Such resignation shall take effect at the time specified therein, or if no time is specified therein, at such time such resignation is received by the President or Secretary of the Association. At a meeting expressly called for that purpose, any director may be removed, with or without cause, by a vote of the required majority of the unit Owners; provided, however, during the period of Declarant control, Declarant shall have the right to remove and appoint directors at will.

ARTICLE 6

MEETING OF DIRECTORS

Section 6.1 Regular Meetings. The regular meetings of the Board of Directors shall be held at the same place as, and immediately following, the annual meeting of members, or at such other time and place as the directors shall agree upon by appropriate resolution.

Section 6.2 Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the President or any three (3) directors.

Section 6.3 Notice of Meetings.

(a) Regular meetings of the directors may be held without notice.

(b) The person or persons calling a special meeting of the Board of Directors shall, at least three (3) days before the meeting, give oral, telephonic, telegraphic or written notice thereof, which notice shall state the time and the place, but need not state the purpose, of the meeting.

(c) Attendance of a director at any meeting shall constitute a waiver of notice of such meeting, except for a director who attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

Section 6.4 Notice to Institutional Mortgagees. The Secretary shall give written notice of any and all special meetings and of the annual meeting if other than immediately following the annual meeting of members, of the Board of Directors to all Institutional Mortgagees holding first Mortgages on Condominium Units who request in writing to be so notified. Such notice shall be sent by United States mail, return receipt requested, at the address shown for such Institutional Mortgagee in the Book of Mortgages. Each such Institutional Mortgagee shall be entitled to designate a representative to attend any meeting of the Board of Directors.

Section 6.5 Quorum. A majority of the directors shall constitute a quorum for the transaction of business at any meeting of the Board of Directors.

Section 6.6 Manner of Acting. Except as otherwise provided herein by law, the act of a majority of directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

Section 6.7 Action Without a 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 the members of the Board of Directors shall individually or collectively consent in writing to such action. Such written consent or consents shall be filed with the minutes of meetings of the Board of Directors.

ARTICLE 7

OFFICERS

Section 7.1 Designation. The officers of the Association shall be a President, Secretary and Treasurer, all of whom shall be elected by the Board of Directors and, after the period of Declarant control, must be members of the Association. The office of President and Treasurer may be filled by the same person. The directors may appoint one or more additional Vice Presidents, Assistant Secretaries and Assistant Treasurers, and such other officers as in their judgment may be desirable. Any two or more offices, other than the offices of President and Secretary, may be held by the same person.

Section 7.2 Election of Officers. The officers of the Association shall be elected annually by the Board of Directors at its regular meeting. Each officer shall hold office for a term as determined by the Board of Directors and shall serve until the expiration of his term.

Section 7.3 Removal. Any officer or agent elected or appointed by the Board of Directors may be removed by the Board of Directors with or without cause, but such removal shall be without prejudice to the contractual rights, if any, of the person so removed.

Section 7.4 Compensation. The compensation, if any, of all officers of the Association shall be fixed by the Board of Directors.

Section 7.5 President. The President shall be the principal executive officer of the Association and, subject to the control of the Board of Directors, shall supervise and control the management of the Association in accordance with these Bylaws. The President shall be a member of the Board of Directors, and when present, preside at all meetings of the Board of Directors. The President shall have all the general powers and duties which are usually vested in the office of president of a corporation.

Section 7.6 Secretary. The Secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of members of the Association; the Secretary shall have custody of the seal of the Association, shall have charge of the membership transfer books and of such other books and papers as

the Board of directors may from time to time direct, and shall in general perform all the duties incident to the office of secretary.

Section 7.7 Treasurer. The Treasurer shall have the responsibility for corporate funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. The Treasurer shall be responsible for the deposit of all monies and other valuable effects in the name, and to the credit of the Association in such depositories as may from time to time be designated by the Board of Directors. The Treasurer shall cause to be made and filed at the registered or principal office of the Association within four months after the end of each fiscal year a true statement of the assets and liabilities of the Association as of the close of such fiscal year and a true statement of the results of its operation and changes in financial condition, all in reasonable detail and in accordance with standard accounting principles and practice applied on a consistent basis.

ARTICLE 8

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 8.1 Powers and Duties. The Board of Directors shall have all the powers and duties necessary for the administration of the affairs of the Association and may do all such acts and things as are not by law or by the Articles of Incorporation, Declaration or these Bylaws directed to be exercised or done by the members. The powers and duties of the Board of Directors shall include, but not be limited to, the following:

(a) To provide for the maintenance, repair and replacement of the Common Elements and Limited Common Elements in a manner consistent with law and the provisions of these Bylaws and the Declaration.

(b) To establish and provide for the collection of assessments and/or carrying charges from the members and for the assessment and/or enforcement of liens therefor in a manner consistent with the law and the provisions of these Bylaws and the Declaration;

(c) To employ a manager, independent contractor and/or such other employees as they deem necessary, and on such terms as they deem advisable, in order to perform their duties hereunder and to provide the services for the Condominium in a manner consistent with law and the provisions of these Bylaws and the Declaration; provided, however, if Institutional Mortgagees having liens on a majority of the Units so request, a professional manager shall be engaged to manage the Condominium.

(d) To grant utility and other easements under, through

and over the Common Elements, including such easements as are reasonably necessary to the ongoing development and operation of the Condominium and to accept easements which benefit the Condominium or any portion thereof.

(e) To cause to be kept a complete record of all the Association's acts and corporate affairs and to present a statement thereof at the regular annual meeting of the members or at any special meeting, when such statement is requested in advance in writing by any of the members who are entitled to vote.

(f) To supervise all officers of the Association and to see that their duties are properly performed.

(g) In accordance with the provisions of the Declaration, to procure and keep in force such casualty, public liability, workmen's compensation and other insurance as shall be acceptable to the Institutional Mortgagee approving such insurance, in accordance with the provisions of the Declaration, and as the Board of Directors shall deem necessary and reasonable;

(h) To promulgate and enforce such administrative rules and regulations (i) governing the details of operation, use, architectural treatment and decoration of the Common Elements, as the Board of Directors shall deem reasonable and necessary, and (ii) imposing such restrictions on, and requirements respecting the use and maintenance of the Condominium Units and the Common Elements not set forth in the Declaration, as are designed to prevent unreasonable interference with those of the respective Units and of the Common Elements by, and governing the conduct of, the Unit Owners and/or their guests, tenants, invitees and licensees.

(i) To the extent that any conduct of a Unit Owner or licensee or invitee of a Unit Owner constitutes a violation of the Rules and Regulations, Declaration or the Bylaws thereby resulting in any common expenses to the Association which benefit less than all the Condominium Units in the Condominium, the Board of Directors may, by appropriate resolution, provide for an assessment against the Unit Owner in an amount equal to the extra expense incurred by the Association, or, in the alternative, such assessment as may be in such reasonable amount as the Board of Directors may deem appropriate as liquidated damages, and any such assessment may be specially assessed against the Condominium Unit or Condominium Units of the unit Owner involved.

Section 8.2 Contracts. The Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument on behalf of the Association, and such authority may be general or confined to specific instance.

Section 8.3 Loans. No loans shall be contracted on behalf of the Association and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors and approved by each of the members of the Association.

Section 8.4 Checks and Drafts, Payment Vouchers. All checks, drafts or other orders for the payment of money issued in the name of the Association shall be signed by, and all payment vouchers shall be approved by, such officer or officers, agent or agents, of the Association and in such manner as shall from time to time be determined by resolution by the Board of Directors.

Section 8.5 Deposits. All funds of the Association not otherwise employed shall be deposited from time to time to the credit of the Association in such depositories as the Board of Directors shall direct.

Section 8.6 Liability and Indemnification of Officers and Directors. The Association shall indemnify every officer and director of the Association against any and all expenses (including counsel fees), judgments and amounts paid in settlement, actually and reasonably incurred by such officer or director in connection with any action, suit or other proceeding to which he may be made a party by reason of being or having been an officer or director of the Association whether or not such expenses or liabilities are incurred if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Association; provided, however,, that there shall be no obligation to indemnify any officer or director for any expenses or liabilities arising out of such person's gross negligence or willful misconduct. The officers and directors of the Association shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Association (except to the extent that such officers and directors may also be, and be liable by virtue of being, owners of Condominium Units), and the Association shall indemnify and hold harmless each such officer and director against any and all liability to others on account of any such contract or commitment. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any officer or director of the Association, or former officer or director of the Association, may be entitled.

ARTICLE 9

BOOKS AND RECORDS

The books, records and papers (including financial statements) of the Association shall at all times, during normal business hours, be subject to inspection by any member, Mortgagee, and the holders, insurers and guarantors of the first Mortgage on

a Condominium Unit and/or their duly authorized agents and attorneys. The Declaration, Articles of Incorporation of the Association, and Bylaws shall be available for inspection by any member, Mortgagee, and the holders, insurers, and guarantors of the first Mortgage on a Condominium Unit at the principal office of the Association.

ARTICLE 10

FISCAL MANAGEMENT

Section 10.1 Fiscal Year. The first fiscal year of the Association shall begin at the date of the sale and settlement of the first unit, and each fiscal year of the Association shall end on the last day of December; provided that the fiscal year herein established shall be subject to change by resolution of the Board of Directors at any time.

Section 10.2 Books and Accounts. Books and accounts of the Association shall be kept under the direction of the Treasurer in accordance with good accounting practices. The books and accounts shall include detailed accounts, in chronological order, of receipts and expenditures affecting the Condominium and its administration and shall specify the maintenance and repair expenses of the Common Elements and services and any other expenses incurred.

Section 10.3 Auditing. At the close of each fiscal year, the books and records of the Association shall be audited by an accountant, whose report shall be prepared and certified in accordance with generally accepted accounting practices, applied on a consistent basis. The Association shall furnish, upon request, within four (4) months after the close of each fiscal year a copy of such report to each member and Institutional Mortgagee holding a first Mortgage on a Condominium Unit.

Section 10.4 Budget. Not later than thirty days prior to the beginning of each fiscal year (or such other period as the Board of Directors shall adopt for the purposes of this Section 10.4, and if any other period is so adopted the term "fiscal year" as used in this Section 10.4 and in Sections 7.7 and 11.3 shall mean such other period), the Board of Directors shall adopt a budget for such fiscal year and shall promptly thereafter transmit copy of the same to each member. The Budget shall contain estimates of the income and expenses of the Association for such fiscal year, including but not limited to, the following: (i) the cost of all operating expenses of the Condominium and services furnished, including charges by the Association for facilities and services furnished by it; and (ii) the cost of necessary management and administration, including any fees paid to any management agent; and (iii) the amount of all taxes and assessments levied against the Association or which the Association is otherwise

required to pay, if any; and (v) the cost of fire and extended liability insurance on the Condominium and the cost of such other insurance as the Association may carry; and (v) the cost of furnishing water, electricity, heat, gas, garbage and trash collection and/or other utilities, to the extent furnished by the Association; and (vi) the cost of funding all reserves established by the Association, including, when appropriate, a general operating reserve and/or a reserve for replacements; and (vii) the estimated cost of repairs, maintenance and replacement of the Condominium to the extent required to be made by the Association. The budget shall also contain a proposed breakdown of the annual assessment against each Condominium Unit for the aforesaid expenses.

Section 10.5 Fidelity Bonds. The Board of Directors may require that all officers and employees of the Association handling or responsible for corporate or trust funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be paid by the Association.

