

1/14
①

**SECOND AMENDMENT AND RESTATEMENT OF THE
BYLAWS
OF
PARKWAY PLACE HOMEOWNERS ASSOCIATION, INC.**

This Second Amendment and Restatement of the Bylaws of Parkway Place Homeowners Association, Inc., is adopted pursuant to the provisions of the August 31, 2005, Amendment and Restatement of the Bylaws of Parkway Place Homeowners Association, Inc., recorded in the land records of Roanoke County.

ARTICLE 1

1.1 Provisions of Declaration and Articles of Incorporation to Control. The provisions of these Bylaws are expressly subject to those terms, definitions, provisions, conditions, and authorizations contained in the Amendment and Restatement of the Declaration of Covenants, Conditions, and Restrictions of Parkway Place Community, ("Declaration"), which have been recorded in the Clerk's Office, Circuit Court, County of Roanoke, Virginia, and all amendments and restatements thereto, are collectively referred to as the "Governing Documents" of the Parkway Place Community. The terms and provisions of the Articles and Declaration shall control wherever the same may be in conflict herewith.

1.2 Defined Terms. Defined terms throughout this document shall have the same meaning as defined in the Declaration.

1.3 Subject Parties. All present or future owners, present or future tenants, the employees of tenants or owners, and any other person who might use the Association or any of the facilities thereof in any manner, are subject to all the terms and provisions of these Bylaws.

1.4 Office. The office of the Association shall be at 2772 Electric Road, Suite 2, Roanoke, VA, or such other place as the Board of Directors shall designate from time to time.

**ARTICLE 2
THE ASSOCIATION**

2.1 Qualification of Members. The qualification of Members of the Association, and the manner of their admission to membership and termination of such membership, shall be as set forth in the Declaration. For all purposes having to do with the administration of the Association Property, the Association shall act as an agent for the Members of the Association.

2.2 Powers of the Association. The Association shall have, in addition to those powers listed in the Articles of Incorporation, all of the powers reasonably necessary to

implement and effectuate the rules and objectives set forth in the Declaration, these Bylaws and all other documents pertaining to the Association.

2.3 Annual Meetings. The annual meetings of the Members of the Association shall be held during the month of November of each year. At such annual meetings, the Directors of the Association shall be elected by written ballot of the Members in accordance with the requirements of Section 2.10 of this Article. Meetings of the Association shall be held at the principal office of the Association or at such other suitable place convenient to the Members as may be designated by the Board of Directors.

2.4 Special Meetings.

2.4.1 The President of the Association shall call a special meeting of the Association if so directed by resolution of the Board of Directors, or upon a petition signed and presented to the Secretary by Members representing not less than one-third of the total voting interest. The notice of any Special Meeting shall state the time, place and purpose thereof. No business shall be transacted at a Special Meeting except as stated in the notice.

2.5 Notice of Meetings. The Secretary shall mail to each Member a notice of each annual or regularly scheduled meeting of the Members at least twenty-one, but not more than thirty days, and of each special meeting of the Members, at least seven but not more than thirty days, prior to such meeting, stating the time, place and purpose thereof. The mailing of a notice of meeting in the manner provided in this Section and in Section 11.1 of Article 11 of these Bylaws shall be considered proper service of notice.

2.6 Adjournment of Meetings. If at any meeting of the Association a quorum or the required percentage of attendance is not present, Members representing a majority of the total voting interest present at such meeting in person or by proxy may adjourn the meeting to a time when a quorum of the required percentage of attendance is present.

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

1. Roll Call and certifying of proxies.
2. Proof of Notice of Meeting.
3. Presentation of minutes of preceding meeting.
4. Report of Board of Directors and Officers.
5. Reports of committees, if any.
6. Election or appointment of inspectors of election (when so required).
7. Election of Directors (when so required).
8. Unfinished business.
9. New Business.
10. Adjournment.

2.8 Title to Lots. The Association may acquire, hold and transfer full legal title to one or more Lots or Common Areas in the Property in its own name.

2.9 Proxies and Multiple Owner Voting. Votes may be cast in person or by proxy. No proxy shall be revocable except by actual notice to the person presiding over the meeting by any one or more of the Owners that it be revoked. Any proxy shall be void if it is not dated, if it purports to be revocable without notice aforesaid, or if the signature of any of those executing the same has not been witnessed by a person who shall sign his full name and address. The proxy of any person shall be void if not signed by a person having authority at the time of 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. In the instance where a Lot is owned by more than one person, if one of the co-owners of the Lot is present at an Association meeting, that person shall be entitled to cast the vote for that Lot. If more than one of such persons is present, the vote appertaining to the subject Lot shall be cast only in accordance with their unanimous agreement and such consent shall be conclusively presumed if any one of them purports to cast the vote appertaining to the subject Lot without protest being made forthwith by any of the other co-owners to the person presiding at the meeting.

2.10 Voting. Voting at all meetings of the Association shall be on the basis of one equal vote per Lot. The Members representing at least forty percent of the total voting interest voting in person or by proxy at one time at a duly convened meeting at which a quorum is present are required to adopt decisions made at any meeting of the Association. No Member may vote at any meeting of the Association or be elected to serve as an Officer of the Association if said Member is delinquent in the payment of any Assessment. Voting for Directors shall be by written ballot, in accordance with procedures set forth by the Board.

2.11 Quorum. Except as otherwise provided in these Bylaws, the presence in person or by proxy of Members representing forty percent or more of the Lots shall constitute a quorum at all meetings of the Association.

2.12 Conduct of Meetings. The President shall preside over all meetings of the Association and the Secretary shall keep the minutes of the meeting and record in a minute book all resolutions adopted and all transactions occurring at the meeting. The then current edition of Robert's Rules of Order shall govern the conduct of all meetings of the Association when not in conflict with the Declaration or the Articles of Incorporation. All votes shall be tallied by inspectors appointed by the President or other Officer presiding over the meeting.

ARTICLE 3 BOARD OF DIRECTORS

3.1 Number, Term and Qualification. The affairs of the Association shall be governed by a Board of Directors, which shall be composed of five (5) persons, who shall be elected by the Members of the Association. One (1) of the directors shall be elected by

the Association Members to serve as the chairperson of the Architectural Review Committee. Members of the Board of Directors shall serve for three (3) year, staggered terms.

3.2 Powers and Duties. The Board of Directors shall have all of the powers and duties necessary for the administration of the affairs of the Association, and may do all such acts and things not prohibited by the Declaration, Articles of Incorporation, or by other law or regulation. The Board shall have the power from time to time to adopt any rules and regulations ("Rules and Regulations") deemed necessary for the benefit and enjoyment of the Property, provided, however, that such Rules and Regulations shall not be in conflict with the Declaration, the Bylaws or the Articles of Incorporation. The Board shall delegate to one of its members or to a person employed for such purpose the authority to act on behalf of the Board on such matters relating to the duties of the Managing Agent (as defined in Section 3.15 of this Article), which may arise between meetings of the Board, as the Board deems appropriate. In addition to the duties imposed by these Bylaws or by any resolution of the Association that may hereafter be adopted, the Board shall, on behalf of the Association:

3.2.1 Prepare an annual budget, in which there shall be established the Assessments of each Member for the Common Expenses.

3.2.2 Make Assessments against Members to defray the costs and expenses of the Association, establish the means and methods of collecting such Assessments from the Owners and establish the period of the installment payment of the annual Assessment for Common Expenses. Unless otherwise determined by the Board, the annual assessment against each Member for his proportionate share of the Common Expenses shall be payable in equal monthly installments, each such installment to be due and payable in advance on the first day of each month for such month.

3.2.3 Provide for the operation, care, upkeep and maintenance of all of the Association Property, and the Common Maintenance Area described in Article 1, Section 1.2.10, and for services of the Association.

3.2.4 Designate, hire and dismiss the professional management necessary for the maintenance, operation, repair and replacement of the Association Property and Common Maintenance Areas, and provide services for the Association and, where appropriate, provide for the compensation of such personnel and for the purchase of equipment, supplies and material to be used by such personnel in the performance of their duties, which supplies and equipment shall be deemed part of the property owned by the Association.

3.2.5 Collect the Assessments against the Members, deposit the proceeds thereof in bank depositories designated by the Board and use the proceeds to carry out the administration and purposes of the Association.

3.2.6 Pay all taxes, charges and assessments which are or may become liens

against any part of the Association, other than individual Lots and the appurtenances thereto, and assess the same against the Members and their respective Lots subject to such liens.

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

3.2.8 Enforce by legal means the provisions of the Declaration, Articles of Incorporation, Bylaws, and the Rules and Regulations, and act on behalf of the Members with respect to all matters arising out of any eminent domain proceedings.

3.2.9 Obtain and carry insurance against casualties and liabilities, as provided in the Declaration, pay the premiums therefor, and adjust and settle any claims thereunder.

3.2.10 Pay the cost of all authorized services rendered to the Association and not billable to or billed to Owners of individual Lots.

3.2.11 Keep books with detailed accounts in chronological order of the receipts and expenditures affecting the Property and the administration of the Association, specifying the expenses of maintenance and repair of the Association Property and any other expenses incurred. Such books and vouchers accrediting the entries thereupon shall be available for examination by the Members, or their duly authorized agents or attorneys, during general business hours on working days at the times and in the manner set and announced by the Board for the general knowledge of the Members. All books and records shall be kept in accordance with good and accepted accounting practices, and the same shall be reviewed at least once each year by an independent accountant retained by the Board who shall not be a resident of a Lot or a Member. The cost of such review shall be a Common Expense.

3.2.13 Acquire, lease, manage, hold and dispose of Lots and mortgage the same, if such expenditures and hypothecations are included in the budget adopted by the Association.

3.2.14 Do such other things and acts not inconsistent with the Declaration or the Articles of Incorporation, which the Board may be authorized to do by its own resolution.

3.3 [Intentionally Deleted]

3.4 Regular Meetings . Regular meetings of the Board shall be held at such time and place as shall be determined from time to time by a majority of the members of the Board, but such meetings shall be held at least once every three months during each fiscal year. Notice of regular meetings of the Board shall be given to each member of the Board

by mail or actual delivery at least five business days prior to the day named for such meeting.

3.5 Special Meetings. Special meetings of the Board may be called by the President or upon the written request of at least two members of the Board, on three business days' notice to each Board member, given by mail or telegraph, or actual delivery, which shall state the time, place and purpose of the meeting.

3.6 Waiver of Notice. Any Board member may at any time, in writing, waive notice of any meeting of the Board and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Board member at any meeting of the Board shall constitute a waiver of notice by him of the time, place and purpose of such meeting, unless such member attends for the specific purpose of challenging such notice. If all Board members are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

3.7 Quorum of Board. At all meetings of the Board, a majority of the Board shall constitute a quorum for the transaction of business, and the votes of a majority of the Board present at a meeting at which a quorum is present shall constitute the decision of the Board. If at any meeting of the Board there is less than a quorum present, the meeting may be adjourned to a new time. At any such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

3.8 Compensation. Directors' compensation, if any, shall be determined by the Members of the Association.

3.9 Conduct of Meetings. The President, who shall be a Director, shall preside over all meetings of the Board, and the Secretary, who may be but does not have to be a Director, shall keep a minute book of the Board, recording therein all resolutions adopted by the Board and a record of all transactions and proceedings occurring at such meetings. The then current edition of Robert's Rules of Order shall govern the conduct of the meetings of the Board when not in conflict with the Declaration or the Articles of Incorporation.

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

3.11 Vacancies. Vacancies in the Board may be filled by the remaining Directors selecting someone to serve until the next Annual Meeting. In the event of three or more vacancies on the Board, a special meeting of the Association shall be called by the President and the vacancies shall be filled by an election for such purpose, the successor Director to fill the vacated directorship for the unexpired term thereof.

3.12 Liability of the Board, Officers, Members and Association.

3.12.1 The Officers and members of the Board, members of the Architectural Review Committee, and members of other Board-appointed committees shall not be liable to the Association for any mistake of judgment caused by negligence or otherwise, except for their own individual willful misconduct or bad faith. The Association shall indemnify and hold harmless each Member of the Association (including Officers and Directors who are not Members) from and against all contractual liability to others arising out of contracts made by the Officers or the Board on behalf of the Association, unless any such contract shall have been made in bad faith or contrary to the provisions of the Declaration, Articles of Incorporation, or the Bylaws, in which case those persons dealing in bad faith or dealing knowingly in a contrary manner to the aforesaid provisions shall not be indemnified. Other than has previously been stated in this Section, Officers and members of the Board shall have no personal liability with respect to any contract made by them on behalf of the Association and shall be considered as only acting as agents for the Association. The liability, if any, of any Member arising out of any contract made by the Officers or Board or out of the aforesaid indemnity in favor of the members of the Board or Officers, or for damages as a result of injuries arising in connection with the Association or its property, or for liabilities incurred by the Association, shall result solely by virtue of his ownership of a Lot and shall be limited to the total liability per Lot multiplied by a fraction created by one as the numerator and the total number of Lots as the denominator. Every agreement made by the Officers, the Board or the Managing Agent on behalf of the Association shall, if obtainable, provide that the Officers, the members of the Board, or the Managing Agent, as the case may be, are acting only as agents of the Association and that they shall have no personal liability thereunder (except as Members), and that each Member's liability thereunder shall be limited to the liability thereunder, if any, multiplied by said fraction.

3.12.2 The Association shall not be liable for any failure of water supply or other services to be obtained by the Association or paid for as a Common Expense, or for injury or damage to any person or property caused by the elements or by any Member, or any other person, or resulting from electricity or water, snow or ice which may leak or flow from any portion of the Association Property or from any pipe, drain, conduit, appliance or equipment. The Association shall not be liable to any Member for loss or damage, by theft or otherwise, of articles which may be stored upon any of the Association Property. No diminution or abatement of any Assessments, as elsewhere provided herein, shall be claimed or allowed for inconvenience or discomfort arising from the making of repairs or improvements to the Association Property, or from any action taken by the Association to comply with any law, ordinance, or with the order or directive of any municipal or other governmental authority.

3.13 Common or Interested Members. Each Officer of the Association shall exercise his powers and duties in good faith and with a view to the best interests of the Association. No contract or other transaction between the Association and any of its Members, or between the Association and any corporation, firm or association (including the Developer) in which any of the Members of the Association are members or officers

or are pecuniarily or otherwise interested, is either void or voidable because any such Member is present at the meeting of the Board or any committee thereof which authorizes or approves the contract or transaction, or because his vote is counted for such purpose, if any of the conditions specified in any of the following subsections exists:

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

3.13.2 The fact of the common membership or interest is disclosed or known to at least a majority of the Members, and the Members approve or ratify the contract or transaction in good faith by a vote sufficient for the purpose; or

3.13.3 The contract or transaction is commercially reasonable to the Association at the time it is authorized, ratified, approved or executed. Any common or interested Members may be counted in determining the presence of a quorum of any meeting of the Board or committee thereof which authorizes, approves or ratifies any contract or transaction, and may vote thereat to authorize or disallow any contract or transaction with like force and effect as if such Member were not such Member or officer of the Association or not so interested.

3.14 Execution of Documents. All agreements, contracts, deeds, leases, checks and other instruments of the Association for expenditures or obligations in excess of Two Thousand Dollars shall be executed by any two persons designated by the Board. All such instruments for expenditures or obligations of Two Thousand Dollars or less may be executed by any one person designated by the Board.

3.15 Managing Agent. The Board shall employ for the Property a "Managing Agent" at compensation to be established by the Board.

3.15.1 Requirements. The Managing Agent shall employ persons possessing a high level of competence in the technical skills necessary for proper management of the Property. The Managing Agent must be able to advise the Board regarding the administrative operations of the Property and may, with the consent of the Board, employ personnel expert in the areas of insurance, accounting and property regulations.

3.15.2 Duties. The Managing Agent shall perform such duties and services as the Board shall authorize. The Board may delegate to the Managing Agent all of the powers granted to the Board by these Bylaws other than the powers set forth in Sections 3.2.2, 3.2.4, 3.2.13, and 3.2.14 of Section 3.2 of this Article 3, and other than its power to make and amend any Rules and Regulations issued by the Board. The Managing Agent shall perform the obligations, duties and services relating to management of the Association, relating to the rights of Mortgagees, and relating to the maintenance of reserve funds in compliance with the provisions of these Bylaws.

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

3.15.3.1 Cash accounts of the Association shall not be commingled with any other accounts except with the express permission of the Board;

3.15.3.2 No remuneration shall be accepted by the Managing Agent from vendors, independent contractors or others providing goods or services to the Association whether in the form of commissions, finders fees, service fees or otherwise;

3.15.3.3 Any discounts received shall benefit the Association; and

3.15.3.4 Any financial or other interest which the Managing Agent may have in any firm providing goods or services to the Association shall be disclosed promptly to the Board.

3.16 Removal. Any one or more of the members of the Board may be removed, either with or without cause, at any time by an affirmative vote of the majority of all Members at any special meeting called for such purpose, or at an annual meeting.

ARTICLE 4 OFFICERS

4.1 Number of Officers. The Officers of the Association shall be a President, who shall be a Director, a Vice-president, a Treasurer, and a Secretary, all of whom shall be elected annually by the Board immediately following the Annual meeting and who may be peremptorily removed from office, with or without cause, by a vote of the Directors at any meeting. Any person may hold two or more offices except that the President shall not also be Vice-President, Secretary or an Assistant Secretary. The Board shall, from time to time, elect such other officers and designate their powers and duties as the Board shall find to be required to manage the affairs of the Association.

4.2 President. The President shall be the chief executive officer of the Association. He shall have all of the powers and duties which are usually vested in the office of the president of any association, including, but not limited to, the power to appoint committees from among the Members from time to time, as he may, in his discretion, determine appropriate to assist in the conduct of the affairs of the Association.

4.3 Vice-President. The Vice-President shall, in the absence or disability of the President, exercise the powers and perform the duties of the President. He shall also generally assist the President and exercise such other powers and perform such other duties as shall be prescribed by the Directors.

4.4 Secretary. The Secretary shall keep the minutes of all proceedings of the Directors and the Members. He shall be responsible to ensure the giving and serving of all notices to the Members and Directors, and such other notices required by law. He shall keep the records of the Association, except those of the Treasurer, and shall perform all other duties incident to the office of secretary of an association and as may be required by the Directors or the President.

4.5 Treasurer. The Treasurer shall have custody of all the property of the Association, including funds, securities and evidences of indebtedness. He shall keep, or supervise the keeping of, the Assessment rolls and accounts of the Members; he shall keep the books of the Association in accordance with good accounting practices; and he shall perform all other duties incident to the office of Treasurer.

4.6 Compensation. The compensation, if any, of all Officers and employees of the Association shall be fixed by the Directors. This provision shall not preclude the Board from employing a Director as an employee of the Association.

4.7 Vacancies. Vacancies in any office of the Association shall be filled by a vote of the majority of the Board promptly after the occurrence of such vacancy. Each person so elected shall be an Officer of the Association for the remainder of the term of the Officer being replaced and until a successor shall be elected at the next Annual Meeting of the Board of Directors.

ARTICLE 5 OPERATION OF THE ASSOCIATION

5.1 Determination of Common Expenses and Assessments Against Owners.

5.1.1 Fiscal Year. The fiscal year of the Association shall be the calendar year unless otherwise determined by the Board.

5.1.2 Accounts. All sums collected by the Association with respect to Assessments against the Members or from any other source may be commingled into a single fund, but shall be held for each Member in accordance with his Assessment obligation.

5.2 The Board may suspend the voting rights of the Member or the rights of the Member and his Occupants to use the recreational facilities, if any, of the Property during the period in which any Assessment or portion thereof remains unpaid and after at least fifteen (15) days written notice is given to the Member as aforesaid, and the Association may bring an action at law against the Member personally obligated to pay the same or foreclose its lien against such Member's Lot, in which events late charges, interest and costs of collection shall be included in such lien, with such costs of collection to include court costs, the expenses of sale, any expenses required for the protection and preservation of the Lot, and reasonable attorneys' fees. All payments on account shall be applied first to the aforesaid costs of collection, then to late charges, then to interest, and

then to the Assessment lien first due. All late charges and interest collected shall be credited to the Common Expense fund, Each Member vests in the Board the right and power to bring all actions against him personally for the collection of such Assessments as a debt. The lien provided for in this Article shall be in favor of the Association and shall be for the benefit of all Members. No Member may waive or otherwise escape liability for the Assessment provided for herein by non-use of the Lot, Common Maintenance Areas or Association Property. The lien for Assessments shall lapse and be of no further effect as to Assessments or installments thereof, together with late charges and interest applicable thereto, first becoming due and payable more than three (3) years prior to the date upon which the notice contemplated in this Section is given or more than three (3) years prior to the institution of suit therefor if suit is not instituted within ninety (90) days after the giving of such notice.

5.3 [Intentionally Deleted]

5.4 Maintenance, Repair, Replacement and Other Common Expenses

5.4.1 By the Association. The Association shall be responsible for all maintenance, repair and replacement, whether structural or otherwise, of the Association Property and Common Maintenance Areas as described in the Declaration, or as may be determined by the Association. However, any expense incurred as a result of the negligence, misuse or neglect of a Member or occupant of the Association Property or Common Maintenance Areas shall be charged to the responsible Member or occupant.

5.4.2 By the Member. No Member shall be responsible for the operation and maintenance of Association Property or Common Maintenance Areas except for expenses incurred by the Association due to the negligence or misuse of such area by a Member or his guest.

5.4.3 Manner of Repair and Replacement, All repairs and replacements to Association Property and Common Maintenance Areas including easements for driveways shall be of quality workmanship and shall meet all provisions of the building codes used by the applicable jurisdiction, and shall be approved by the Review Board, as more particularly described in the Declaration. The method of approving payment vouchers for all repairs and replacements shall be determined by the Board. To preserve architectural appearance of the Lots, no construction, paint or other changes whatsoever shall be commenced or maintained with respect to the exterior of any structure on any Lot except as originally constructed by Developer or as approved by the Review Board. No alteration on original landscaping (which term shall be defined in its broadest sense as including grass, fences, hedges, vines, trees and the like), or changes in the exterior of any structure on any Lot, including color, except as made by Developer or approved by the Review Board, even after a Lot is sold, will be permitted.