ARTICLE 11

ASSESSMENTS AND CARRYING CHARGES

Section 11.1 Share of Common Expenses. By the Declaration each Unit Owner is liable for a proportionate share of the common expenses, as defined therein, in accordance with the votes appertaining to the Condominium Unit owned as set forth in these Bylaws, and in addition, may be liable for special assessments as provided herein.

Section 11.2 Annual Assessments. Annual assessments shall be made for each fiscal year in advance of such year by submitting the budget (prepared in accordance with Section 10.4 of these Bylaws) to the Unit Owners; provided, however, that the failure of the Board of Directors, prior to the commencement of any assessment period, to fix the assessments hereunder for that period or the next period, shall not be deemed a waiver or a modification in any respect of the provisions of this Article, or a release of any member from the obligation to pay the assessment, or any installment thereof, for that or any subsequent assessment, but rather the assessment fixed for the preceding period shall continue until a new assessment is fixed. One-twelfth of the annual assessment for each fiscal year shall be due monthly in advance on the first day of each month during such fiscal year, except that for the initial month only a pro rata share (determined on the basis of the time remaining in the month) shall be payable in advance.

Section 11.3 Reserve for Maintenance, Repair and Replacements. The Association shall establish and maintain, out of regular assessments for common expenses, a reserve fund for

maintenance, repair and replacement of the Common Elements by the allocation and payment to such reserve fund of an amount or amounts to be designated from time to time by the Board of Directors. Such fund, if created, shall be conclusively deemed to be a common expense. Such fund shall be deposited in a special account with a lending institution, the accounts of which are insured by an agency of the United States of America or may, in the discretion of the Board of Directors, be invested in obligations of, or fully guaranteed as to principal by, the United States of America. Such reserve, if created, may be expended only for the purpose of effecting the maintenance, repair or replacement of the Common Elements. The proportionate interest of any Unit Owner in any such reserve fund shall be considered as an appurtenance to his Condominium Unit and shall not be separate withdrawn, assigned or transferred or otherwise separated from the Condominium Unit to which it appertains and shall be deemed to be transferred with such Condominium Unit. In addition, the Association may establish and maintain a reserve fund for other contingencies of a nonrecurring nature.

Section 11.4 Special Assessments. In addition to the regular assessments authorized by this Article, the Association may levy in any fiscal year a special assessment or assessments, applicable to that year only or for such other period of time as the Board of directors shall determine, including assessments as provided in the Declaration, for the purpose of defraying, in whole or in part, the cost of any insurance, construction reconstruction or repair, unexpected repair or replacement of any portion of the Condominium as provided in the Declaration. Any such special assessment, except in the case of assessments for additional operating funds, reconstruction or repair of damage as provided in the Declaration or these Bylaws, and repair or replacement of the Common Elements of the Condominium, shall be subject to approval by the affirmative vote 50% of the Units. Any such assessment shall become due after thirty days' notice thereof in such manner as the Board of Directors may require.

Section 11.5 Assessment Certificates. The Association shall, upon demand at any time, furnish to any members liable for any assessment and levy pursuant to these Bylaws (or any other party legitimately interested in the same) a certificate in writing signed by an officer of the Association, or the designated agent of the Association, setting forth the amount, if any, of said member's unpaid assessment. Such certificate shall be conclusive evidence of the payment of any assessment therein stated to have been paid.

Section 11.6 Effect of Nonpayment of Assessments:
Remedies of the Association

(a) Any assessment or installment thereof paid on or before nine (9) days after the date when due shall not bear interest, but all sums not paid on or before nine (9) days after

the date due shall be subject to such late charge and/or interest as the Board of Directors may from time to time impose. The Condominium manager or the Board of Directors of the Association may maintain an action at law on behalf of the Association to collect any such unpaid assessment(s) or installment(s). If the services of an attorney are retained to collect such delinquent assessment(s) or installment(s) an attorney's fee equal to 25% of the amount delinquent, if incurred, and all costs of collection shall be paid by the defaulting Unit Owner.

(b) In the event (i) of the failure of a Unit Owner to pay any assessment due hereunder for more than thirty days after the due date; (ii) any Unit Owner shall be or become insolvent or make an assignment for the benefit of creditors; (iii) a petition is filed or any other proceeding is commenced under the Federal Bankruptcy Act or any state insolvency statute by or against any Unit Owner; or (iv) a receiver is appointed for, or a writ or order of attachment, levy or garnishment is issued against, any Unit Owner, or the property or assets of any of them, the balance of installments due for the then current fiscal year shall immediately become due and payable.

(c) Any sum assessed by the Association for the share of common expenses chargeable to any Condominium Unit, and remaining unpaid for a period of thirty days or longer, shall constitute a lien on such Condominium Unit when filed of record in accordance with the Condominium Act. Upon such lien being duly filed, it shall be prior to all other liens except the following: (i) assessments, liens and charges for real estate taxes due and unpaid on the Condominium Unit; and (ii) all sums unpaid on any first deeds of trust or mortgages duly of record against the Condominium Unit prior to the docketing of the aforesaid lien and securing Institutional Mortgagees; and (iii) all sums unpaid on any first deeds of trust securing a purchase money mortgage.

(d) Provided the aforesaid lien is duly filed, such lien may be foreclosed by suit by the Association, acting on behalf of the Unit Owners, in accordance with the Condominium Act. In any such foreclosure the Unit Owner shall be required to pay a reasonable rental for the Condominium Unit, and the plaintiff in such foreclosure shall be entitled to the appointment of a receiver to collect such rental. The Association, acting on behalf of the Unit Owners, shall have the power to bid in the Condominium Unit at foreclosure sale, and to acquire and hold, lease, mortgage and convey the same. A suit to recover a money judgment for unpaid common expenses shall be maintainable without foreclosing or waiving the lien securing the same. In any such action the Association shall also be entitled to recover attorneys' fees advanced to effect collection of the assessment.

(e) By affirmative vote of the Board any Unit Owner more than 30 days delinquent in the payment of any assessment may be

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denied the right to use facilities, including parking facilities, or nonessential services offered by the Association to the extent that access to the Unit is not precluded. The vehicle(s) of any Unit Owner or tenant of a Unit Owner whose parking privilege has been suspended shall be subject to being towed at the expense of the Unit Owner or tenant of the Unit Owner. Before any such suspension may be imposed, the unit owner shall be given an opportunity to be heard and to be represented by counsel before the executive organ or such other tribunal as the condominium instruments or rules duly adopted pursuant thereto specify. Notice of such hearing shall, at least fourteen days in advance thereof, be hand delivered or mailed by registered or certified mail, return receipt requested, to such unit owner at the address or addresses required for notices of meetings pursuant to Code of Virginia section 55-79.75.

Section 11.7 Notice to Mortgagees. The Association shall give to all Mortgagees who request, in writing, to be so notified, notice of nonpayment of any common expense prior to foreclosure on any lien therefor.

ARTICLE 12

AMENDMENTS

Section 12.1 Amendment. Subject to the terms and conditions hereinafter set forth, the Bylaws may be amended by the affirmative vote of the owners of Condominium Units to which two-thirds of the votes in the Association pertain.

Section 12.1 Notice. Notice of the subject matter of any proposed amendment shall be included in the notice of any meeting at which a proposed amendment is considered.

Section 12.3 Recordation Required. No amendment to the Bylaws shall be effective until the same has been recorded in the Clerk's Office of the Circuit Court of the City of Chesapeake, Virginia.

Section 12.4 Binding Effect. All Unit Owners shall be bound to abide by any amendment upon the same being passed and duly set forth in an amended Declaration, duly recorded.

Section 12.5 Rights of Mortgagees. No material amendment may be made to these Bylaws without the prior written approval of each Institutional Mortgagee holding a first Mortgage on a Condominium Unit and who has requested, in writing, to be notified of such amendments. A copy of any proposed amendment shall be furnished to all such Institutional Mortgagees holding bona fide first liens, and unless the disapproval of any such amendment is received within thirty days of the giving of such copy, the amendment shall be conclusively deemed approved by such

Institutional Mortgagee. A copy of each amendment shall be recorded in the Clerk's Office of the Circuit Court of the City of Norfolk, Virginia. The rights of the members to amend the Bylaws, as provided for in this Article, are subject to the rights of certain Mortgagees to approve or disapprove of certain amendments as elsewhere set forth in these Bylaws.

ARTICLE 13

BOOK OF MORTGAGES

Any time a Unit Owner mortgages his Condominium unit, he shall notify the Association, in writing, of such Mortgage, specifying the name and address of the Mortgagee and the priority of the lien of the Mortgage. The Association shall maintain a "Book of Mortgages" in which the foregoing information shall be recorded.

ARTICLE 14

COMPLIANCE - INTERPRETATION - MISCELLANEOUS

Section 14.1 Compliance. These Bylaws are set forth in compliance with the requirements of the Condominium Act of the Commonwealth of Virginia, as amended.

Section 14.2 Conflict. These Bylaws are subordinate and subject to all provisions of the Declaration, the Articles of Incorporation of the Association and the Condominium Act. Every provision of these Bylaws shall be construed, if possible, so as not to conflict with said Act or the Declaration.

Section 14.3 Severability. In the event any provision or provisions of these Bylaws shall be determined to be invalid, void or unenforceable, such determination shall not render invalid, void or unenforceable any other provisions hereof which can be given effect.

Section 14.4 Waiver. No restriction, condition, obligation or provision of these Bylaws shall be deemed to have been abrogated or waived by reason of any failure or failures to enforce the same.

Section 14.5 Captions. The captions contained in these Bylaws are for convenience only and are not a part of these Bylaws and are not intended in any way to limit or enlarge the terms and provisions of these Bylaws.

RECORDED WITH
CERTIFICATE ANNEXED

1995 JAN 23 P 12:00

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\$50.1-812 TAXES PAID \$
CHESAPEAKE, VA.

TESTED: *[Signature]*
CLERK, CIRCUIT COURT

THIS DECLARATION, made this 21st day of November, 1994, by Affordable Homes, Inc., a Virginia corporation (hereinafter called the "Declarant"), Grantor, to establish a condominium as provided in the Condominium Act of Virginia, as set forth in Chapter 4.1, Title 55, Code of Virginia of 1950, as amended (hereinafter called the "Condominium Act");

W I T N E S S E T H:

WHEREAS, Declarant owns fee simple title to certain land and premises, with improvements, easements, rights of way and appurtenances thereunto, situate in the City of Chesapeake, Virginia (hereinafter called the "Property"), which property is more particularly described in Section 3.1 of this Declaration; and

WHEREAS, it is the desire and intention of Declarant to submit the Property to the provisions of the Condominium Act and thereby create a condominium;

NOW, THEREFORE, Declarant states as follows:

ARTICLE 1
Definitions

Unless it is plainly evident from the context that a different meaning is intended, the terms used in the "Condominium Instruments" shall have the meanings assigned to them in this Article 1. Any term used in the "Condominium Instruments" which is not listed in this Article 1 but is defined in the Condominium Act shall have the meaning set forth in the Condominium Act as in effect of the date of this Declaration, unless a different meaning is plainly required by the context.

1.1 Association. "Association" means Mariner's Quay Condominium Association, Inc. (hereinafter referred to as the "Association"), which is an association of the Unit Owners acting as a group in accordance with the Condominium Instruments and the Condominium Act.

1.2 Board of Directors. "Board of Directors" means the persons elected as such in accordance with the Bylaws, who shall be the governing body of the Association.

1.3 Bylaws. "Bylaws" means the bylaws of the Association, attached hereto as Exhibit A and made a part hereof by reference thereto, as the same may be amended from time to time.

1.4 Common Elements. "Common Elements" means both General Common Elements and Limited Common Elements as defined in Article 4 hereof.