5.5 Additions, Alterations or Improvements by Developer. So long as Developer owns any Lot, Developer reserves the right to make architectural, engineering, landscaping (which term shall be defined in its broadest sense as including grass, fences,

hedges, vines, trees and the like) and decorative changes of any nature, to any portion of the Lot so owned. No other Member or the Association shall have such right to alter the structure, design, landscaping or decoration of the Association Property or Common Maintenance Areas except as approved by the Review Board.

5.6 Additions. Alterations or Improvements By Member or the Association. No Member or member of the Board shall have the right at any time to make architectural, engineering, landscaping or decorative changes of any nature to any portion of the Association Property or Common Maintenance Areas, and the same shall be maintained in such a fashion to preserve the original architectural, engineering and decorative design in every aspect, except as otherwise authorized in advance in writing by the Review Board.

ARTICLE 6
[Intentionally Deleted]

ARTICLE 7
[Intentionally Deleted]

ARTICLE 8
[Intentionally Deleted]

ARTICLE 9
[Intentionally Deleted]

ARTICLE 10
AMENDMENT TO BYLAWS

10.1 Method of Amending. These Bylaws may be amended in the following manner:

10.1.1 These Bylaws may be amended by an affirmative vote of at least sixty percent (60%) of the Members at a meeting duly called for such purpose at which a quorum is present.

10.1.2 No alteration, amendment or modification of the rights and privileges granted and reserved hereunder in favor of a Mortgagee shall be made without prior written consent of all Mortgagees being first had and obtained.

10.2 Termination. These Bylaws may not be terminated unless two-thirds (2/3) of the total voting interest in the Association consent, as follows:

10.2.1 Termination of the Association may be effected only by an affirmative vote of two-thirds (2/3) of the Members, and only after a termination agreement has been executed by such Members and recorded in the Clerk's Office, Circuit Court of Roanoke County, Virginia. In addition to the foregoing, termination shall not be allowed unless

two-thirds (2/3) of the holders of all mortgages or deeds of trust that are liens on the Lots consent in the aforesaid termination agreement.

10.2.2 In the event of termination, the Members shall own the Association Property as tenants in common in undivided shares, with any holders of mortgages or deeds of trust on Lots having a lien on such undivided shares. Such undivided share of each Member shall be in the entire Association Property on an equal fractional basis with all other Members. So long as the tenancy in common lasts, each Member or his heirs, successors or assigns shall have a non-exclusive right of occupancy of the Association Property. All funds held by the Association including insurance proceeds, if any, shall be held for the Members in the same proportion as their former fractional interests, Any Costs incurred by the Association in connection with the termination shall be considered an Association expense.

10.2.3 Following termination the property that was formerly the Association Property may be partitioned and sold upon the application of any Member. Following a termination, if the Board determines by not less than a majority vote to accept an offer for the sale of the Association Property, each Member shall be bound to execute such deeds and other documents reasonably required to effect such sale at such times and in such form as the Board directs. In such event, any action for partition or other division of the Association Property shall be held in abeyance pending such sale, and upon the consummation thereof shall be discontinued by all parties thereto.

10.2.4 The members of the Board, acting collectively as agent for all Members, shall continue to have such powers as are granted in this Article notwithstanding the fact that the Association itself may be dissolved upon termination.

ARTICLE 11 MISCELLANEOUS

11.1 Notices. All notices, demands, statements or other communications under the Bylaws shall be in writing and shall be deemed to have been duly given if delivered personally (a) if to a Member, at the address which Member has designated in writing and filed with the Secretary or, if no such address is designated, at the address of the Lot of such Member; or (b) if to the Association, the Board or to the Managing Agent, at the principal office of the Managing Agent or at such other address as shall be designated by notice in writing to the Members pursuant to this Section. If a Lot is owned by more than one person, each person who so designates an address in writing to the Secretary shall be entitled to receive all notice hereunder.

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

11.3 Gender, Singular/Plural. The use of the masculine gender in the Bylaws shall be

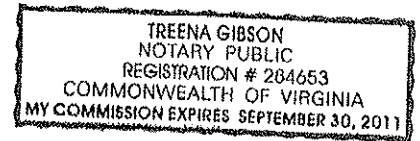
deemed to include the feminine and neuter genders and the use of the singular shall be deemed to include the plural, and vice versa, whenever the context so requires.

Certification

IN WITNESS WHEREOF, I hereby certify that the foregoing Amendment and Restatement of the Bylaws of Parkway Place Homeowners Association, Inc., has been adopted by the Association pursuant to Article 10 of the Amended and Restated Bylaws.

PARKWAY PLACE HOMEOWNERS
ASSOCIATION, INC.

By: *John E. Conner 10/20/09*
John E. Conner, President



COMMONWEALTH OF VIRGINIA }
COUNTY OF ROANOKE }

To wit:

The foregoing Second Amendment and Restatement of the Bylaws of Parkway Place Homeowners Association, Inc., was acknowledged and executed before me by John E. Conner, President of the Association, on behalf of the Corporation, this 20th day of October, 2009.

Treena Gibson
Notary Public

My Commission expires: 9.30.2011

INSTRUMENT #200914904
RECORDED IN THE CLERK'S OFFICE OF
ROANOKE COUNTY ON
NOVEMBER 3, 2009 AT 10:13AM

STEVEN A. MCGRAW, CLERK
RECORDED BY: FRS



OFFICIAL RECEIPT
ROANOKE COUNTY CIRCUIT COURT
305 EAST MAIN ST
SALEM, VA 24153
540-387-6205

DEED RECEIPT

DATE: 11/03/09 TIME: 10:16:59 ACCOUNT: 161CLR200914904 RECEIPT: 09000026498
CASHIER: FRS REG: R068 TYPE: REST PAYMENT: FULL PAYMENT
INSTRUMENT : 200914904 BOOK: PAGE: RECORDED: 11/03/09 AT 10:13
GRANTOR: PARKWAY PLACE HOMEOWNERS ASSOCIATION INC EX: N LOC: CO
GRANTEE: PARKWAY PLACE HOMEOWNERS ASSOCIATION INC EX: N PCT: 100%
AND ADDRESS : ROANOKE COUNTY
RECEIVED OF : CHADWICK
CHECK: \$35.00 87497
DESCRIPTION 1: BYLAWS PAGES: 14 O/P 0
2: NAMES: 0
CONSIDERATION: .00 A/VAL: .00 MAP:
PIN:
301 DEEDS 28.50 145 VSLF 1.50
106 TECHNOLOGY TRST FND 5.00
TENDERED : 35.00
AMOUNT PAID: 35.00
CHANGE AMT : .00

CLERK OF COURT: STEVEN A. MCGRAW

PAYOR'S COPY
RECEIPT COPY 1 OF 2

Prepared by: Rhona Levine, Esq.
Coleman & Massey, P.C.
P.O. Box 1489
Roanoke, VA 24007
Tax Map Nos.: 087.20-04-01 thru 087.20-04-39
097.08-03-01 thru 097.08-03-32

**AMENDMENT AND RESTATEMENT
OF THE
BYLAWS
OF
PARKWAY PLACE HOMEOWNERS ASSOCIATION, INC.
August 2005**

**County of Roanoke
Virginia**

TABLE OF CONTENTS

<u>Article/Section</u>	<u>Page</u>
IDENTITY	1
Provisions of Declaration and Articles of Incorporation to Control	1
Defined Terms	1
Subject Parties	3
Office	3
THE ASSOCIATION	3
Qualification of Members	3
Powers of the Association	3
Annual Meetings	3
Special Meetings	4
Notice of Meetings	4
Adjournment of Meetings	4
Order of Business	4
Title to Lots	4
Proxies and Multiple Owner Voting	5
Voting	5
Quorum	5
Conduct of Meetings	5
BOARD OF DIRECTORS	5
Number and Qualification	5
Powers and Duties	6
Organizational Meeting	7
Regular Meetings	7
Special Meetings	7
Waiver of Notice	7
Quorum of Board	7
Compensation	8
Conduct of Meetings	8
Action Without Meeting	8

Vacancies	8
Liability of the Board, Officers, Members and Association	8
Common or Interested Members	9
Execution of Documents	9
Managing Agent	9
Removal	10
OFFICERS	10
Number of Officers	10
President	10
Vice-President	10
Secretary	11
Treasurer	11
Compensation	11
Vacancies	11
OPERATION OF THE ASSOCIATION	11
Determination of Common Expenses and Assessments Against Owners	11
Fiscal Year	11
Preparation and Approval of Budget	11
Assessment and Payment of Common Expenses	12
Reserves	12
Accounts	13
Further Provisions Concerning Payment of Common Expenses	13
Liability to Association upon Resale	13
Rights to Association Assets upon Resale	13
Collection of Assessments	13
Statement of Common Expenses	14
Maintenance, Repair, Replacement and Other Common Expenses	14
By the Association	14
By the Member	14
Manner of Repair and Replacement	14
Additions, Alterations or Improvements by Developer	14
Additions, Alterations or Improvements By Member or the Association	15
INSURANCE	15
Authority to Purchase	15
Standard Provisions	15
Developer Protected	15
Qualifications of Insurer	15
Fire and Extended Coverage	16
Liability Insurance	16
Other Insurance	16
Insurance Trustee	16
Board as Agent	17
REPAIR AND RECONSTRUCTION AFTER FIRE OR OTHER CASUALTY	17
When Repair and Reconstruction are Required	17
Procedure for Reconstruction and Repair	17
Cost Estimates	17
Assessments	17
Plans and Specifications	17
Disbursements of Construction Funds	17
Construction Fund and Disbursement	17

Surplus	18
Certificate	18
Construction Required	18
MORTGAGES	18
Notice to Board	18
Notice of Default, Casualty or Condemnation	19
Notice of Amendment of Declaration or Bylaws	19
Other Rights of Mortgagees	19
COMPLIANCE AND DEFAULT	19
Relief	19
Additional Liability	19
No Waiver of Rights	19
Interest	19
Abating and Enjoining Violations by Members	20
Legal Proceedings	20
Lien for Assessments	20
Supplemental Enforcement of the Lien	20
Subordination and Mortgage Protection	20
AMENDMENT TO DECLARATION AND BYLAWS	21
Method of Amending	21
Termination	22
MISCELLANEOUS	22
Notices	22
Captions	22
Gender, Singular/Plural	22

**AMENDMENT AND RESTATEMENT
OF THE
BYLAWS
OF
PARKWAY PLACE HOMEOWNERS ASSOCIATION, INC.
August, 2005**

County of Roanoke
Virginia

ARTICLE 1
IDENTITY

This Amendment and Restatement of the Bylaws of Parkway Place Homeowners Association, Inc., a non-profit, non-stock corporation organized under the laws of the Commonwealth of Virginia, (the "Association") is adopted pursuant to the power reserved by the Developer of Parkway Place in Article 10 of its Bylaws. The Articles of Incorporation for the Corporation were originally filed with the Virginia State Corporation Commission on August 26, 1996, and were Amended and Restated effective September 1, 2005. Nothing in this Amendment and Restatement is intended to, or should be construed to impair rights, priorities, remedies or interest of any Mortgagee.

Parkway Place Homeowners Association, Inc. has been organized for the purpose of operating and managing the Parkway Place Community, situated in the County of Roanoke, Virginia.

1.1 Provisions of Declaration and Articles of Incorporation to Control. The provisions of these Bylaws are applicable to the Parkway Place Community, and the terms and provisions hereof are expressly subject to those terms, definitions, provisions, conditions and authorizations contained in the Amendment and Restatement of the Articles of Incorporation of the Association, ("Articles"), and the Amendment and Restatement of the Declaration of Covenants, Conditions, and Restrictions of Parkway Place Community, ("Declaration"), which has been recorded in the Clerk's Office, Circuit Court, County of Roanoke, Virginia, and all amendments and restatements of each such document. All of such documents, along with all amendments and restatements thereto, are collectively referred to as the "Governing Documents" of the Parkway Place Community. The terms and provisions of the Articles and Declaration shall control wherever the same may be in conflict herewith.

1.2 Defined Terms. Unless otherwise specifically defined in these Bylaws or the Declaration, the applicable terms herein shall be defined as follows:

1.2.1 "Additional Land" or "Expandable Land" shall mean and refer to those tracts or parcels of land added to the Property pursuant to Section 3.1, of the Declaration.

1.2.2 "Affiliate" shall mean a person or entity related to or affiliated with the Developer and includes, but is not limited to, a joint venture, partnership or corporation in which the Developer or any of its stockholders has an interest.

1.2.3 "Articles of Incorporation" shall mean and refer to the Articles of Incorporation of the Association, as amended from time to time.

1.2.4 "Assessment" shall mean and refer to a share of the Common Expenses from time to time assessed against a Member by the Association in the manner herein provided.

1.2.5 "Association" shall mean and refer to the Parkway Place Homeowners Association, Inc., its successors and assigns.

1.2.6 "Association Property" shall mean and refer to the personal and real property owned or acquired in the future by the Association.

1.2.7 "Board" or "Board of Directors" shall mean and refer to the Board of Directors of the Association.

1.2.8 "Common Areas" shall mean all portions of the Property designed for the use, enjoyment, and access of all Members.

1.2.9 "Common Expenses" shall mean and refer to all expenditures lawfully made or incurred by or on behalf of the Association, now and in the future, together with all funds lawfully assessed for the creation or maintenance of reserves, pursuant to the provisions of the Declaration.

1.2.10 "Common Maintenance Areas" shall mean the areas to be maintained by the Association, which shall include all Association Property, and the following items relating to all Lots: mowing and lawn treatment up to the rear bank of each lot; snow removal from driveways and sidewalks; mailboxes; painting of the trim, doors, shutters and garage doors of homes, as appropriate; and mulching, trimming and pruning the areas in front of the homes. No other maintenance of exterior structures is included, including repair of structural failure, except as expressly provided herein. "Common Area Maintenance" shall not include natural areas left by the Developer behind the homes on any Lot. All other maintenance and repair on any Lot shall be the sole obligation of the Owner of that Lot.

1.2.11 "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions of Parkway Place, as the same now exists or may be hereafter amended.

1.2.12 "Developer" shall mean and refer to V & S Development, LLC, a Virginia Limited Liability Company, Strauss Construction Corporation, a Virginia Corporation, Vaughn, Inc., a Virginia Corporation, and any successors or assigns.

1.2.13 "Lot" or "Lots" shall mean any or all of the subdivided real property parcels for residential dwelling purposes created at once or in one or more phases from the Property or Expandable Land, including the dwellings and other improvements located thereon. In the event a single residence is constructed on two lots, the two lots shall be considered to be one Lot for all purposes herein, regardless of whether the two lots remain as is or one lot is created by the vacation of the common lot line.

1.2.14 "Member" shall mean and refer to all those who are members of the Association as provided in Section 2.1 of the Declaration.

1.2.15 "Mortgage" shall mean and refer to any mortgage, deed of trust or similar instrument encumbering a Lot as security for the performance of any obligation.

1.2.16 "Occupant" shall mean and refer to any person, including, without limitation, any guest, invitee, tenant, lessee or family member of a Member, occupying or otherwise using or visiting a Lot.

1.2.17 "Owner" or "Lot Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot, but shall not mean or refer to any mortgagee or subsequent holder of a mortgage, unless and until such mortgagee or holder has acquired title pursuant to foreclosure or any proceedings in lieu of foreclosure.

1.2.18 "Property" shall mean and refer to the real property described in the attached Exhibit "A" and all subsequent additions thereto brought under the regime of the Declaration. The Property is further shown on the survey plats attached to the first recorded Declaration, recorded in Deed Book 1524 at Pages 238 through 240 and all amendments and additions thereto, and Plat Book 20, Page 117.

1.2.19 "Review Board" The term Review Board shall refer to the Architectural Review Board, as more particularly provided for in Article 6 of the Declaration.

1.3 Subject Parties. All present or future owners, present or future tenants, the employees of tenants or owners, and any other person who might use the Association or any of the facilities thereof in any manner, are subject to all the terms and provisions of these Bylaws.

1.4 Office. The office of the Association shall be at 5100 Bernard Drive, Roanoke, VA 24018, or such other place as the Board of Directors shall designate from time to time.

ARTICLE 2 **THE ASSOCIATION**

2.1 Qualification of Members. The qualification of Members of the Association, and the manner of their admission to membership and termination of such membership, shall be as set forth in the Declaration. For all purposes having to do with the administration of the Association Property, the Association shall act as an agent for the Members of the Association.

2.2 Powers of the Association. The Association shall have, in addition to those powers listed in the Articles of Incorporation, all of the powers reasonably necessary to implement and effectuate the rules and objectives set forth in the Declaration, these Bylaws and all other documents pertaining to the Association.

2.3 Annual Meetings. The annual meetings of the Members of the Association shall be held on the second Tuesday of November of each year. At such annual meetings, the Directors of the Association shall be elected by written ballot of the Members in accordance with the requirements of Section 2.10 of this Article. Meetings of the Association shall be held at the principal office of the Association or at such other suitable place convenient to the Members as may be designated by the Board of Directors.

2.4 Special Meetings.

2.4.1 The President of the Association shall call a special meeting of the Association if so directed by resolution of the Board of Directors, or upon a petition signed and presented to the Secretary by Members representing not less than one-third of the aggregate voting interest. The notice of any Special Meeting shall state the time, place and purpose thereof. No business shall be transacted at a Special Meeting except as stated in the notice.

2.4.2 At the next annual meeting of the Members of the Association, all of the Directors designated by the Developer shall resign, and the Members, including the Developer, if the Developer owns one or more Lots in the Property, shall thereupon elect successor Directors to act in the place and stead of those resigning. The Board of Directors shall be divided into three classes: The first class shall have one Director, the second class shall have two Directors and the third class shall have two Directors, with the term of office of one class expiring each year. The Director of the first class shall be elected to hold office for a term of office expiring at the next succeeding annual meeting, the Directors of the second class shall be elected to hold office for a term of office expiring at the second succeeding annual meeting and the Directors of the third class shall be elected to hold office for a term of office expiring at the third succeeding annual meeting. Upon expiration of the terms of these Directors, other persons who would qualify under the provisions contained in these Bylaws shall be elected at the annual meeting of the Association to be Directors for a term of three (3) years in the place of the Director or Directors whose terms have expired.

2.5 Notice of Meetings. The Secretary shall mail to each Member a notice of each annual or regularly scheduled meeting of the Members at least twenty-one, but not more than thirty days, and of each special meeting of the Members, at least seven but not more than thirty days, prior to such meeting, stating the time, place and purpose thereof. The mailing of a notice of meeting in the manner provided in this Section and in Section 11.1 of Article 11 of these Bylaws shall be considered proper service of notice.

2.6 Adjournment of Meetings. If at any meeting of the Association a quorum or the required percentage of attendance is not present, Members representing a majority of the total voting interest present at such meeting in person or by proxy may adjourn the meeting to a time when a quorum of the required percentage of attendance is present.

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

- Roll Call and certifying of proxies.
- Proof of Notice of Meeting.
- Presentation of minutes of preceding meeting.
- Report of Board of Directors and Officers.
- Reports of committees, if any.
- Election or appointment of inspectors of election
(when so required).
- Election of Directors (when so required).
- Unfinished business.
- New Business.
- Adjournment.

3.7 Quorum of Board. At all meetings of the Board, a majority of the Board shall constitute a quorum for the transaction of business, and the votes of a majority of the Board present at a meeting at which a quorum is present shall constitute the decision of the Board. If at any meeting of the Board there is less than a quorum present, the meeting may be adjourned to a new time. At any such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

3.8 Compensation. Directors' compensation, if any, shall be determined by the Members of the Association.

3.9 Conduct of Meetings. The President, who shall be a Director, shall preside over all meetings of the Board, and the Secretary, who may be but does not have to be a Director, shall keep a minute book of the Board, recording therein all resolutions adopted by the Board and a record of all transactions and proceedings occurring at such meetings. The then current edition of Robert's Rules of Order shall govern the conduct of the meetings of the Board when not in conflict with the Declaration or the Articles of Incorporation.

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

3.11 Vacancies. Vacancies in the Board may be filled by the remaining Directors selecting someone to serve until the next Annual Meeting. In the event of three or more vacancies on the Board, a special meeting of the Association shall be called by the President and the vacancies shall be filled by an election for such purpose, the successor Director to fill the vacated directorship for the unexpired term thereof.

3.12 Liability of the Board, Officers, Members and Association.

3.12.1 The Officers and members of the Board shall not be liable to the Association for any mistake of judgment caused by negligence or otherwise, except for their own individual willful misconduct or bad faith. The Association shall indemnify and hold harmless each Member of the Association (including Officers and Directors who are not Members) from and against all contractual liability to others arising out of contracts made by the Officers or the Board on behalf of the Association, unless any such contract shall have been made in bad faith or contrary to the provisions of the Declaration, Articles of Incorporation, or the Bylaws, in which case those persons dealing in bad faith or dealing knowingly in a contrary manner to the aforesaid provisions shall not be indemnified. Other than has previously been stated in this Section, Officers and members of the Board shall have no personal liability with respect to any contract made by them on behalf of the Association and shall be considered as only acting as agents for the Association. The liability, if any, of any Member arising out of any contract made by the Officers or Board or out of the aforesaid indemnity in favor of the members of the Board or Officers, or for damages as a result of injuries arising in connection with the Association or its property, or for liabilities incurred by the Association, shall result solely by virtue of his ownership of a Lot and shall be limited to the total liability per Lot multiplied by a fraction created by one as the numerator and the total number of Lots as the denominator. Every agreement made by the Officers, the Board or the Managing Agent on behalf of the Association shall, if obtainable, provide that the Officers, the members of the Board, or the Managing Agent, as the case may be, are acting only as agents of the Association and that they shall have no

personal liability thereunder (except as Members), and that each Member's liability thereunder shall be limited to the liability thereunder, if any, multiplied by said fraction.

3.12.2 The Association shall not be liable for any failure of water supply or other services to be obtained by the Association or paid for as a Common Expense, or for injury or damage to any person or property caused by the elements or by any Member, or any other person, or resulting from electricity or water, snow or ice which may leak or flow from any portion of the Association Property or from any pipe, drain, conduit, appliance or equipment. The Association shall not be liable to any Member for loss or damage, by theft or otherwise, of articles which may be stored upon any of the Association Property. No diminution or abatement of any Assessments, as elsewhere provided herein, shall be claimed or allowed for inconvenience or discomfort arising from the making of repairs or improvements to the Association Property, or from any action taken by the Association to comply with any law, ordinance, or with the order or directive of any municipal or other governmental authority.