SEE:

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(i) all expenditures lawfully made or incurred by or on behalf of the Association, together with all funds lawfully assessed for the creation and/or maintenance of reserves pursuant to the provisions of the Condominium Instruments.

(ii) expenses declared Common Expenses by the provisions of the Condominium Act or by this Declaration or by the Bylaws or by the Association.

1.6 Condominium. The "Condominium" means Mariner's Quay Condominiums, as submitted to the Condominium Act by the recordation of this Declaration.

1.7 Condominium Acts. "Condominium Acts" means Chapter 4.2 of Title 55, 1950 Code of Virginia, as amended.

1.8 Condominium Instruments. "Condominium Instruments" shall be a collective term referring to this Declaration, the Bylaws, any plats and plans, and any exhibit, schedule or certificate accompanying any of the foregoing and the Unit Deed.

1.9 Condominium Unit. "Condominium Unit" means a Unit together with the undivided fee simple interest, as a tenant in common with the other Units, in the Common Elements appertaining to that Unit.

1.10 Declarant. "Declarant" means Affordable Homes, Inc., a Virginia corporation, and its successors and assigns.

1.11 Family. "Family" means an individual and his (i) spouse, (ii) children, (iii) brothers and sisters, (iv) aunts and uncles, (v) lineal ancestors and descendants, and (vi) any other person who resides with, and is claimed as a dependent on federal income tax returns of, such individual.

1.12 Institutional Mortgagee. "Institutional Mortgagee" means any federal or state bank, savings and loan association, credit union, or trust company, insurance company, real estate investment trust, pension fund, mortgage company, agency of the United States Government or political subdivision of any state, or any like entity.

1.13 Limited Common Element. "Limited Common Element" means a portion of the Common Elements reserved for the exclusive use of those entitled to the use of one or more, but less than all, of the Units.

1.14 Majority of the Owners. "Majority of the Owners" means the Owners of the Units to which more than Fifty Percent (50%) of the votes in the Association appertain. Any specified percentage

of the owners means the owners of such number of Units to which the specified percentage of the votes in the Association appertain.

1.15 Managing Agent. "Managing Agent" means a professional managing agent employed by the owners to perform such duties and services as the Board of Directors shall authorize in conformance with the Condominium Act, this Declaration and the Bylaws.

1.16 Mortgage. "Mortgage" means any mortgage or deed of trust creating a lien on a Condominium Unit and all renewals, extensions and modifications thereto. Mortgagee means the obligations secured by a Mortgage.

1.17 Owner or Unit Owner. "Owner or Unit Owners" means any natural person, corporation, partnership, association, trust, or other entity capable of holding title to real property, or any combination thereof, which owns fee simple absolute title to a Condominium Unit, in addition to an undivided fee simple interest, as a tenant in common with the other unit owners, in common elements. No mortgagee, as such, shall be deemed an Owner, or a Unit Owner.

1.18 Percentage Interest. "Percentage Interest" means the percentage undivided interest of each Unit in fee simple, as a tenant in common with the other Units, in the Common Elements.

1.19 Person. "Person" means an individual, corporation, partnership, association, trustee or other entity capable of holding title to real property, or any combination thereof.

1.20 Property. "Property" means the land and the improvements owned in fee simple absolute, and all easements, rights and appurtenances belonging thereto, and all articles of personal property intended for use in connection therewith.

1.21 Rules and Regulations. "Rules and Regulations" means those rules and regulations adopted from time to time by the Board of Directors that are deemed necessary for the enjoyment of the Condominium provided they are not in conflict with the Condominium Act, the Declaration, or the Bylaws.

1.22 Unit. "Unit" means a portion of the Condominium designated and intended for individual ownership and use.

1.23 Unit Deed. "Unit Deed" means a general warranty deed whereby the Declarant conveys to the Unit Owner fee simple absolute title to a Condominium Unit and an undivided fee simple interest, as a tenant in common with the other Unit Owners, in the common elements.

ARTICLE 2
Creation of Condominium

2.1 Submission of Property. Declarant hereby submits the Property to the provisions of the Condominium Act, and further declares that on and subject to the terms and conditions hereinafter set forth, the Property shall be held, conveyed, leased, rented and occupied, improved, hypothecated and/or encumbered subject to the provisions of the Condominium Act and the covenants and restrictions hereinafter set forth, including the Bylaws of the Association, and Declarant further declares that the Property shall be a condominium known as Mariner's Quay Condominium.

2.2 Reservation for Expansion. Declarant hereby reserves the option, without the consent of any of the Unit Owners, or any other limitation, to expand the Condominium to include the property (hereinafter called the "Additional Land") or any portion(s) thereof shown and designated "Additional Land" on that certain plat (the "Condominium Plat") entitled, "Plat of Mariner's Quay Condominiums", drawn by Engineering Services, Inc., attached hereto as Exhibit B, and more particularly described in Section 3.2 of this Declaration. At any time, and from time to time, commencing upon the date of the recordation of this Declaration, and terminating seven (7) years thereafter, Declarant may exercise its option to expand the Condominium by adding the Additional Land or any portion(s) thereof. The Declarant may add the Additional Land, or any portion(s) thereof, in any order and such additions need not be contiguous. The Declarant may also assign as Limited Common Elements appurtenant to Units constructed on the Additional Land, parking spaces which are now unassigned and are shown on the Plat as available for such assignment. Declarant reserves the right, but shall not be obligated, to construct a swimming pool, community building, picnic area, and other recreational amenities within the Additional Land. No assurances are made as to what kind of improvements may be made to the Additional Land. Any Units which may be added to the Condominium will be restricted exclusively to residential use. Any structures to be erected on the Additional Land will be of the same architectural style, but not necessarily of the same design or same configuration, as the structures on the Property, but no assurances are made in terms of quality of construction or the principal materials to be used. Declarant reserves the right to create Limited Common Elements within the Additional Land and/or to designate Common Elements therein which later may be assigned as Limited Common Elements, but no assurances are made as to the type, sizes and maximum number of such elements to be created. Although no assurances can be made as to the location of any improvements on the Additional Land, no more than 12 Units per acre will be constructed on any portion of the Additional Land added to the Condominium. The Condominium may not, however, be amended or merged with a successor condominium without, to the extent required by 38 C.F.R. 36-4360(a), the prior written

approval of the Administrator of Veterans Affairs.

The option to expand the Condominium may be exercised by the recordation of the plats and plans and an amendment to the Declaration in accordance with the provisions of the Condominium Act. The amendment to the Declaration shall reallocate the Unit Owners' undivided fee simple interest, as a tenant in common with the other Unit Owners, in the Common Elements so that the Units being added to the Condominium shall be allocated equal undivided interests in the Common Elements as the Units located on the Property. Based on the foregoing formula the maximum and minimum undivided interests in the Common Elements for each Unit in the Condominium are estimated as follows:

MAX

MINIMUM

1/12

1/118

ARTICLE 3

Description of the Condominium

3.1 The Property. The "Property" consists of all that certain tract, piece or parcel of land, located in the City of Chesapeake, Virginia, and shown on that certain plat entitled "Plat of Mariner's Quay Condominiums", and attached hereto as Exhibit B. The Property is more particularly bounded and described as follows:

Beginning at the northeast end of the return on the southeast corner of the intersection of Esplanade Place and River Walk Parkway, Chesapeake, Virginia running along a curve to the left having a central angle of 9 deg. 56 min. 50 sec. and a radius of 730 feet an arc distance of 126.74 feet to the POINT OF BEGINNING and from the point of beginning running S. 29 deg. 00 min. 55 sec. East a distance of 192.72 feet to a point; thence turning and running S. 20 deg. 47 min. 45 sec. West a distance of 133.02 feet to a point; thence turning and running along a curve to the right having a central angle of 12 deg. 41 min. 56 sec. and a radius of 557.07 feet, an arc distance of 123.47 feet to a point; thence turning and running S. 70 deg. 17 min. 12 sec. West 69.66 feet to a point; thence turning and running N. 55 deg. 46 min. 23 sec. West a distance of 139.65 feet to a point; thence turning and running N. 50 deg. 42 min. 47 sec. West a distance of 26.49 feet to a point; thence turning and running along a curve to the left having a central angle of 64 deg. 16 min. 46 sec. and a radius of 342 feet, an arc distance of 60.41 feet to a point; thence turning and running S. 60 deg. 49 min. 59 sec. East a distance of 26.49 feet to a point; thence continuing S. 55 deg. 46 min. 23 sec. East a distance of 115.45 feet to a point;

thence turning and running along a curve to the left having a central angle of 11 deg. 35 min. 25 sec. and a radius of 492.07 feet, an arc distance of 99.54 feet to a point; thence turning and running N. 20 deg. 47 min. 45 sec. East a distance of 9.79 feet to a point; thence turning and running N. 69 deg. 12 min. 15 sec. West a distance of 103.46 feet to a point; thence turning and running N. 73 deg. 24 min. 39 sec. West a distance of 42.47 feet to a point; thence running along a curve to the left having a central angle of 64 deg. 16 min. 46 sec. and a radius of 342 feet, an arc distance of 130.53 feet to a point; thence running along a curve to the right having a central angle of 76 deg. 12 min. 36 sec. and a radius of 30 feet, an arc distance of 39.90 feet to a point; thence turning and running along a curve to the left having a central angle of 9 deg. 56 min. 50 sec. and a radius of 730 feet, an arc distance of 126.74 feet to the POINT OF BEGINNING.

3.2 Additional Land. The Additional Land consists of the parcel shown and designated as "Additional Land" on the Condominium Plat, and being more particularly bounded and described as follows:

ADDITIONAL LAND A

Beginning at the northeast end of the return on the southeast corner of the intersection of Esplanade Place and River Walk Parkway, Chesapeake, Virginia running along a curve to the left having a central angle of 9 deg. 56 min. 50 sec. and a radius of 730 feet an arc distance of 126.74 feet to a point, thence running S. 29 deg. 00 min. 55 sec. East a distance of 192.72 feet to the POINT OF BEGINNING and from the point of beginning running S. 29 deg. 00 min. 55 sec. East a distance of 217.23 feet to a point; thence turning and running S. 17 deg. 07 min. 56 sec. West a distance of 35.40 feet to a point; thence turning and running S. 40 deg. 27 min. 06 sec. West a distance of 18.16 feet to a point; thence turning and running S. 14 deg. 33 min. 59 sec. East a distance of 12.09 feet to a point; thence turning and running S. 41 deg. 36 min. 36 sec. West a distance of 21.93 feet to a point; thence turning and running S. 08 deg. 24 min. 09 sec. West a distance of 20.29 feet to a point; thence turning and running S. 44 deg. 53 min. 26 sec. West a distance of 21.17 feet to a point; thence turning and running S. 50 deg. 05 min. 53 sec. West a distance of 30.91 feet to a point; thence turning and running S. 19 deg. 45 min. 06 sec. West a distance of 19.33 feet to a point; thence turning and running S. 52 deg. 22 min. 39 sec. West a distance of 18.49 feet to a point; thence turning and running S. 09 deg. 55 min. 29 sec. East a distance of 15.36 feet to a point; thence

turning and running S. 21 deg. 55 min. 11 sec. West a distance of 11.40 feet to a point; thence turning and running S. 50 deg. 54 min. 28 sec. West a distance of 14.37 feet to a point; thence turning and running S. 22 deg. 10 min. 36 sec. West a distance of 41.88 feet to a point; thence turning and running S. 09 deg. 35 min. 57 sec. East a distance of 20.51 feet to a point; thence turning and running S. 62 deg. 21 min. 06 sec. West a distance of 36.29 feet to a point; thence turning and running S. 18 deg. 37 min. 02 sec. East a distance of 9.91 feet to a point; thence turning and running S. 15 deg. 26 min. 01 sec. West a distance of 12.41 feet to a point; thence turning and running S. 57 deg. 33 min. 19 sec. West a distance of 13.22 feet to a point; thence turning and running S. 07 deg. 23 min. 05 sec. West a distance of 16.03 feet to a point; thence turning and running S. 17 deg. 28 min. 42 sec. East a distance of 15.28 feet to a point; thence turning and running S. 02 deg. 22 min. 55 sec. East a distance of 12.16 feet to a point; thence turning and running S. 50 deg. 42 min. 26 sec. West a distance of 15.75 feet to a point; thence turning and running S. 32 deg. 45 min. 26 sec. West a distance of 82.18 feet to a point; thence turning and running S. 48 deg. 17 min. 34 sec. West a distance of 31.54 feet to a point; thence turning and running N. 64 deg. 46 min. 59 sec. West and distance of 62.82 feet to a point; thence turning and running N. 22 deg. 48 min. 21 sec. West a distance of 234.31 feet to a point; thence turning and running N. 32 deg. 44 min. 17 sec. West a distance of 185.23 feet to a point; thence along a curve to the left having a central angle of 64 deg. 16 min. 46 sec. and a radius of 342 feet, an arc distance of 107.29 feet to a point; thence turning and running S. 50 deg. 42 min. 47 sec. East a distance of 26.49 feet to a point; thence turning and running S. 55 deg. 46 min. 23 sec. East a distance of 139.65 feet to a point; thence turning and running N. 70 deg. 17 min. 12 sec. East a distance of 69.66 feet to a point; thence along a curve to the left having a central angle of 12 deg. 41 min. 56 sec. and a radius of 557.07 feet, an arc distance of 123.47 feet, thence turning and running N. 20 deg. 47 min. 45 sec. East a distance of 133.02 feet to the POINT OF BEGINNING.

ADDITIONAL LAND B

Beginning at the northeast end of the return on the southeast corner of the intersection of Esplanade Place and River Walk Parkway, Chesapeake, Virginia running along a curve to the left having a central angle of 76 deg. 12 min. 36 sec., and a radius of 30 feet, an arc distance of 39.90 feet to a point; thence running along a curve to the right having a central angle of 64 deg. 14

min. 46 sec. and a radius of 342 feet, an arc distance of 130.53 feet to the POINT OF BEGINNING and from the point of beginning running S. 73 deg. 24 min. 39 sec. East a distance of 42.47 feet to a point; thence turning and running S. 69 deg. 12 min. 15 sec. East a distance of 103.46 feet to a point; thence turning and running S. 20 deg. 47 min. 45 sec. West a distance of 9.79 feet to a point; thence along a curve to the right having a central angle of 11 deg. 35 min. 25 sec. and a radius of 492.07 feet, an arc distance of 99.54 feet to a point; thence turning and running N. 55 deg. 46 min. 23 sec. West a distance of 115.45 feet to a point; thence turning and running N. 60 deg. 49 min. 59 sec. West a distance of 26.49 feet to a point; thence along a curve to the left having a central angle of 64 deg. 16 min. 46 sec. and a radius of 342 feet, an arc distance of 75.08 feet to the POINT OF BEGINNING.

ADDITIONAL LAND C

Beginning at the northeast end of the return on the southeast corner of the intersection of Esplanade Place and River Walk Parkway, Chesapeake, Virginia running along a curve to the left having a central angle of 9 deg. 56 min. 50 sec. and a radius of 730 feet an arc distance of 126.74 feet to a point, thence running S. 29 deg. 00 min. 55 sec. East a distance of 409.95 feet to a point; thence turning and running S. 17 deg. 07 min. 56 sec. West a distance of 35.40 feet to a point; thence turning and running S. 40 deg. 27 min. 06 sec. West a distance of 18.16 feet to a point; thence turning and running S. 14 deg. 33 min. 59 sec. East a distance of 12.09 feet to a point; thence turning and running S. 41 deg. 36 min. 36 sec. West a distance of 21.93 feet to a point; thence turning and running S. 08 deg. 24 min. 09 sec. West a distance of 20.29 feet to a point; thence turning and running S. 44 deg. 53 min. 26 sec. West a distance of 21.17 feet to a point; thence turning and running S. 50 deg. 05 min. 53 sec. West a distance of 30.91 feet to a point; thence turning and running S. 19 deg. 45 min. 06 sec. West a distance of 19.33 feet to a point; thence turning and running S. 52 deg. 22 min. 39 sec. West a distance of 18.49 feet to a point; thence turning and running S. 09 deg. 55 min. 29 sec. East a distance of 15.36 feet to a point; thence turning and running S. 21 deg. 55 min. 11 sec. West a distance of 11.40 feet to a point; thence turning and running S. 50 deg. 54 min. 28 sec. West a distance of 14.37 feet to a point; thence turning and running S. 22 deg. 10 min. 36 sec. West a distance of 41.88 feet to a point; thence turning and running S. 09 deg. 35 min. 57 sec. East a distance of 20.51 feet to a point; thence turning and

running S. 62 deg. 21 min. 06 sec. West a distance of 36.29 feet to a point; thence turning and running S. 18 deg. 37 min. 02 sec. East a distance of 9.91 feet to a point; thence turning and running S. 15 deg. 26 min. 01 sec. West a distance of 12.41 feet to a point; thence turning and running S. 57 deg. 33 min. 19 sec. West a distance of 13.22 feet to a point; thence turning and running S. 07 deg. 23 min. 05 sec. West a distance of 16.03 feet to a point; thence turning and running S. 17 deg. 28 min. 42 sec. East a distance of 15.28 feet to a point; thence turning and running S. 02 deg. 22 min. 55 sec. East a distance of 12.16 feet to a point; thence turning and running S. 50 deg. 42 min. 26 sec. West a distance of 15.75 feet to a point; thence turning and running S. 32 deg. 45 min. 26 sec. West a distance of 82.18 feet to a point; thence turning and running S. 48 deg. 17 min. 34 sec. West a distance of 31.54 feet to the POINT OF BEGINNING and from the point of beginning turning and running S. 25 deg. 12 min. 59 sec. West a distance of 5.18 feet to a point; thence turning and running S. 03 deg. 04 min. 21 sec. East a distance of 24.22 feet to a point; thence S. 17 deg. 41 min. 28 sec. West a distance of 20.88 feet to a point; thence turning and running S. 27 deg. 30 min. 27 sec. West a distance of 10.94 feet to a point; thence turning and running S. 10 deg. 57 min. 05 sec. West a distance of 47.25 feet to a point; thence turning and running S. 20 deg. 11 min. 36 sec. West a distance of 19.72 feet to a point; thence turning and running S. 07 deg. 49 min. 45 sec. West a distance of 29.78 feet to a point; thence turning and running S. 13 deg. 20 min. 14 sec. West a distance of 139.18 feet to a point; thence turning and running S. 13 deg. 52 min. 04 sec. West a distance of 24.82 feet to a point; thence turning and running S. 12 deg. 44 min. 17 sec. West a distance of 31.20 feet to a point; thence turning and running S. 13 deg. 33 min. 23 sec. West a distance of 131.08 feet to a point; thence turning and running S. 22 deg. 30 min. 48 sec. West a distance of 692.29 feet to a point; thence turning and running N. 40 deg. 03 min. 19 sec. West a distance of 476.29 feet to a point; thence turning and running N. 53 deg. 59 min. 41 sec. West a distance of 49.53 feet to a point; thence running along a curve to the right having a central angle of 92 deg. 15 min. 00 sec. and a radius of 30 feet, an arc distance of 48.30 feet to a point; thence turning and running N. 38 deg. 15 min. 19 sec. East a distance of 87.58 feet to a point; thence turning and running N. 21 deg. 26 min. 41 sec. East a distance of 135 feet to a point; thence turning and running N. 68 deg. 33 min. 19 sec. West a distance of 110 feet to a point; thence along a curve to the left having a central angle of 90 deg. and a radius of 5 feet, an arc distance of 7.85 feet to a

point; thence turning and running N. 21 deg. 26 min. 41 sec. East a distance of 56 feet to a point; thence along a curve to the left having a central angle of 90 deg. and a radius of 5 feet, an arc distance of 7.85 feet to a point; thence turning and running S. 68 deg. 33 min. 19 sec. East a distance of 110 feet to a point; thence turning and running N. 21 deg. 26 min. 41 sec. East a distance of 414 feet to a point; thence turning and running N. 68 deg. 33 min. 19 sec. West a distance of 101 feet to a point; thence along a curve to the left having a central angle of 90 deg. and a radius of 5 feet, an arc distance of 7.85 feet to a point; thence turning and running N. 21 deg. 26 min. 41 sec. East a distance of 56 feet to a point; thence along a curve to the left having a central angle of 90 deg. and a radius of 5 feet, an arc distance of 7.85 feet to a point; thence turning and running S. 68 deg. 33 min. 19 sec. East a distance of 110 feet to a point; thence turning and running N. 21 deg. 26 min. 41 sec. East a distance of 205.43 feet to a point; thence turning and running N. 42 deg. 20 min. 58 sec. East a distance of 38.66 feet to a point; thence turning and running N. 60 deg. 39 min. 24 sec. East a distance of 67.08 feet to a point; thence turning and running N. 63 deg. 27 min. 50 sec. East a distance of 31 feet to a point; thence turning and running N. 26 deg. 32 min. 10 sec. West a distance of 118.14 feet to a point; thence turning and running N. 49 deg. 16 min. 27 sec. East a distance of 49.11 feet to a point; thence along a curve to the left having a central angle of 64 deg. 16 min. 46 sec. and a radius of 342 feet, an arc distance of 10.39 feet to a point; thence turning and running S. 32 deg. 44 min. 17 sec. East a distance of 185.23 feet to a point; thence turning and running S. 22 deg. 48 min. 21 sec. East a distance of 234.31 to a point; thence turning and running S. 64 deg. 46 min. 59 sec. East a distance of 62.82 feet to the POINT OF BEGINNING.