3.13 Common or Interested Members. Each Officer of the Association shall exercise his powers and duties in good faith and with a view to the best interests of the Association. No contract or other transaction between the Association and any of its Members, or between the Association and any corporation, firm or association (including the Developer) in which any of the Members of the Association are members or officers or are pecuniarily or otherwise interested, is either void or voidable because any such Member is present at the meeting of the Board or any committee thereof which authorizes or approves the contract or transaction, or because his vote is counted for such purpose, if any of the conditions specified in any of the following subsections exists:

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

3.13.2 The fact of the common membership or interest is disclosed or known to at least a majority of the Members, and the Members approve or ratify the contract or transaction in good faith by a vote sufficient for the purpose; or

3.13.3 The contract or transaction is commercially reasonable to the Association at the time it is authorized, ratified, approved or executed.

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

3.14 Execution of Documents. All agreements, contracts, deeds, leases, checks and other instruments of the Association for expenditures or obligations in excess of Two Thousand Dollars shall be executed by any two persons designated by the Board. All such instruments for expenditures or obligations of Two Thousand Dollars or less may be executed by any one person designated by the Board.

3.15 Managing Agent. The Board **MUST** employ for the Property a "Managing Agent" at a compensation to be established by the Board.

3.15.1 Requirements. The Managing Agent shall employ persons possessing a high level of competence in the technical skills necessary for proper management of the Property. The Managing Agent must be able to advise the Board regarding the administrative operations of the Property and may, with the consent of the Board, employ personnel expert in the areas of insurance, accounting and property regulations.

3.15.2 Duties. The Managing Agent shall perform such duties and services as the Board shall authorize. The Board may delegate to the Managing Agent all of the powers granted to the Board by these Bylaws other than the powers set forth in Sections 3.2.2, 3.2.4, 3.2.13, and 3.2.14 of Section 3.2 of this Article 3, and other than its power to make and amend any Rules and Regulations issued by the Board. The Managing Agent shall perform the obligations, duties and services relating to management of the Association, relating to the rights of Mortgagees, and relating to the maintenance of reserve funds in compliance with the provisions of these Bylaws.

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

3.15.3.1 Cash accounts of the Association shall not be commingled with any other accounts except with the express permission of the Board;

3.15.3.2 No remuneration shall be accepted by the Managing Agent from vendors, independent contractors or others providing goods or services to the Association whether in the form of commissions, finders fees, service fees or otherwise;

3.15.3.3 Any discounts received shall benefit the Association; and

3.15.3.4 Any financial or other interest which the Managing Agent may have in any firm providing goods or services to the Association shall be disclosed promptly to the Board.

3.16 Removal. Any one or more of the members of the Board may be removed, either with or without cause, at any time by an affirmative vote of the majority of Members at any special meeting called for such purpose, or at an annual meeting.

ARTICLE 4 **OFFICERS**

4.1 Number of Officers. The Officers of the Association shall be a President, who shall be a Director, a Vice-president, a Treasurer, and a Secretary, all of whom shall be elected annually by the Board and who may be peremptorily removed, with or without cause, by a vote of the Directors at any meeting. Any person may hold two or more offices except that the President shall not also be Vice-President, Secretary or an Assistant Secretary. The Board shall, from time to time, elect such other officers and designate their powers and duties as the Board shall find to be required to manage the affairs of the Association.

4.2 President. The President shall be the chief executive officer of the Association. He shall have all of the powers and duties which are usually vested in the office of the president of any association, including, but not limited to, the power to appoint committees from among the Members from time to time, as he may, in his discretion, determine appropriate to assist in the conduct of the affairs of the Association.

4.3 Vice-President. The Vice-President shall, in the absence or disability of the President, exercise the powers and perform the duties of the President. He shall also generally assist the President and exercise such other powers and perform such other duties as shall be prescribed by the Directors.

4.4 Secretary. The Secretary shall keep the minutes of all proceedings of the Directors and the Members. He shall attend to the giving and serving of all notices to the Members and Directors, and such other notices required by law. He shall keep the records of the Association, except those of the Treasurer, and shall perform all other duties incident to the office of secretary of an association and as may be required by the Directors or the President.

4.5 Treasurer. The Treasurer shall have custody of all of the property of the Association, including funds, securities and evidences of indebtedness. He shall keep, or supervise the keeping of, the Assessment rolls and accounts of the Members; he shall keep the books of the Association in accordance with good accounting practices; and he shall perform all other duties incident to the office of Treasurer.

4.6 Compensation. The compensation, if any, of all Officers and employees of the Association shall be fixed by the Directors. This provision shall not preclude the Board from employing a Director as an employee of the Association.

4.7 Vacancies. Vacancies in any office of the Association shall be filled by a vote of the majority of the Board at a special meeting held for such purpose promptly after the occurrence of such vacancy. Each person so elected shall be an Officer of the Association for the remainder of the term of the Officer being replaced and until a successor shall be elected at the next Annual Meeting of the Board of Directors.

ARTICLE 5 OPERATION OF THE ASSOCIATION

5.1 Determination of Common Expenses and Assessments Against Owners.

5.1.1 Fiscal Year. The fiscal year of the Association shall be the calendar year unless otherwise determined by the Board.

5.1.2 Preparation and Approval of Budget.

5.1.2.1 On or before the fifteenth day of October of each year, the Board shall adopt a budget for the Association containing an estimate of the total amount considered necessary to pay the cost of maintenance, management, operation, repair and replacement of the various portions of the Association Property, and the cost of wages, materials, insurance premiums, services, supplies and other expenses that may be Common Expenses as provided by the Declaration, the Bylaws or a resolution of the Association, and which will be required during the ensuing fiscal year for the administration, operation, maintenance and repair of the Association Property and Common Maintenance Areas and the rendering to the Members of all proper related services.

5.1.2.2 Such budget shall also include such reasonable amounts as the Board considers necessary to provide working capital, a general operating reserve and reserves for contingencies and replacements. On or before the date of the Association's Annual Meeting,

the Board shall deliver to each Member a copy of the budget in a reasonably itemized form which sets forth the amount of the Common Expenses and any special Assessment payable by each Member. Such budget shall constitute the basis for determining each Member's Assessment for the Common Expenses of the Association.

5.1.2.3 Effect of Failure to Prepare or Adopt Budget. The failure or delay of the Board to prepare or adopt a budget for any fiscal year shall not constitute a waiver or release in any manner of a Member's obligation to pay his allocable share of the Common Expenses as herein provided whenever the same shall be determined and, in the absence of any annual budget or adjusted budget, each Member shall continue to pay each monthly installment at the monthly rate established for the previous fiscal year until notice of the monthly payment is received that is based on the new annual or adjusted budget.

5.1.3 Assessment and Payment of Common Expenses. Subject to the provisions of Section 9.1 of Article 9 hereof pertaining to expense caused by carelessness, conscious act or neglect of a Member and certain other persons, the total amount of the estimated funds required for the operation of the Association set forth in the budget adopted by the Board shall be assessed against each Member on an unequal fractional basis, divided among all the Lots, and shall be a lien against each Member's Lot as provided in Article 9, Section 9.2 of these Bylaws. On or before the first day of each fiscal year, and the first day of each of the succeeding eleven months in such fiscal year, each Member shall be obligated to pay to the Association one-twelfth of such Assessment. Within ninety days after the end of each fiscal year, the Board shall supply to all Members an itemized accounting of Common Expenses for such fiscal year actually incurred and paid, together with a tabulation of the amounts collected pursuant to the budget adopted by the Board for such fiscal year, and showing the net amount over or short of the actual expenditures plus reserves. Any amount accumulated in excess of the amount required for actual expenses and reserves shall, if the Board deems it advisable, be credited according to each Member's account to the next monthly installments due from Members under the current fiscal year's budget, until exhausted. Any net shortage shall be assessed promptly against the Members in accordance with their obligations and shall be payable either: (i) in full with payment of the next monthly Assessment due; or (ii) in not more than six equal monthly installments, as the Board may determine.

5.1.3.1 Basis and Maximum of Annual Assessments; Variable Rate Assessment. The initial payment of \$150.00, in addition to all Assessments, shall be payable by the initial Owner other than the Developer, at the closing of the sale of each Lot. Until changed by the Board as herein provided, the annual Assessment imposed upon each Member of the Association shall be at a rate determined by the Board. The annual Assessment may be collected monthly or quarterly, as the Association may determine, and may be increased as hereinafter provided in the Declaration and the Bylaws.

5.1.4 Reserves. The Association, through the Board, shall build up and maintain reasonable reserves for working capital, operations, contingencies and replacements. Extraordinary expenditures not originally included in the annual budget which may become necessary during the year shall be charged first against such reserves. If the reserves are inadequate for any reasons, including non-payment of any Member's Assessment, the Board may at any time levy a further Assessment, which shall be assessed against the Members according to their respective Percentage Interests, which may be payable in a lump sum or in installments, as the Board may determine. The Board shall serve notice of any such further Assessment on all Members by a statement in writing giving the amount and reasons therefor, and such further Assessment shall, unless otherwise specified in the notice, become effective with the next monthly payment which is due more than ten days after the delivery of such notice of further

Assessment. All Members shall be obligated to pay the adjusted monthly amount or, if such further Assessment is not payable in installments, the amount of such Assessment. Such Assessment shall be a lien as of the effective date as set forth in Section 5.1.3 hereof.

5.1.5 Accounts. All sums collected by the Association with respect to Assessments against the Members or from any other source may be commingled into a single fund, but shall be held for each Member in accordance with his Assessment obligation.

5.2 Further Provisions Concerning Payment of Common Expenses.

5.2.1 Liability to Association upon Resale. Each Member shall pay the Common Expenses and Assessments assessed by the Board pursuant to the provisions of Section 5.1 of this Article. No Member may exempt himself from liability for his contribution toward Common Expenses by waiver of the use or enjoyment of any part of the Association Property or Common Maintenance Areas or by abandonment of his Lot. No Member shall be liable for the payment of any part of the Common Expenses assessed against his Lot subsequent to the date of recordation of a conveyance by him in fee of such Lot. Prior to or at the time of any such conveyance all liens, unpaid charges and Assessments shall be paid in full and discharged. The purchaser of a Lot shall be jointly and severally liable with the seller of such Lot for all unpaid Assessments against the latter for his proportionate share of the Common Expenses up to the time of such recordation, without prejudice to the purchaser's right to recover from said seller amounts paid by the purchaser therefor. Any such purchaser shall be entitled to a statement setting forth, among other things, the amount of the unpaid Assessments against the said seller within five days following a written request therefor to the Board or Managing Agent, and such purchaser shall not be liable for, nor shall the Lot conveyed be subject to, a lien for any unpaid Assessments in excess of the amount therein set forth.

5.2.2 Rights to Association Assets upon Resale. When an Owner ceases to be a Member of the Association by reason of his divestment of ownership of a Lot(s), by whatever means, the Association shall not be required to account to that Member for any share of the fund or assets of the Association, since all monies which any Member has paid to the Association shall be an asset of the Association to be used in the operation and management of the Association.

5.3 Collection of Assessments. Any Assessment, or portion thereof, not paid when due shall be delinquent. If the same is not paid within five (5) days after the due date, then a late charge of Twenty-five Dollars (\$25.00) or ten percent (10%) of the amount of each Assessment or installment thereof not paid when due, whichever is greater, shall also be due and payable to the Association. If any Assessment or portion thereof is delinquent for a period of more than five (5) days, then if not paid within ten (10) days after written notice is given to the Member to make such payment, the entire unpaid balance of the Assessment for that year may be accelerated at the option of the Board and be declared due and payable in full, and legal proceedings may be instituted to enforce such lien. Such notice shall be sent by certified mail or courier service (Federal Express, UPS, etc.) to the Member both at the address of the Lot and at any other address or addresses the Member may have designated to the Association in writing, specifying the amount of the Assessments then due and payable, together with authorized late charges and interest accrued thereon. In addition, the Association may cause to be recorded among the land records of Roanoke County, Virginia, a memorandum of lien against the Lot and Owner thereof for all charges specified herein. Any Assessment or portion thereof, together with authorized late charges, not paid when due can, at the option of the Board, bear interest from the date of delinquency until paid at twelve percent (12%) per annum, or the maximum rate allowed by law, whichever is greater. The Board may suspend the voting rights of the Member or the rights of

the Member and his Occupants to use the recreational facilities, if any, of the Property during the period in which any Assessment or portion thereof remains unpaid and after at least ten (10) days written notice is given to the Member as aforesaid, and the Association may bring an action at law against the Member personally obligated to pay the same or foreclose its lien against such Member's Lot, in which events late charges, interest and costs of collection shall be included in such lien, with such costs of collection to include court costs, the expenses of sale, any expenses required for the protection and preservation of the Lot, and reasonable attorneys' fees. All payments on account shall be applied first to the aforesaid costs of collection, then to late charges, then to interest, and then to the Assessment lien first due. All late charges and interest collected shall be credited to the Common Expense fund. Each Member vests in the Board the right and power to bring all actions against him personally for the collection of such Assessments as a debt. The lien provided for in this Article shall be in favor of the Association and shall be for the benefit of all Members. No Member may waive or otherwise escape liability for the Assessment provided for herein by non-use of the Lot, Common Maintenance Areas or Association Property. The lien for Assessments shall lapse and be of no further effect as to Assessments or installments thereof, together with late charges and interest applicable thereto, first becoming due and payable more than three (3) years prior to the date upon which the notice contemplated in this Section is given or more than three (3) years prior to the institution of suit therefor if suit is not instituted within ninety (90) days after the giving of such notice.

5.4 Statement of Common Expenses. The Board shall promptly provide any Member, contract purchaser, or mortgagee of any Lot so requesting the same in writing with a written statement of all unpaid Assessments for Common Expenses due from such Member. The Board of Directors may impose a reasonable charge for the preparation of such statement to cover the cost of preparation to the extent permitted by law. Such statement may be signed by any officer or the Managing Agent of the Association.

5.5 Maintenance, Repair, Replacement and Other Common Expenses

5.5.1 By the Association. The Association shall be responsible for all maintenance, repair and replacement, whether structural or otherwise, of the Association Property and Common Maintenance Areas as described in the Declaration, or as may be determined by the Association. However, any expense incurred as a result of the negligence, misuse or neglect of a Member or occupant of the Association Property or Common Maintenance Areas shall be charged to the responsible Member or occupant.

5.5.2 By the Member. No Member shall be responsible for the operation and maintenance of Association Property or Common Maintenance Areas except for expenses incurred by the Association due to the negligence or misuse of such area by a Member or his guest.

5.5.3 Manner of Repair and Replacement. All repairs and replacements to Association Property and Common Maintenance Areas including easements for driveways shall be of quality workmanship and shall meet all provisions of the building codes used by the applicable jurisdiction, and shall be approved by the Review Board, as more particularly described in the Declaration. The method of approving payment vouchers for all repairs and replacements shall be determined by the Board. To preserve architectural appearance of the Lots, no construction, paint or other changes whatsoever shall be commenced or maintained with respect to the exterior of any structure on any Lot except as originally constructed by Developer or as approved by the Review Board. No alteration on original landscaping (which term shall be defined in its broadest sense as including grass, fences, hedges, vines, trees and the like), or

changes in the exterior of any structure on any Lot, including color, except as made by Developer or approved by the Review Board, even after a Lot is sold, will be permitted.

5.6 Additions, Alterations or Improvements by Developer. So long as Developer owns any Lot, Developer reserves the right to make architectural, engineering, landscaping (which term shall be defined in its broadest sense as including grass, fences, hedges, vines, trees and the like) and decorative changes of any nature, to any portion of the Lot so owned. No other Member or the Association shall have such right to alter the structure, design, landscaping or decoration of the Association Property or Common Maintenance Areas except as approved by the Review Board.

5.7 Additions, Alterations or Improvements By Member or the Association. No Member or member of the Board shall have the right at any time to make architectural, engineering, landscaping or decorative changes of any nature to any portion of the Association Property or Common Maintenance Areas, and the same shall be maintained in such a fashion to preserve the original architectural, engineering and decorative design in every aspect, except as otherwise authorized in advance in writing by the Review Board.

ARTICLE 6 **INSURANCE**

6.1 Authority to Purchase. All insurance policies relating to the Association Property shall be purchased by the Board. Neither the Board nor the Managing Agent shall be liable for failure to obtain any coverage required by this Article 6 or for any loss or damage resulting from such failure if such failure is due to the unavailability of such coverage from an insurance company having the qualifications set forth in Section 6.4 of this Section or if, in the opinion of the Board, such coverage is prohibitively expensive.

6.2 Standard Provisions. Each such policy shall provide that:

6.2.1 The insurer waives any right to claim by way of subrogation against the Developer, the Association, the Board, the County of Roanoke, the Managing Agent or the Owners, and their respective agents, employees, guests and, in the case of the Owners, the members of their households.

6.2.2 Such policy shall not be cancelled, invalidated or suspended due to the conduct of any Owner (including his invitees, agents and employees) or of any member, officer or employee of the Board, or the Managing Agent without a prior demand in writing that the Board or the Managing Agent cure the defect and without sixty days having elapsed after such a demand without a cure of the defect.

6.2.3 Such policy may not be cancelled or substantially modified (including cancellation for nonpayment of premium) without at least sixty days prior written notice to the Board and the Managing Agent and, in the case of physical damage insurance, to all Mortgagees.

6.3 Developer Protected. The Developer, so long as it owns any Lot, shall be protected by all such policies as an Owner.

6.4 Qualifications of Insurer. All policies of insurance shall be written by reputable companies licensed to do business in the Commonwealth of Virginia and holding a rating of "AAA" or better by Best's Insurance Reports, and a policyholders' rating of "A" or better.

Physical damage policies shall be in form and substance acceptable to the Mortgagees of the Property.

6.5 Fire and Extended Coverage.

6.5.1 All Owners shall be responsible for securing policies for fire and extended coverage, vandalism, malicious mischief, windstorm, debris removal, and water damage endorsements, for the structures on each individual Lot, in an amount equal to 100% of the then current replacement cost of the Property (exclusive of the land, excavations, foundations and other items normally excluded from such coverage), without deduction for depreciation (such amount to be redetermined annually by the Board with the assistance of the insurance company affording such coverage). All such policies shall be approved by the Board and the Association shall be a named party as their interests may appear.

6.5.2 Copies of all policies and any renewals shall be filed with the Board.

6.6 Liability Insurance. The Board of Directors shall obtain and maintain comprehensive general liability in an amount of not less than \$1,000,000.00 (including libel, slander, false arrest and invasion of privacy coverage for Officers) and property damage insurance in such limits as the Board may from time to time determine, insuring each member of the Board, the Officers, the Managing Agent, and each Owner against any liability to the public or to the Owners (and their invitees, agents and employees) arising out of, or incident to, the ownership and/or use of the Association Property and Common Maintenance Areas including any storm water detention areas. Such insurance shall be issued on a comprehensive liability basis and shall contain: (a) a cross liability endorsement under which the rights of a named insured under the policy shall not be prejudiced with respect to his action against another named insured; (b) hired and non-owned vehicle coverage; (c) host liquor liability coverage with respect to events sponsored by the Association; (d) deletion of the normal products exclusion with respect to events sponsored by the Association; and (e) a "severability of interest" endorsement which shall preclude the insurer from denying liability to an Owner because of negligent acts of the Association or of another Owner. The Board shall review such limits once each year, but in no event shall such insurance be less than One Million Dollars covering all claims for bodily injury or property damage arising out of one occurrence. Reasonable amounts of "umbrella" liability insurance in excess of the primary limits may also be obtained.

6.7 Other Insurance. The Board shall obtain and maintain:

6.7.1 Workers' compensation insurance if and to the extent necessary to meet the requirements of law;

6.7.2 Such other insurance as the Board may determine or as may be requested from time to time by a majority of the Owners.

6.8 Insurance Trustee.

6.8.1 All physical damage insurance policies purchased by the Board shall be for the benefit of the Association, the Owners, their Mortgagees and the Developer, as their interests may appear, and shall provide that, with respect to any single loss, if the proceeds thereof exceed Twenty-Five Thousand Dollars then all such proceeds shall be paid in trust to such lending institution with trust powers, located in the general vicinity of where the property is located, as may be designated by the Board (which Trustee is herein referred to as the Insurance Trustee). If such proceeds do not exceed Twenty-Five Thousand Dollars, then all such proceeds shall be paid to the Association, to be applied pursuant to the terms of Article 7.

6.8.2 The Board may enter into an Insurance Trust Agreement with the Insurance Trustee which shall provide that the Insurance Trustee shall not be liable for payment of premium, the renewal of the policies, the sufficiency of coverage, the form or contents of the policies, the correctness of any amounts received on account of the proceeds of any insurance policies nor for the failure to collect any insurance proceeds. The sole duty of the Insurance Trustee shall be to receive such proceeds as are paid to it and to hold the same in trust for the purposes elsewhere stated in these Bylaws for the benefit of the insured and their beneficiaries thereunder.

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

ARTICLE 7 **REPAIR AND RECONSTRUCTION AFTER FIRE OR OTHER CASUALTY**

7.1 When Repair and Reconstruction are Required. Except as otherwise provided in Section 7.4 of this Article, in the event of damage to or destruction of Association Property as a result of fire or other casualty in excess of Twenty-Five Thousand Dollars, the Board, under the direction of the Insurance Trustee, shall arrange for and supervise the prompt repair and restoration of the Association Property. In the event of damage to or destruction of any Lot improvement, the Owner thereof shall immediately proceed to repair and restore such property under the supervision of the Board. Any such reconstruction or repair shall be substantially in accordance with the original construction of the dwelling or other improvement to include the same materials, fixtures, paint colors, landscaping, etc., as the original construction.

7.2 Procedure for Reconstruction and Repair.

7.2.1 Cost Estimates. Immediately after a fire or other casualty causing damage in excess of Twenty-Five Thousand Dollars, the Board, under the direction of the Insurance Trustee, shall obtain reliable and detailed estimates of the cost of repairing and restoring the Association Property to a condition as good as that existing before such casualty. Such costs may also include professional fees and premiums for such bonds as the Insurance Trustee determines to be necessary.