ADDITIONAL LAND D

Beginning at the northeast end of the return on the southeast corner of the intersection of Esplanade Place and River Walk Parkway, Chesapeake, Virginia running along a curve to the left having a central angle of 9 deg. 56 min. 50 sec. and a radius of 730 feet an arc distance of 126.74 feet to a point, thence running S. 29 deg. 00 min. 55 sec. East a distance of 409.95 feet to a point; thence turning and running S. 17 deg. 07 min. 56 sec. West a distance of 35.40 feet to a point; thence turning and running S. 40 deg. 27 min. 06 sec. West a distance of 18.16 feet to a point; thence turning and running S. 14 deg. 33 min. 59 sec. East a distance of 12.09 feet to a point; thence turning and running S. 41

deg. 36 min. 36 sec. West a distance of 21.93 feet to a point; thence turning and running S. 08 deg. 24 min. 09 sec. West a distance of 20.29 feet to a point, thence turning and running S. 44 deg. 53 min. 26 sec. West a distance of 21.17 feet to a point; thence turning and running S. 50 deg. 05 min. 53 sec. West a distance of 30.91 feet to a point; thence turning and running S. 19 deg. 45 min. 06 sec. West a distance of 19.33 feet to a point; thence turning and running S. 52 deg. 22 min. 39 sec. West a distance of 18.49 feet to a point; thence turning and running S. 09 deg. 55 min. 29 sec. East a distance of 15.36 feet to a point; thence turning and running S. 21 deg. 55 min. 11 sec. West a distance of 11.40 feet to a point; thence turning and running S. 50 deg. 54 min. 28 sec. West a distance of 14.37 feet to a point; thence turning and running S. 22 deg. 10 min. 36 sec. West a distance of 41.88 feet to a point; thence turning and running S. 09 deg. 35 min. 57 sec. East a distance of 20.51 feet to a point; thence turning and running S. 62 deg. 21 min. 06 sec. West a distance of 36.29 feet to a point; thence turning and running S. 18 deg. 37 min. 02 sec. East a distance of 9.91 feet to a point; thence turning and running S. 15 deg. 26 min. 01 sec. West a distance of 12.41 feet to a point; thence turning and running S. 57 deg. 33 min. 19 sec. West a distance of 13.22 feet to a point; thence turning and running S. 07 deg. 23 min. 05 sec. West a distance of 16.03 feet to a point; thence turning and running S. 17 deg. 28 min. 42 sec. East a distance of 15.28 feet to a point; thence turning and running S. 02 deg. 22 min. 55 sec. East a distance of 12.16 feet to a point; thence turning and running S. 50 deg. 42 min. 26 sec. West a distance of 15.73 feet to a point; thence turning and running S. 32 deg. 45 min. 26 sec. West a distance of 82.18 feet to a point; thence turning and running S. 48 deg. 17 min. 34 sec. West a distance of 31.54 feet to a point; thence turning and running S. 25 deg. 12 min. 59 sec. West a distance of 5.18 feet to a point; thence turning and running S. 03 deg. 04 min. 21 sec. East a distance of 24.22 feet to a point; thence S. 17 deg. 41 min. 28 sec. West a distance of 20.88 feet to a point; thence turning and running S. 27 deg. 30 min. 27 sec. West a distance of 10.94 feet to a point; thence turning and running S. 10 deg. 57 min. 05 sec. West a distance of 47.25 feet to a point; thence turning and running S. 20 deg. 11 min. 36 sec. West a distance of 19.72 feet to a point; thence turning and running S. 07 deg. 49 min. 45 sec. West a distance of 29.78 feet to a point; thence turning and running S. 13 deg. 20 min. 14 sec. West a distance of 139.18 feet to a point; thence turning and running S. 13 deg. 52 min. 04 sec. West a distance of 24.82 feet to a point; thence turning and running S. 12

deg. 44 min. 17 sec. West a distance of 31.20 feet to a point; thence turning and running S. 13 deg. 33 min. 23 sec. West a distance of 131.08 feet to a point; thence turning and running S. 22 deg. 30 min. 48 sec. West a distance of 692.29 feet to the POINT OF BEGINNING and from said point of beginning running S. 22 deg. 30 min. 48 sec. West a distance of 304.13 feet to a point; thence turning and running N. 75 deg. 24 min. 02 sec. West a distance of 57.79 feet to a point; thence turning and running S. 08 deg. 01 min. 29 sec. East a distance of 41.41 feet to a point; thence turning and running S. 87 deg. 13 min. 16 sec. West a distance of 250.28 feet to a point; thence turning and running N. 69 deg. 02 min. 33 sec. West a distance of 340.42 feet to a point; thence turning and running N. 36 deg. 27 min. 03 sec. West a distance of 67.91 feet to a point; thence turning and running N. 33 deg. 17 min. 20 sec. East a distance of 41.96 feet to a point; thence turning and running N. 04 deg. 33 min. 44 sec. East a distance of 188.10 feet to a point; thence turning and running N. 41 deg. 39 min. 22 sec. West a distance of 18.68 feet to a point; thence turning and running S. 32 deg. 39 min. 50 sec. West a distance of 39.56 feet to a point; thence turning and running N. 00 deg. 07 min. 13 sec. East a distance of 479.54 feet to a point; thence turning and running S. 78 deg. 20 min. 46 sec. East a distance of 100.19 feet to a point; thence turning and running S. 12 deg. 01 min. 00 sec. West a distance of 78.73 feet to a point; thence turning and running S. 00 deg. 32 min. 27 sec. West a distance of 51.23 feet to a point; thence turning and running S. 25 deg. 51 min. 16 sec. East a distance of 103.71 feet to a point; thence turning and running S. 60 deg. 44 min. 21 sec. East a distance of 86.93 feet to a point; thence turning and running S. 74 deg. 00 min. 24 sec. East a distance of 88.55 feet to a point; thence turning and running N. 72 deg. 48 min. 42 sec. East a distance of 106.54 feet to a point; thence turning and running N. 26 deg. 39 min. 14 sec. East a distance of 39.37 feet to a point; thence turning and running N. 40 deg. 01 min. 05 sec. East a distance of 87.42 feet to a point; thence turning and running S. 40 deg. 03 min. 19 sec. East a distance of 476.29 feet to THE POINT OF BEGINNING.

3.3 Plans. The plans for the Condominium as built, dated July 21, 1992, entitled "Plan of Mariner's Quay Condominiums" are attached hereto as Exhibit B.

3.4 General Description of Improvements. The Condominium initially includes (i) an improved parking area which will accommodate approximately 63 vehicles and (ii) three buildings each of which contains 4 residential Units on 3 floors of living space

(some of the Units are located entirely on the ground floor, some Units located on the second floor with a portion of each such second floor Unit being located on the third floor and some Units located on the ground floor with a portion of the Unit located on the second and third floors), one patio or deck for each Unit, each of which is a Limited Common Element appurtenant to the Unit which it serves, and entrance steps. Description or delineation of the boundaries of the Units, including the horizontal (upper and lower) boundaries as well as the vertical (lateral or parametric) boundaries and a description or delineation of the Limited Common Elements, designating the Unit to which each is assigned, is set forth on the Plans. As provided in Section 2.2 hereof the Declarant reserves the right to expand the Condominium to include additional Units. The structures which may be added may not contain the same configuration of Units as are contained in the structures which are a part of the Condominium initially. The Unit configuration and size will be depicted on the plats and plans filed with any expansion as provided in Section 2.2 hereof.

3.5 Unit Boundaries.

(a) Each Unit shall include the enclosed space delineated by the following boundaries: (i) the lower horizontal boundary is the horizontal plane, the elevation of which coincides with the elevation of the upper surface of the unfinished floor of the first level of living area of the Unit, (ii) the upper horizontal boundary is the horizontal plane(s), the elevation of which coincides with the elevation of the lower surface of the ceiling joist member which faces the interior of the Unit, (iii) the vertical (lateral or parametric) boundaries are the vertical planes coincidental with the surfaces of the perimeter wall studs which face the interior of the Unit. Every Unit shall include all non-load bearing walls and partitions within its perimeters and all space occupied by such walls and partitions, the decorated exterior surfaces of all walls (including, without limitation, gypsum board, sheet rock and plaster), floors (including, without limitation, all hardwood, softwood, ceramic and vinyl coverings and carpeting) and ceilings (including, without limitation, all gypsum board, sheet rock, and plaster) and all fixtures, appliances, heating elements and equipment located within the boundaries of a Unit for the sole and exclusive use of such Unit.

(b) All doors and windows, including jambs, heads and sills (but not flashing) within, or partially within, any of the walls or ceilings forming boundaries to any of the Units shall be part of the Unit.

(c) A Unit shall also include any pipes, wires, air ducts, flues, conduits or public utility lines or installations serving only one Unit, but shall not include any pipes, wires, air ducts, flues, conduits or lines or installation serving more than one Unit.

(d) A Unit shall not include any attic space or any load bearing walls serving a Building, structural members or any property of any kind, including fixtures and appliances within any Unit, the removal of which would jeopardize the soundness, safety or usefulness of the remainder of the Building.

ARTICLE 4 Appurtenances to Units

4.1 General Common Elements. The "General Common Elements" shall mean and include those portions of the Condominium which are neither Units nor Limited Common Elements and are designated as "General Common Elements" on the Plats and Plans. The General Common Elements shall mean and include the following:

- (a) The land on which the Condominium is located; and
- (b) All unassigned parking spaces, walkways, lawns, shrubbery and other landscaping and fences; and
- (c) Any common garden, recreational facility, clubhouse or like facility, if any, which Declarant may build on the Additional Land.
- (d) The structure, roof and exterior siding.

4.2 Limited Common Elements. Certain "Limited Common Elements" are identified as such on the Plat and in the Plans, and are Limited Common Elements set aside either for the exclusive use of the Unit or Units as designated on the plat and in the Plans by the Unit number (or as otherwise specifically identified) or, where indicated, for all Units in a Building. Except as otherwise set forth on Exhibits A and C, the Limited Common Elements appurtenant to each Unit shall mean and include the following:

- (1) The pipes, heating and air conditioning equipment, wires, air ducts, flues, conduits, and sewage lines or other public utility lines or installations serving one Unit or more than one Unit but less than all Units, or serving the Limited Common Elements appurtenant to such Unit or Units; and
- (2) The assigned parking space, if any, as designated on the plat (and such additional space, if any, as may otherwise be assigned by Declarant or the Board of Directors); and
- (3) Any patio or deck adjacent to any Unit.

The Declarant may assign a parking space as a Limited Common Element appurtenant to a Unit, provided, however, a minimum of twenty-five percent (25%) of the parking spaces in the Condominium as expanded will remain as General Common Elements.

See Sections 6.2 and 7.1 for maintenance responsibility and allocation of expenses for Limited Common-Elements.

4.3 Percentage Interest in Common Elements. Each Unit Owner shall have, as an appurtenance to his fee simple absolute ownership of the Unit, an equal undivided fee simple interest, as a tenant in common with the other Unit Owners, in the Common Elements of the Condominium based upon the total number of Units in the Condominium. Initially the Units shall have a 1/12th undivided interest in the Common Elements of the Condominium.

Except as provided in paragraph 2.2 hereof no percentage interest in the Common Elements shall be altered except with the unanimous consent of all the Unit Owners expressed in an amended Declaration. The undivided interest in the Common Elements shall not be separated from the Unit to which it appertains, and shall be deemed conveyed or encumbered with the Unit even though such interest is not expressly mentioned or described in the conveyance or other instrument. Each Unit Owner may use, without hindering or encroaching upon the lawful rights of any other Unit Owner, the General Common Elements and the Limited Common Elements appurtenant to this Unit in accordance with the purposes for which they are intended.

4.4 Association Membership. Each Condominium Unit shall include as an appurtenance thereto the membership of the Unit Owner in the Association and the interest of the Unit Owner in the funds and net assets held by the Association.

4.5 Easements. In addition to such easements as may be provided by the Condominium Act, the appurtenances of each Condominium Unit shall include the following easements:

(a) Ingress and egress: From each Unit Owner to every other Unit Owner and to the Association, easements through the General Common Elements for ingress and egress;

(b) Maintenance, repair and replacements: From each Unit Owner in a Building to the other Unit Owners in the same Building and to the Association, easements through his Unit and the Limited Common Elements appurtenant thereto, as may be reasonably necessary for inspection, maintenance, repair and replacement of a Unit and/or the Common Elements. Such access shall be only during reasonable hours except that access may be had by the Association at any time in the case of an emergency.

(c) Support: Every portion of a Unit or Limited Common Element contributing to the support of such Building shall be burdened with an easement of support for the benefit of all Units in said Building and any Limited Common Elements comprising part of the Building.