7.2.2 Assessments. If the proceeds of insurance are not sufficient to defray such estimated costs of reconstruction and repair, or if upon completion of reconstruction and repair the funds for the payment of the costs thereof are insufficient, the amount necessary to complete such reconstruction and repair may be obtained from the appropriate reserve for replacement and/or shall be deemed a Common Expense and a special Assessment therefor shall be levied.

7.2.3 Plans and Specifications. Any such reconstruction or repair shall be substantially in accordance with the original construction of the Association Property, including same materials, fixtures, paint colors, landscaping, etc. as original construction.

7.3 Disbursements of Construction Funds.

7.3.1 Construction Fund and Disbursement. The proceeds of insurance collected on account of casualty, and the sums received by the Board or Insurance Trustee from collections of Assessments against Members on account of such casualty, shall constitute a construction

fund which shall be disbursed in payment of the costs of reconstruction and repair in the following manner:

7.3.1.1 If the estimated cost of reconstruction and repair is less than Twenty-Five Thousand Dollars, then the construction fund shall be disbursed in payment of such costs upon order of the Board of Directors.

7.3.1.2 If the estimated cost of reconstruction and repair is Twenty-Five Thousand Dollars or more, then the construction fund shall be disbursed in payment of such costs upon approval of an architect or engineer qualified to practice in Virginia and employed by the Insurance Trustee to supervise such work, with payment to be made from time to time as the work progresses. The architect or engineer shall be required to furnish a certificate giving a brief description of the services and materials furnished by various contractors, subcontractors, materialmen, the architect and other persons who have rendered services or furnished materials in connection with the work and stating that (a) the sums requested by them in payment are justly due and owing and that such sums do not exceed the value of the services and material furnished; (b) there is no other outstanding indebtedness known to such architect or engineer for the services and materials described and (c) the cost as estimated by such architect or engineer for the work remaining to be done subsequent to the date of such certificate does not exceed the amount of the construction fund remaining after payment of the sum so requested.

7.3.2 Surplus. It shall be presumed that the first monies disbursed in payment of the cost of reconstruction and repair shall be from insurance proceeds and, if there is a balance in the construction fund after the payment of all of the costs of the reconstruction and repair for which the funds is established, such balance shall be divided among all Members in proportion to their Assessment obligations.

7.3.3 Certificate. The Insurance Trustee shall be entitled to rely upon a certificate executed by the President and the Secretary, certifying: (i) the name of the payee and the amount to be paid with respect to disbursement from any construction fund or whether surplus funds to be distributed are less than the Assessments paid by the Members; and (ii) all other matters concerning the holding and disbursing of any construction fund. Any such certificate shall be delivered to the Insurance Trustee promptly after request.

7.4 Construction Required. In event of fire or other casualty, regardless of the extent of same, the Members and Association shall cause all portions of the Association Property to be rebuilt, including all landscaping and decorating, in the same manner as originally constructed and designed by the Developer, or as approved by the Review Board.

ARTICLE 8 MORTGAGES

8.1 Notice to Board. A Member who mortgages his Lot shall notify the Board of the name and address of his Mortgagee and shall file a conformed copy of the note and mortgage with the Board. In the event of a sale or transfer of a Lot to a third party, the purchaser or transferee shall notify the Association in writing of his interest in the Lot purchased or received.

8.2 Notice of Default, Casualty or Condemnation. When giving notice to any Member of a default in payment of an Assessment or any other default, the Board may simultaneously send a copy of such notice to the Mortgagee of such Lot. Each Mortgagee may also be notified of any casualty giving rise to a possible claim under any insurance purchased under Article 6, of all actions taken under Article 7. For purposes of this Section only, when notice is to be given to a

Mortgagee, the Board may also give such notice to the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Veterans Administration, the Federal Housing Administration, the Government National Mortgage Association and any other public or private secondary mortgage market entity participating in purchasing or guaranteeing Mortgages of Lots, if the Board has notice of such participation.

8.3 Notice of Amendment of Declaration or Bylaws. The Board may elect to give notice to all Mortgagees, seven days prior to the date on which the Members meet in accordance with the provisions of these Bylaws, when the purpose of the meeting is to make material changes to the Declaration or Bylaws which would affect a mortgagee's security position.

8.4 Other Rights of Mortgagees. All Mortgagees or their representatives shall be entitled to attend meetings of the Association and shall have the right to speak. All such Mortgagees shall have the right to examine the books and records of the Association and, upon written request, to receive the annual report filed by the Developer and copies of the annual financial reports and other budgetary information.

ARTICLE 9 COMPLIANCE AND DEFAULT

9.1 Relief. Each Member shall be governed by, and shall comply with, all of the terms of the Declaration, Articles of Incorporation, the Bylaws, and any Rules and Regulations set forth by the Board. Default by a Member shall entitle the Association, acting through its Board or through the Managing Agent, to the relief as set forth in the following sections:

9.1.1 Additional Liability. Each Member shall be liable for the expense of all maintenance, repair or replacement rendered necessary by his conscious act, neglect or carelessness or that of any member of his family or his employees, tenants, agents or licensees, but only to the extent that such expense is not covered by the proceeds of insurance carried by the Board. Such liability shall include any increase in casualty insurance rates occasioned by use, or misuse, of any Association Property or Common Maintenance Areas. Nothing contained herein, however, shall be construed as modifying any waiver by any insurance company of its rights of subrogation.

9.1.2 No Waiver of Rights. The Failure of the Developer, the Association, the Board of Directors or of a Member to enforce any right, provisions, covenant or condition which may be granted by the Declaration or Bylaws shall not constitute a waiver of the right of the Developer, the Association, the Board of Directors or the Member to enforce such right, provisions, covenant or condition in the future. All rights, remedies and privileges granted to the Association, the Board of Directors or any Member pursuant to any term, provision, covenant or condition of the Declaration or Bylaws shall be deemed to be cumulative, and the exercise of any one or more thereof shall not be deemed to constitute an election of remedies, nor shall it preclude the party exercising the same from exercising such other privileges as may be granted to such party by the aforesaid documents or at law or in equity.

9.1.3 Interest. In the event of a default by any Member in paying any sum assessed against him for Common Expenses which continues for a period in excess of five days, the principal amount unpaid, in addition to a late charge, shall, at the option of the Association, bear interest at the rate of twelve percent per annum or at the highest rate allowed by law, whichever is greater, from the date due until paid.

9.1.4 Abating and Enjoining Violations by Members. The violations of any of the Rules and Regulations adopted by the Board, the breach of any provision of the Declaration, Bylaws, or Articles of Incorporation shall give the Board or its Managing Agent the right, in addition to any other rights set forth in the Bylaws to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity the continuance of any such breach.

9.1.5 Legal Proceedings. Failure to comply with any of the terms of the Declaration, Articles of Incorporation, Bylaws or the Rules and Regulations shall be grounds for relief, including without limitation, an action to recover any sums due for money damages, injunctive relief, foreclosure of the lien for nonpayment of all Assessments, any other relief provided for in the Bylaws or any combination thereof, including reasonable attorneys' fees, and any other relief afforded by a court of competent jurisdiction, all of which relief may be sought by the Association, the Board, the Managing Agent and, if appropriate, any aggrieved Member, and shall not constitute an election of remedies.

9.2 Lien for Assessments.

9.2.1 The total annual Assessment of each Member for Common Expenses and any special Assessment made pursuant to the Bylaws is hereby declared to be a lien filed against the Lot of such Member, which lien shall, with respect to annual Assessments, be effective on the first day of each fiscal year of the Association, and, as to special Assessments, on the first day of the next month which begins more than ten days after delivery to the Member of notice of such special Assessment. The Board or the Managing Agent may file or record such other or further notice of any such lien, or such other or further document, as may be desirable.

9.2.2 In any case where an Assessment against a Member is payable in installments, upon a default by such Member in the timely payment of any two consecutive installments, the maturity of the remaining total of the unpaid installments of such Assessments may be accelerated at the option of the Board, and the entire balance of the annual Assessment may be declared due and payable in full by the service of notice to such effect upon the defaulting Member and his Mortgagee of his Lot by the Board or the Managing Agent.

9.2.3 The lien for Assessments may be enforced in the manner provided by the laws of the Commonwealth of Virginia by action in the name of the Association or of the Board or the Managing Agent, acting on behalf of the Association. The plaintiff in such proceeding shall have the right to the appointment of a receiver, if available under the laws of the Commonwealth of Virginia.

9.3 Supplemental Enforcement of the Lien. In addition to the proceedings at law or in equity for the enforcement of the lien established by the Declaration or Bylaws, all of the Members may be required by the Board to execute bonds conditioned upon the faithful performance and payment of the installments of the lien established thereby and may likewise be required to secure the payment of such obligations by a declaration of trust recorded among the land records of the Property's jurisdiction, granting unto a trustee or trustees appropriate powers to the end that, upon default in the performance of such bond, the aforesaid declaration of trust may be foreclosed by the trustee or trustees acting at the direction of the Board. In the event any such bonds have been executed and the declaration of trust is recorded, then any subsequent purchaser of a Lot shall take title subject to the declaration of trust and shall assume the obligations provided for therein.

9.4 Subordination and Mortgage Protection. Notwithstanding any other provisions hereof to the contrary, the lien of any Assessment levied pursuant to the Bylaws upon any Lot

(and any penalties, interest on Assessments, late charges, attorneys fees, or the like) shall be subordinate to, and shall in no way affect the rights of a first Mortgagee so long as such mortgage or deed of trust was made in good faith for value received; provided, however, that such subordination shall apply only to Assessments which have become due and payable prior to a sale or transfer of such Lot pursuant to a decree of foreclosure, or any proceeding in lieu of foreclosure. Such sale or transfer shall not relieve the purchaser of the Lot at such sale from liability for any Assessments thereafter becoming due, nor from the lien of any such subsequent Assessments, which lien shall have the same effect and be enforced in the same manner as provided herein.

ARTICLE 10
AMENDMENT TO DECLARATION AND BYLAWS

10.1 Method of Amending. These Bylaws may be amended in the following manner:

10.1.1 An Amendment or Amendments may be proposed by the Board acting upon a vote of more than two-thirds (2/3) of the Directors, or by more than two-thirds (2/3) of the Members, whether meeting as Members or by instrument in writing signed by them. Upon any Amendment or Amendments being proposed by the Board or the Members, such proposed Amendment or Amendments shall be transmitted to the President, or other officer in the absence of the President, who shall thereupon call a special meeting of the Members of the Association. It shall be the duty of the Secretary to give to each Member written or printed notice of the special meeting, stating the time and place thereof, and reciting the proposed Amendment or Amendments in reasonably detailed form. Any Member may, by written waiver of notice signed by such Member, waive such notice, and such waiver, when filed in the records of the Association, whether before or after the holding of the meeting, shall be deemed equivalent to the giving of notice to such Member. At the meeting, the Amendment or Amendments proposed must be approved by an affirmative vote of more than sixty percent (60%) of the Members in order for such Amendment or Amendments to become effective. Thereupon such Amendment or Amendments shall be transcribed and certified by the President and Secretary of the Association as having been duly adopted. The original or an executed copy of such Amendment or Amendments, shall be recorded in the Clerk's Office, Circuit Court of Roanoke County, Virginia, within fourteen (14) days from the date on which the same were approved by the Members, such Amendment or Amendments to specifically refer to the recording date identifying the Declaration or Bylaws which are affected by such Amendment or Amendments. Thereafter, a copy of the Amendment or Amendments in the form in which the same were placed of record by the Officers of the Association shall be delivered to all Members, but delivery of a copy thereof shall not be a condition precedent to the effectiveness of the Amendment or Amendments. At any meeting held to consider the Amendment or Amendments, the written vote of any Member shall be recognized if such Member is not in attendance at such meeting or represented thereat by proxy, provided such written vote is delivered to the Secretary prior to such meeting or at such meeting.

10.1.2 No alteration, amendment or modification of the rights and privileges granted and reserved hereunder in favor of a Mortgagee shall be made without prior written consent of all Mortgagees being first had and obtained.

10.2 Termination. These Bylaws may not be terminated unless two-thirds (2/3) of the total voting interest in the Association consent, as follows:

10.2.1 Termination of the Association may be effected only by an affirmative vote of two-thirds (2/3) of the Members, and only after a termination agreement has been executed by such Members and recorded in the Clerk's Office, Circuit Court of Roanoke County, Virginia. In addition to the foregoing, termination shall not be allowed unless two-thirds (2/3) of the holders of all mortgages or deeds of trust that are liens on the Lots consent in the aforesaid termination agreement.

10.2.2 In the event of termination, the Members shall own the Association Property as tenants in common in undivided shares, with any holders of mortgages or deeds of trust on Lots having a lien on such undivided shares. Such undivided share of each Member shall be in the entire Association Property on an equal fractional basis with all other Members. So long as the tenancy in common lasts, each Member or his heirs, successors or assigns shall have a non-exclusive right of occupancy of the Association Property. All funds held by the Association including insurance proceeds, if any, shall be held for the Members in the same proportion as their former fractional interests. Any Costs incurred by the Association in connection with the termination shall be considered an Association expense.

10.2.3 Following termination the property that was formerly the Association Property may be partitioned and sold upon the application of any Member. Following a termination, if the Board determines by not less than a majority vote to accept an offer for the sale of the Association Property, each Member shall be bound to execute such deeds and other documents reasonably required to effect such sale at such times and in such form as the Board directs. In such event, any action for partition or other division of the Association Property shall be held in abeyance pending such sale, and upon the consummation thereof shall be discontinued by all parties thereto.

10.2.4 The members of the Board, acting collectively as agent for all Members, shall continue to have such powers as are granted in this Article notwithstanding the fact that the Association itself may be dissolved upon termination.

ARTICLE 11 MISCELLANEOUS

11.1 Notices. All notices, demands, statements or other communications under the Bylaws shall be in writing and shall be deemed to have been duly given if delivered personally (a) if to a Member, at the address which Member has designated in writing and filed with the Secretary or, if no such address is designated, at the address of the Lot of such Member; or (b) if to the Association, the Board or to the Managing Agent, at the principal office of the Managing Agent or at such other address as shall be designated by notice in writing to the Members pursuant to this Section. If a Lot is owned by more than one person, each person who so designates an address in writing to the Secretary shall be entitled to receive all notice hereunder.

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

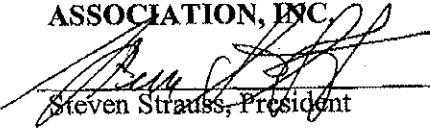
11.3 Gender, Singular/Plural. The use of the masculine gender in the Bylaws shall be deemed to include the feminine and neuter genders and the use of the singular shall be deemed to include the plural, and vice versa, whenever the context so requires.

IN WITNESS WHEREOF, the foregoing Amendment and Restatement of the Bylaws of Parkway Place Homeowners Association, Inc. has been adopted by the Developer, V& S Development, LLC, pursuant to a power reserved to the Developer in Article 10.2.1 of the Bylaws of the Corporation. This Amendment and Restatement of the Bylaws shall be effective as of September 1, 2005.

The undersigned president of the corporation declares that the facts stated herein are true as of the 26th day of August, 2005.

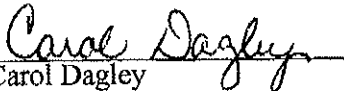
PARKWAY PLACE HOMEOWNERS ASSOCIATION, INC.

By:


Steven Strauss, President

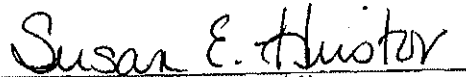
Dated: 8/31/05

ATTEST:


Carol Dagley

STATE OF VIRGINIA)
COUNTY OF ROANOKE)

The foregoing instrument was acknowledged before me on August 31, 2005, by Steven Strauss and Carol Dagley, President and Director of Parkway Place Homeowners Association, Inc., a Virginia corporation, on behalf of the corporation.


Notary Public

My commission expires:

Sept. 30, 2009



EXHIBIT A**SECTION ONE:**

The following is a legal description of Section 1, Parkway Place (10.875 acres), as recorded in the Clerk's Office of the Circuit Court of Roanoke County, Virginia, in Deed Book 1479, Page 804 and Plat Book 18, Page 167, as more particularly described as follows:

BEGINNING at a corner "1" as designated on a plat of subdivision for V&S Development, LLC, creating Section 1, Parkway Place, being a resubdivision of tax parcels #97.08-1-1, 2, 3, 3.1 and a portion of Lots 20 thru 24, Thomas Beasley Subdivision and tax parcel #87.20-1-10. . . , as prepared by Lumsden Associates, P. C., dated April 3, 1996, to which reference is now here made, said corner being on the northerly right-of-way of Buck Mountain Road (Va. Sec. Rt. #679) a common corner of the herein described Section 1, Parkway Place and Tract 1 property of Old Heritage Corporation as recorded in the aforesaid Clerk's Office in Deed Book 756, Page 76 and Plat Book 18, Page 4, and the POINT OF BEGINNING of the herein described Section 1, Parkway Place; Thence with the common lines of the aforesaid Old Heritage Corporation property (P.B. 18, Pg. 4) and the herein described Section 1, Parkway Place, leaving the aforesaid Buck Mountain Road, N 24° 28' 02" E, a distance of 1376.38 feet, to corner "2"; Thence with new division lines through the aforesaid property of V&S Development, LLC, the following nine (9) courses; Thence S 66° 25' 30" E, a distance of 239.24 feet, to corner "3"; Thence S 06° 34' 25" E, a distance of 125.88 feet, to corner "4"; Thence S 23° 30' 42" W, a distance of 263.84 feet, to corner "5"; Thence S 07° 32' 20" W, a distance of 406.87 feet, to corner "6"; Thence 104.00 feet along the arc of a curve to the right, having a radius of 250.00 feet, a delta of 23° 50' 04", a chord bearing of N 88° 54' 20" W, 103.25 feet, to corner "7"; Thence 42.01 feet along the arc of a curve to the right, having a radius of 25.00 feet, a delta of 96° 16' 55", a chord bearing of N 28° 50' 51" W, 37.24 feet, to corner "8"; Thence 261.00 feet along the arc of a curve to the right, having a radius of 522.00 feet, a delta of 28° 38' 52", a chord bearing of S 29° 16' 34" W, 258.29 feet; to corner "9"; Thence S 44° 43' 00" E, a distance of 175.28 feet, to corner "10," said corner being on the line of Property of United States of America (Blue Ridge Parkway); Thence with said property of United States of America and the herein described Section 1, Parkway Place, the following three (3) courses: Thence S 83° 33' 20" W, a distance 36.73 feet, to corner "11," an existing National Parks Service Monument; Thence N 86° 17' 40" W, a distance of 49.08 feet, to corner "12," an existing National Parks Service Monument; Thence S 17° 19' 20"W, 241.22 feet, to corner "13," said corner being on the northerly right-of-way of the aforesaid Buck Mountain Road; Thence leaving the aforesaid property of The United States of America (Blue Ridge Parkway), with the common line of the herein described Section 1, Parkway Place and the aforesaid Buck Mountain Road, the following two (2) courses; Thence 289.99 feet, along the arc of a curve to the right, having a radius of 542.97 feet, a delta of 30° 36' 02", a chord bearing of N 87° 10' 11" W, 286.56 feet, to corner "14"; Thence N 71° 52' 10" W, a distance of 146.98 feet, to corner "1," the PLACE OF BEGINNING, and containing 10.875 acres.

INCLUDING New Parcel "A-1," (0.677 Ac.), according to the plat entitled "Plat Showing the Resubdivision of Original Lot 12, Block 1, Section 1, "Parkway Place" (Plat Book 18, Page 167), and 0.013 Ac., Portion of Adjoining Parcel "A," Stormwater Management Area

PG 0372 '05 SEP 15 14:24

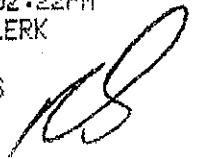
Creating Hereon New Lot "12A" (0.228 Ac.) and New Parcel "A-1" (0.667 Ac.), Property of V&S Development, L.L.C., Cave Spring Managerial District, Roanoke County, Virginia," under date of July 21, 1998, prepared by Lumsden Associates, P.C. and of record in the Clerk's Office of the Circuit Court of Roanoke County, Virginia in Plat Book 21, Page 60, and being the same property conveyed to Parkway Place Homeowners Association, Inc., by Deed dated April 4, 2000, and of record in the aforesaid Clerk's Office in Deed Book 1660, Page 539.

SECTION TWO:

All those certain lots or parcels of land shown on "PLAT OF SUBDIVISION FOR V&S DEVELOPMENT, L.L.C. CREATING HEREON SECTION 2, PARKWAY PLACE..." dated November 3, 1997, prepared by Lumsden Associates, P.C., Engineers-Surveyors-Planners which plat is recorded in the Clerk's Office of the Circuit Court for the County of Roanoke, Virginia in Plat Book 20, page 117.

INSTRUMENT #200515765
RECORDED IN THE CLERK'S OFFICE OF
ROANOKE COUNTY ON
SEPTEMBER 15, 2005 AT 02:22PM
STEVEN A. MCGRAW, CLERK

RECORDED BY: FRS



COMMONWEALTH OF VIRGINIA



OFFICIAL RECEIPT
ROANOKE COUNTY CIRCUIT COURT
DEED RECEIPT

DATE: 09/15/05 TIME: 14:28:46 ACCOUNT: 161CLR200515765 RECEIPT: 05000025294
CASHIER: FRB REG: R068 TYPE: REST PAYMENT: FULL PAYMENT
INSTRUMENT : 200515765 BOOK: PAGE: RECORDED: 09/15/05 AT 14:22
GRANTOR: PARKWAY PLACE HOMEOWNERS ASSOCIATION INC EX: N LOC: CO
GRANTEE: PARKWAY PLACE HOMEOWNERS ASSOCIATION INC EX: N PCT: 100%
AND ADDRESS : ROANOKE COUNTY
RECEIVED OF : PARKWAY PLACE
CHECK : \$35.00

DESCRIPTION 1: PAGES: 28
2: NAMES: 0
CONSIDERATION: .00 A/VAL: .00 MAP: PIH:

301 DEEDS 28.50 145 VSLF 1.50
106 TECHNOLOGY TRUST FU 5.00

TENDERED : 35.00
AMOUNT PAID: 35.00
CHANGE ANT : .00

CLERK OF COURT: STEVEN A. MCBRAW