(d) Utilities: From each Unit Owner in a Building to the other Unit Owners in the same Building and to the Association, easements through the Units and Common Elements in such Building for conduits, ducts, plumbing, wiring and other facilities for the furnishing of utility service to the Units and the Limited Common Elements in the Building; provided, however, that such easements through a Unit shall only be according to the plans and specifications for the Building unless approved in writing by each Unit Owner in the Building and in any event the party exercising rights in respect of such easements shall be responsible to make prompt and complete restoration to a Unit or the Common Elements for any damage caused by the exercise thereof.

(e) Encroachments: To the extent any Unit or Common Elements encroaches on any other Unit or Common Elements, whether by reason of any deviation from the Plats and Plans in the construction, renovation, restoration or replacement of any improvement, or by reason of the settling or shifting of any land or improvement, a valid easement for such encroachment and for the maintenance of the same shall exist so long as the encroachment exists. The purpose of this easement is to protect the Unit Owners, except in cases of willful and intentional misconduct by them or their agents or employees and not to relieve the Declarant or any contractor, subcontractor or materialman of any liability which any of them may have by reason of any failure to adhere strictly to the Plats and Plans.

(f) To Facilitate Sales: Declarant and its duly authorized agents, representatives, employees, successors and assigns may maintain a sales office and model unit in the Condominium until all Condominium Units have been sold to third party purchasers. The sales office and/or model unit may be located in any one of the unsold Condominium Units or elsewhere in a separate structure on the General Common Elements and, if in an unsold Unit, shall consist of the entire Condominium Unit and may be relocated at any time to any other Condominium Unit held by Declarant and then unsold. Declarant further reserves for himself, his successors and assigns, the right to place signs on the Condominium to attract potential purchasers and facilitate the sale of Condominium Units, until all such Condominium units have been sold to third party purchasers. In the event Declarant or any of his duly authorized agents, representatives, or employees damage any part of the Common Elements and in the exercise of the foregoing right, Declarant shall be responsible for the prompt repair of such damage.

(g) To Facilitate Expansion: Declarant and its duly authorized agents, representatives, employees and subcontractors shall have the right until the completion of the construction of all Units to be constructed on the land of the Condominium and any Additional Land which may be added to the Condominium to:

(i) use the land of the Condominium for ingress and egress;

(ii) grant to itself and others such easements and rights of way as may be reasonably necessary for the orderly development of any Additional Land added to the Condominium;

(iii) connect with and make use of utility lines, wires, pipes, conduits and related facilities located on the land of the Condominium for the benefit of any Additional Land which may be added to the Condominium.

ARTICLE 5 Restrictions

Restrictions on Use. Use of the Condominium shall be in accordance with the following provisions:

5.1 Units. Each Unit shall be used exclusively for residential purposes and shall be occupied, and the Common Elements appertaining thereto shall be used, only by (i) the Unit Owner, his or her Family, and his or her guests and servants; provided, however, that the Unit Owner or his Family has the concurrent lawful right to occupy the unit along with his or her servants and guests, or (ii) by the Unit Owner's tenant and such tenant's guests and servants; provided, further, that such tenant has the concurrent lawful right to occupy the unit along with his or her servants and guests. Anything in the foregoing to the contrary notwithstanding, each Unit may be occupied by only one Family or a maximum of one person per bedroom for unrelated persons.

5.2 Owners of record not natural persons. A Unit Owner which is not a natural person or persons shall not during the period of ownership, except in accordance with the provisions of paragraph 5.1 hereunder, assign its right of occupancy or otherwise permit or tolerate the unit Owner to be the permanent occupant, together with his Family, and his or her servants and guests. The Unit owner shall not have the right, without the prior written consent of the Association to designate a different person as the permanent occupant in substitution of the existing occupant more frequently than once every three (3) consecutive months.

5.3 Time-Share Estates. A Unit Owner shall not permit his ownership interests to be divided among any type of time-share estate, which shall be defined to include all interests in which title, use, occupancy or possession circulates among owners of time share according to a fixed or floating time schedule on a periodic basis occurring over any period of time; such prohibited time-share estates shall include, by way of example and without limitation, the following:

(a) an "interval estate," meaning a combination of (i) an estate for years in a Condominium Unit, during the term of which title to the Condominium Unit rotates among the time-share owners thereof, vesting in each of them in turn for periods established by a fixed recorded schedule, with the series thus established recurring regularly until the term expires, coupled with (ii) a vested undivided fee simple interest in the remainder in that Condominium Unit, the magnitude of that interest having been established by declaration or by deed creating the interval estate; and

(b) a "time-span estate," meaning a combination of (i) an undivided interest in a present estate in fee simple in a Condominium Unit, the magnitude of that interest having been established by declaration or by deed conveying the time-span estate, coupled with (ii) the exclusive right to possession and occupancy of that Condominium Unit during a regularly recurring period designated by that deed or by a recorded document referred to therein.

5.4 Common Elements. The Common Elements shall be used only for the purposes for which they are intended and the furnishing of services and facilities for the enjoyment of the units by the occupants. Limited Common Elements appurtenant to all Units in a Building (including attic space) may not be used by an individual Unit Owner except to the extent, and subject to such restrictions as, the Association may authorize in writing.

5.5 Nuisances. No nuisances shall be allowed upon, nor any use or practice which interferes with the peaceful possession and proper use of the Condominium by its residents. All parts of the Condominium shall be kept in a clean and sanitary condition, and no rubbish, refuse or garbage allowed to accumulate or any fire hazard allowed to exist. No waste of any of the General Common Elements shall be permitted. No Unit Owner shall have any right or authority to alter or remove any General Common Element. No Unit Owner shall make or permit any use of his Unit nor make or permit any use of the Common Elements which will cause the premiums for insurance upon the Condominium to be higher than the premiums applicable to general residential use or such other use s shall be approved by the Association.

5.6 Lawful Use. No unlawful use shall be made of the Condominium or any part thereof; and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction shall be observed. The responsibility of meeting the requirements of governmental bodies relating to maintenance, modification or repair of portions of the Condominium shall be upon the same person who has the responsibility for maintenance and repair of the portion of the Condominium concerned.

5.7 Leasing. Entire Condominium Units may be rented, but

only pursuant to a written lease for a term of not less than six (6) consecutive-months and only in accordance with the rules and regulations and the Bylaws of the Association. The lease shall contain terms and provisions to the effect that the lease is subject in all respects to the Declaration, the Bylaws and the rules and regulations, and that any failure by the lessee to comply with the terms thereof shall constitute a default under the lease. Without the approval of the Association, no portion of any Condominium Unit (other than the entire Unit) shall be leased for any period. Such approval by the Association of a lease shall constitute approval of only that lessee and no others taking or occupying under or through that lessee.

5.8 Regulations. Reasonable regulations concerning the use of the Condominium (including the Units as well as the Common Elements) may be made and amended from time to time by the Association in the manner provided by its Articles of Incorporation and the Bylaws. The rules and regulations and amendments thereto may, but need not be, recorded.

ARTICLE 6 Maintenance, Alteration and Improvement

6.1 Units.

(a) The Unit Owners shall maintain, repair and replace in a first class condition, at their expense, as the reasonable need therefor arises, all portions of his Unit.

(b) All such work shall be done without disturbing the rights of the other Unit Owners. The installation and operation of any equipment shall be such as will not cause undue annoyance or expense to the residents of the other Condominium Units. The type and method of installation or replacement of heating and air conditioning units and other major fixtures and equipment shall be subject to approval by the Association.

(c) If a Unit Owner fails to maintain or repair his own Unit, or fails to contribute his pro rata share for the maintenance of the Common Elements as set forth hereinafter, the Manager or Board of Directors of the Association, or in the proper case, any Unit Owner may maintain an action at law on behalf of the Association to recover sums due, for damages, and in equity for injunctive relief and may file a memorandum of lien and/or lis pendens therefor against the individual Unit and its appurtenances.

(d) Any Unit Owner may make any improvements or alterations within his Unit that do not impair the structural integrity of any structure or otherwise lessen the support of any portion of the Condominium. But no Unit Owner shall do anything which would change the exterior appearance of his Unit or any other

portion of the Condominium except to the extent and subject to such condition as the Condominium Instruments may specify

(e) If a Unit Owner acquires an adjoining Unit, or adjoining part of an adjoining Unit, then such Unit Owner shall have the right to remove all or any part of the intervening partition or to create doorways or other apertures therein, notwithstanding the fact that such partition may, in whole or in part, be a Common Element, so long as no portion of any bearing wall or bearing column is weakened or removed and no portion of any Common Element, other than that partition, is damaged, destroyed or endangered. Such creation of doorways or other apertures shall not be deemed an alteration of the boundaries within the meaning of Section 55-79.69 of the Code of Virginia of 1950, as amended, or the provisions of Article 7 of this Declaration relative to relocation of boundaries between Units.

(f) Express consent and the request by the Unit Owner of any Unit shall be deemed to be given in the case of emergency repairs to his Unit and the expenses thereof shall be that of the Unit Owner.

6.2 Common Elements.

(a) Each Unit Owner shall report promptly to the Association any defect or need for repairs for which the Association is responsible, as hereinbelow specified.

(b) The maintenance, repair, replacement, and operation of the General Common Elements in a first class condition shall be the responsibility and at the expense of the Association.

(c) The maintenance, repair, replacement and operation in a first class condition of the decks, patios and any heating and/or air conditioning equipment designed to serve a single Unit (or the Limited Common Elements appurtenant to a single Unit) shall be the responsibility of each Unit Owner to which such Limited Common Elements appertain.

(d) Expenses incurred or to be incurred pursuant to paragraph 6.2(c) hereinabove shall be borne by the Unit or Units to which the particular Limited Common Elements are appurtenant (see Section 4.2) and where Limited Common Elements are appurtenant to more than one Unit, expenses shall be allocated as provided in Sections 7.1 and 7.3.

(e) The party responsible under paragraph 6.2(c) hereinabove shall bear the expense of all incidental damage to a Unit not covered by casualty insurance thereon and caused by the responsible party's performing, or failing to perform, any of the work for which the specified party is responsible; but said party shall not be responsible for any incidental damage caused by fire

or the like, or the failure of the structure or any equipment which is the said party's responsibility to maintain unless he fails to make a reasonable effort to make any necessary repairs within a reasonable time after having been given written notice of the defect.

(f) Alteration and Improvement. Neither the Association nor any Unit Owner shall make any alterations of, removals from or additions to, any of the portions of a Unit to be maintained by the Association, or do anything to any of the property or to the Buildings which would jeopardize the soundness or safety of the Property or the Buildings or impair any easement or hereditament, without first obtaining approval in writing of the other Unit Owners affected by such action and any Mortgagee holding alien on any Unit affected by such action.

6.3 Negligence or Willful Act or Omission. The preceding provisions of this Article shall be subject to the provisions of Section 12.2 hereof.

ARTICLE 7 Assessments and Expenses

The making and collecting of assessments against Unit Owners (including Declarant) for common expenses shall be pursuant to the Bylaws and subject to the following provisions:

7.1 Share of Common Expense. Except for common expenses associated with parking spaces assigned as Limited Common Elements, if any, which are to be assessed in accordance with section 7.3 hereof and except as provided elsewhere in this Declaration, any common expenses associated with the maintenance, repair, renovation, restoration, replacement or insurance of any Limited Common Element shall be specially assessed against the Condominium unit to which that Limited Common Element was appurtenant at the time such expenses were made or incurred. If, however, the Limited Common Element was appurtenant at that time to more than one Condominium Unit such expenses shall be specially assessed against such Condominium Units, pro rata, based upon the number of votes in the Association which appertain to such Condominium Units so that the total of such assessments equals the total of such expenses. No Unit Owner (including Declarant) may exempt himself from contributing toward such expense by waiver of the use or enjoyment of any of the Common Elements or by abandonment of the Unit belonging to him.

7.2 Share of Certain Other Common Expenses Caused by the Conduct of Less Than All Unit Owners. Any common expenses which result from any violations of the Rules and regulations, the Declaration or the Bylaws, and which are caused by the conduct of any Unit Owner(s), or any tenant(s), licensee(s), employee(s),

guest(s), or invitee(s), of any Unit Owner(s), may be specially assessed against the Unit(s) of the Unit Owner(s) involved. Such assessment shall be in accordance with duly enacted provisions therefor in the Rules and Regulations of the Association, and may be in an amount equal to the common expenses incurred by the Association, or in such reasonable amount as the Board shall deem appropriate as liquidated damages for the violation in question.

7.3 General Common Elements. The amount of all common expenses not specially assessed pursuant to Section 7.1 or 7.2 hereof, less all common profits, shall be assessed against the Condominium Units in proportion to the number of votes in the Association appertaining to each such Condominium Unit as set forth in the Bylaws.

7.4 Collection of Common Expenses. The Assessments shall be made and collected from Unit Owners in the manner set forth in the Bylaws, but no change in the number of votes in the Association appertaining to any Condominium Unit shall enlarge, diminish, or otherwise affect any liabilities arising from assessments made prior to such change.

7.5 Lien for Assessments. The lien for unpaid assessments as provided by the Condominium act shall also secure reasonable attorneys' fees incurred by the Association incident to the collection of such assessment or enforcement of such lien.

7.6 Additional Rights of First Mortgagees. Where a Mortgagee of a first Mortgage of record acquires title as a result of foreclosure of the first Mortgage, or by deed in lieu of foreclosure, or a purchaser acquires title at a foreclosure sale of a first Mortgage, such Mortgagee or purchaser, and/or its or his successors and assigns, shall not be liable for the share of the common expenses of assessments of the Association chargeable to such Condominium Unit which became due prior to the acquisition of title to such Condominium Unit by such Mortgagee or purchaser, except for claims for a pro rata share of such common expenses or assessments resulting from a pro rata reallocation of such common expenses or assessments to all Condominium Units including such mortgaged Condominium Unit. Nothing herein shall be construed to relieve the prior Unit Owner mortgagor of his personal obligation to pay such unpaid share of common expenses or assessments.

7.7 Units Taxed Separately. So long as permitted by law, each Unit and its undivided percentage interest in Common Elements shall be deemed to be a parcel and shall be separately assessed and taxed for all types of taxes authorized by law including but not limited to special ad valorem levies and special assessments, and each Unit Owner shall be liable solely for the amount of taxes against his individual Unit and shall not be affected by the consequences resulting from the tax delinquency of other Unit Owners; and neither the Building, nor any of the Common Elements,

shall be deemed to be a parcel.

7.8 Water and Sewer Usage. The Units are separately metered for water and sewer usage.

ARTICLE 8 Insurance

The insurance, other than title insurance, which shall be carried on the Condominium and the property of the Unit Owners shall be governed by the following provisions:

8.1 Purchase; Named Insured.

(a) Purchase. All insurance policies on the Condominium which are required hereunder shall be purchased by the Association through an agent, and shall be issued by an insurance company authorized to do business in Virginia. Unit Owners may obtain insurance coverage, at their own expense, upon their own personal property and/or for their personal liability and living expense and/or such other insurance as they desire, which insurance shall not be subject to the provisions hereof.

(b) Approval. The insurance company shall be subject to approval by the Institutional Mortgagee which is the owner and holder of the oldest unsatisfied first Mortgage upon a Condominium Unit, which approval shall not be unreasonably withheld or denied. Such approval may be obtained by directing to the Mortgagee having the right of approval, a request in writing for approval or disapproval within ten (10) days after the receipt of the request; and unless a disapproval from the Mortgagee is received within such ten-day period, the request shall be deemed to be approved.

(c) Named Insured. The named insured shall be the Association, individually and for the benefit of the Unit Owners without naming them. A proper mortgage endorsement clause will be attached to the policies with a loss payable clause to the Mortgagees of the Condominium Units, as their interests may appear.

(d) Copies to Mortgagees. A current Memorandum of Insurance shall be furnished by the Association to each Mortgagee and to each Unit Owner requesting the same. Such memorandum or a copy of any endorsement to a policy, as the case may be, shall be furnished not less than ten (10) days prior to any changes in existing policies and/or the expiration date of expiring policies. A copy of the original policy and all endorsements thereon shall be available for inspection during normal business hours at the offices of the Association.

8.2 Coverage.

(a) Casualty. Subject to the following terms and provisions, the Building(s) and any personal property associated with the General Common Elements shall be insured under a master policy, which a deductible of not greater than \$250.00, in an amount equal to the full insurable replacement value thereof according to "building standards," as determined not less often than every two years by a qualified insurance appraiser appointed by the Board of Directors of the Association. As used in this section, building standards shall mean the standards by which each Building would, in the event of its destruction, be reconstructed according to the plans and specifications for such Building, or if there are none, as such Building existed immediately prior to its destruction, exclusive of any specified terms for which (i) allowances have been provided at the time of transfer from Declarant to each Unit Owners and (ii) which are specifically enumerated as being excluded in the master policy, and any special modifications or improvements to individual Units (such as built-in features) which were not generally common to lie Units in the Building; provided, however, that, to the extent, because of the requirements of any code or any underwriter's laboratory or insurance company, changes are required to be made in the manner in which the Building(s) is reconstructed in order to meet such requirements, building standards shall be deemed to include such requirements. Said policy may also insure such equipment and other improvements as the Board of Directors shall from time to time determine to be appropriate. Such coverage shall afford protection against (1) loss or damage by fire or other hazards covered by a standard extended coverage endorsement, together, if available, with coverage for common expenses with respect to Condominium Units during any period of repair or reconstruction during which said Condominium Units are untenable; (2) floods, if within a flood zone; and (3) such other risks, including, but not limited to, vandalism, malicious mischief, windstorm, water damage, and machinery explosion or damage, as the Board of Directors shall, from time to time, determine to be customarily covered with respect to other buildings similar in construction, location and use; provided, however, that coverage shall not be provided for items (i) for which allowances have been provided at the time of transfer from Declarant to each Unit Owner, and (ii) which are specifically enumerated as being excluded in the master policy. The aforesaid policy shall state whether the following items are included within the coverage of the policy and, if covered, any value limitation applicable thereto, in order that a Unit Owner may obtain insurance if the items are not insured or fully insured under the master policy: heating and air conditioning equipment; service equipment such as a dishwasher, refrigerator, oven or stove, whether or not such items are built-in equipment; special modifications and built-ins which are not generally common to like Units, interior fixtures such as electrical and plumbing fixtures; floor coverings; inside paint and other inside wall coverings and finishings. The aforesaid policy shall, if available, also provide that (a) each Unit Owner shall have the right to request an increase in the

coverage allocated to his Unit and the Limited Common Elements appurtenant to his Unit by reason of improvements made to his Unit and the Limited Common Elements appurtenant to his Unit, but any additional premium resulting from such additional coverage shall be billed by the insurance company directly to, and shall be paid by, such Unit Owner or shall otherwise reflect the additional cost of such increase in coverage to the Unit Owner requesting such increase; and (b) each Unit Owner shall have the right to obtain, at his own expense, an endorsement to the master policy insuring him for the cost of emergency shelter in the event of damage rendering his Unit uninhabitable. All policies of casualty insurance shall provide that any settlement shall, at the option of the Association, be made in cash. Notwithstanding the obligation of the Association to procure insurance coverage equal to full insurable replacement value, neither the Association nor the Board of Directors (or any of them) shall be liable in the event insurance proceeds do not equal replacement costs, so long as they acted in good faith.

(b) Public Liability. Such coverage and in such amounts as shall be determined by the Association, covering the Association (either in a primary policy and/or in combination with an umbrella policy), the officers or officials thereof, the managing agent, if any, all persons acting or who may come to act as agents or employees, if any of the foregoing with respect to the Condominium, and all Unit Owners and other persons entitled to occupy any Unit or other portion of the Condominium, and with cross-liability endorsement to cover liabilities of the Association to a Unit Owner.

(c) Workmen's Compensation. Such coverage and in such amounts as may be necessary to meet any requirements of law.

(d) Other. Such other insurance as the Association shall determine from time to time to be desirable.

8.3 Premiums. Each policy shall specify the extent to which, if any, the premiums are greater with respect to one Building or Condominium Unit than other Buildings or another Condominium Unit within a Building. Premiums upon insurance policies purchased by the Association shall be paid by the Association as a common expense; provided, however, to the extent that the premiums (except premiums for flood insurance) with respect to one Building or Condominium Unit are greater than with respect to another, the differences shall be treated as a common expense to be specially assessed against the Condominium Unit or units to which the higher premiums are attributable. Not less than ten (10) days prior to the date when a premium is due, evidence of payment of such premium shall be furnished by the Association to each Unit Owner and to each mortgagee requesting the same.

8.4 Insurance Proceeds. All insurance policies purchased by

The Association shall be the beneficiary of the Association and the Unit Owners and their Mortgagees, and their interests may appear. Proceeds account of mortgage to any portion of the Condominium shall be in an undivided share for each Unit Owner, such share being the same as the undivided share to the Common Elements; provided, however, to the extent that an additional premium has been paid, or assessed against, any Unit Owner(s) to obtain any additional insurance coverage, the proceeds of any such additional insurance shall belong to, or be applied for the benefit of, such Unit Owner(s) and their Mortgagees as their interests may appear; provided further, however, that in the event a Mortgagee enforcement has been issued as to a Condominium Unit, the share of the Unit Owner shall be held for the Mortgagee and the Unit Owner as their interests may appear; provided further, however, that no Mortgagee shall have any right to determine or participate in the determination as to whether or not any damaged property shall be reconstructed or repaired or the Condominium terminated in accordance with Section 9.1 hereunder, and no Mortgagee shall have any right to apply or have applied to the reduction of a mortgage debt any insurance proceeds except distributions thereof made to the Unit Owner and Mortgagee pursuant to the provisions of this Declaration.

8.5 Distribution of Proceeds. Subject to the provisions of Section 8.4, proceeds of insurance policies received by the Association shall be distributed to or for the benefit of the beneficial owners in the following manner:

(a) Reconstruction or Repair: If the damage for which the proceeds are paid is to be repaired or reconstructed, the proceeds shall be paid to defray the cost thereof as elsewhere provided. Any proceeds remaining after defraying such costs shall be distributed to the beneficial owners, remittances to Unit Owners and their Mortgagees being payable jointly to them.

(b) Failure to Reconstruct or Repair. If it is determined, in the manner elsewhere provided, that the damage for which the proceeds were paid shall not be reconstructed or repaired, the proceeds shall be distributed to the beneficial owners, remittances to Unit Owners and their Mortgagees being payable jointly to them, in accordance with their respective interests in the Common Elements.

8.6 Association as Agent. The Association is hereby irrevocably appointed agent for each Unit Owner and for each owner of a Mortgage or other lien upon a Condominium Unit and for each owner or any other interest in or claim against the Condominium to adjust all claims arising under insurance policies purchased by the Association and to execute and deliver releases upon the payment of claims.

8.7 Benefit of Mortgagees. Certain provisions in this

Article 8 are for the benefit of Mortgagees of Condominium Units, and all of such provisions are covenants for the benefit of any Mortgagee of a Condominium Unit and may be enforced by such Mortgagee.

8.8 Additional Conditions. All policies shall provide that such policies may not be cancelled or substantially modified without at least thirty (30) days prior written notice to any and all insureds named thereon, including any and all such Mortgagees. All policies shall contain a waiver of subrogation by the insurer as to any and all claims against the Association, its members and Directors, the Unit Owners and/or their respective employees or invitees, and a waiver of any defenses based upon co-insurance or invalidity arising from the acts of any insured. Furthermore, all casualty policies shall provide that the repair and/or reconstruction of insured property shall not be required by the insurer in the event the Condominium is terminated pursuant to the provisions of Section 9.1 hereof.

ARTICLE 9

Reconstruction or Repair After Casualty

9.1 Determination to Reconstruct or Repair. If any part of the Condominium shall be damaged by casualty, it shall be reconstructed or repaired, unless at a meeting of the Association which shall be called prior to commencement of such reconstruction or repair, the Condominium is terminated by unanimous consent of the Unit Owners. If the Condominium is not so terminated, such reconstruction or repair shall be commenced within a reasonable time, and in no event later than ninety (90) days after the occurrence of the casualty, and such repairs or reconstruction shall be prosecuted thereafter with due diligence until completion.

9.2 Plans and Specifications. Any reconstruction or repair must be substantially in accordance with the Plans, or if not, then according to plans and specifications approved by the Unit Owners and their Mortgagees, which approval shall not be unreasonably withheld.

9.3 Responsibility for Arranging for Repairs. The responsibility of arranging for reconstruction and repair after casualty shall be that of the Association.

9.4 Cost of Repairs. To the extent that the proceeds from the insurance policies purchased by the Association are not sufficient to pay for all costs of repair and reconstruction, such costs shall be paid as follows:

(a) All General Common Elements by the Association with all Unit Owners being liable to the Association for their proportionate share of any special assessment to cover the cost

hereof;

All Limited Common Elements (except park spaces; if any) appertaining to a single Unit by the Unit Owner thereof or if the Association elects to incur liability or to advance payment for the same, with such Unit Owner being liable to the Association for any special assessment to cover such liability or payment;

(c) All Limited Common Elements appertaining to more than one Unit by each of the Unit Owners to whose Units such Limited Common Elements appertain in proportion to their respective interest in such Limited Common Elements; or if the Association elects to incur liability or to advance payment for the same, with such Unit Owner being liable to the Association for any special assessment to cover such liability or payment;

(d) All portions of a Unit by the Unit Owner thereof or if the Association elects to incur liability or to advance payment for the same, with such Unit Owner being liable to the Association for any special assessment to cover such liability or payment.

ARTICLE 10 Eminent Domain

In the event the Association or any Unit Owner receives notice of any actual or threatened proceeding in eminent domain or for condemnation or other acquisition of any portion of a Unit or the Common Elements by any authority having the power of eminent domain, then such Unit Owners shall notify the Association, in writing, each Institutional Mortgage holding a first Mortgage on a Condominium Unit, at the address shown on the Book of Mortgages.

ARTICLE 11 Association

The administration of the Condominium shall be by the Association which shall fulfill its functions pursuant to the following provisions:

11.1 Bylaws. A copy of the Bylaws of the Association is attached hereto as Exhibit A.

11.2 Limitation of Liabilities of the Association. Notwithstanding the duty of the Association to maintain and repair parts of the Condominium, except to the extent of insurance coverage therefor and to the extent required by law, the Association shall not be liable to Unit Owners or to any other person for injury to persons or damage to any Unit or any Common Elements, other than to pay the cost of maintenance and repair,

whether caused by any latent condition in the Condominium to be maintained or repaired by the Association or by the elements or other owners or persons. The Association shall have no liability for failure to insure the Condominium, provided it makes a good faith effort to obtain insurance reasonably acceptable to the Institutional Mortgagee approving such insurance under Section 8.1 hereof.

11.3 Restraint Upon Assignment of Shares and Assets. The share of a Unit Owner in the funds and assets of the Association may not be assigned, hypothecated or transferred in any manner except as an appurtenance to his Condominium Unit.

11.4 Declarant Control. The Declarant hereby reserves unto himself, or a managing agent or some other person or persons selected by the Declarant, the right to appoint and remove all of the officers of the Association and/or members of the Board of Directors thereof, and to exercise the powers and responsibilities otherwise assigned by the Condominium Instruments and/or the Condominium Act to the Association, the officers or executive organ thereof, for a period of five (5) years from the date of settlement of the first Condominium Unit sold or until Declarant has conveyed Units to which three-fourths (3/4) of the undivided interests in the Common Elements appertain, whichever occurs first. For the purposes of the preceding sentence only, the calculation of the fraction of undivided interests shall be based upon the total undivided interests assigned or to be assigned to all Units registered with the Virginia Real Estate Board pursuant to Section 55-79.92(b) of the Code of Virginia of 1950, as amended.

ARTICLE 12

Compliance and Default

12.1 Compliance with Bylaws, Regulations and Covenants; Damages; Injunctions. Each Unit Owner and his Family and his or their guests, employees, agents and lessees and their guests, employees and agents shall comply strictly with the Bylaws of the Association and with the administrative rules and regulations adopted pursuant thereto, as either of the same may be adopted and amended from time to time, and with the covenants, conditions and restrictions set forth in the Declaration or in the deed to his Condominium Unit. Acquisition, rental or occupancy of a Condominium Unit shall constitute an acknowledgement that the Unit Owner, tenant or occupant agrees to be bound by the provisions of the Condominium Instruments. Failure to comply with any of the same shall be grounds for an action to recover sums due or for damages or for injunctive or any other relief, or any combination thereof, maintainable by the Association on behalf of the other Unit Owners or, in a proper case, by an aggrieved Unit Owner.

12.2 Negligence. A Unit Owner shall be liable for the

expense of any maintenance, repairs or replacement rendered necessary by his willful or negligent act or omission or that of any member of his family or his or their guests, employees, agents, or licensees, but only to the extent that such expense is not met by the proceeds of insurance carried by the Association.

12.3 Costs and Attorneys' Fees. In any proceeding arising because of an alleged failure of a Unit Owner or the Association to comply with the terms of this Declaration, the Articles of Incorporation of the Association, the Bylaws, or the rules and regulations adopted pursuant to them, as they or any of them may be amended from time to time, the prevailing party shall be entitled to recover the costs of the proceeding and such reasonable attorneys' fees as may be awarded by the Court.

12.4 No Waiver of Rights. The failure or delay of the Association or any Unit Owner to enforce any covenant, restriction or other provisions of the Condominium Act, the Declaration, the Articles of Incorporation or Bylaws of the Association, or the rules and regulations thereunder, shall not constitute a waiver of the rights to do so thereafter, except to the extent so required by law.

ARTICLE 13 Termination

The Condominium may be terminated in the following manner:

13.1 Agreement. The Unit Owners may by vote of not less than one hundred percent (100%, in interest of the Unit Owners remove the Condominium from the provisions of the Condominium Act by an instrument to that effect executed in the same manner as required by the Condominium Act, provided the holders of all liens affecting any of the Condominium Units consent thereto or agree, in either case by instruments duly recorded, that their liens be transferred to the undivided percentage interest in the property and all improvements thereof as provided in Section 13.3 hereof.

13.2 Destruction. In the event it is determined under other provisions of this Declaration that the Buildings shall not be rebuilt after destruction, the insurance proceeds shall be paid in accordance with Sections 8.4 and 8.5 and the Condominium form of ownership shall be terminated and the Condominium Instruments revoked; such determination not to rebuild shall be evidenced by a certificate of the Association certifying the facts effecting the termination, which certificate shall be recorded as provided by law.

13.3 Shares of Ownership After Termination. Upon removal of the Condominium from the provisions of the Condominium Act, the Condominium shall be deemed to be owned as tenants in common by the

Unit Owners, with their Mortgagees having liens upon the respective shares of the Unit Owners. Unless at the time of termination the parties, by execution of appropriate deeds and other instruments, shall otherwise agree, the undivided interest in the Property (and each of the Buildings) owned as tenants in common which shall appertain to each Unit Owner shall be equal to the undivided percentage interest previously owned by such Unit Owner in the Common Elements.

ARTICLE 14 Amendment

14.1 Amendment by Declarant. If there is no Unit Owner other than the Declarant, the Declarant may unilaterally amend the Condominium Instruments, and any such amendment shall become effective upon the recordation thereof (if recordation is required) if the same has been executed by the Declarant.

14.2 Amendment by Agreement. If there is any Unit Owner other than the Declarant, then the Condominium Instruments shall be amended only by the agreement of Unit Owners of Condominium Units to which 2/3 of the votes in the Association appertain (except for an amendment to expand the Condominium as provided in paragraph 2.2 hereof). No amendment to the Condominium Instrument shall change the boundaries of any Unit, the undivided interest in the Common Elements or the rights to the common profits appertaining thereto, or the number of votes in the Association appertaining thereto.

14.3 Protection of Mortgagees. No material amendment, including but not limited to, any amendment which would change the percentage interests of the Unit Owners in the Common Elements (except for an amendment to expand the Condominium as provided in paragraph 2.2 hereof), may be made to the Condominium Instruments without the prior written approval of each Institutional Mortgagee who holds a first Mortgage on a Condominium Unit and who has requested, in writing, to be notified of such amendments. A copy of any proposed amendment shall be furnished to all such Institutional Mortgagees holding bona fide first liens, and unless the disapproval of any such amendment is received within thirty (30) days of the giving of such copy, the amendment shall be conclusively deemed approved by such Institutional Mortgagee. A copy of each amendment shall be recorded in the Clerk's Office of the Circuit Court of the City of Virginia Beach, Virginia.

14.4 Association Bylaws. The Bylaws of the Association and the rules and regulations hereunder may be amended in the manner provided by such documents.

14.5 V.A. Approval. If any Unit Owner finances the purchase of his Condominium Unit with a loan which is either guaranteed or insured by the Veterans Administration, then, anything contained

herein to the contrary notwithstanding to the extent required by 38 C.F.R. Section 36-4050(a)(3); this Declaration may not be amended without the prior written approval of the Administrator of Veterans Affairs or his authorized designee.

ARTICLE 15
Covenants Running With The Land

All provisions of the Declaration and exhibits thereto constitute covenants running with the land and with every part thereof and interest therein, including but not limited to every Condominium Unit and the appurtenances thereto; and every Unit Owner and claimant of the Property or of any part thereto or interest therein, and his heirs, executors, administrators, successors and assigns shall be bound by all of the provisions of this Declaration and the exhibits hereto. Declarant's rights and obligations hereunder may be assigned and reassigned in whole or in part by Declarant and its successors and assigns to the extent permitted by law.

ARTICLE 16
Provisions for Benefit of Mortgagees

All provisions of this Declaration and the exhibits attached thereto requiring the Association to maintain the Common Elements, to collect Assessments, to maintain insurance, and to make certain repairs, and all restrictions in this Declaration and any exhibits attached hereto are intended for the benefit of, and may be enforced by, either a Unit Owner or any Mortgagee of a Condominium Unit.

ARTICLE 17
Severability

The invalidity of any covenant, restriction or provisions in any Condominium Instrument shall not affect the validity of the remaining portions thereof.

Affordable Homes, Inc., a Virginia
corporation

By _____

President

STATE OF VIRGINIA AT LARGE
CITY OF VIRGINIA BEACH, to-wit:

Subscribed, acknowledged, and sworn to before me by John F. Harris, President of Affordable Homes, Inc., a Virginia corporation this 21st day of November, 1994, in the City and State aforesaid.

Shirley J. Layton
Notary Public

My commission expires: 3-31-98

