

AMENDED AND RESTATED BYLAWS  
OF  
RUNNING MAN COMMUNITY ASSOCIATION, INC.

ARTICLE I

Plan of Ownership

Section 1.1. Applicability. These Amended and Restated Bylaws (“Bylaws”) provide for the governance of Running Man Community Association, Inc., a Virginia nonstock corporation (the "Association"). Capitalized terms used herein without definition shall have the meanings specified for such terms in the Amended and Restated Articles of Incorporation of Running Man Community Association, Inc. (the "Articles") or in the Amended, Restated, and Consolidated Declaration of Covenants, Conditions, and Restrictions for Running Man Community Association, Inc., dated as of \_\_\_\_\_, 2024, made by the Association, and recorded in the Clerk's Office of the Circuit Court of the County of York, Virginia, as Instrument Number \_\_\_\_\_, as the same may hereafter be amended, restated, or supplemented, (collectively, the "Declaration").

Section 1.2. Compliance. Every Owner, and all those entitled to occupy a Lot or Parcel, shall comply with these Bylaws.

Section 1.3. Office. The Association’s corporate office address is, P.O. Box \_\_\_\_\_, Poquoson, Virginia 23662. All meetings of the Members and Directors may be held at such places within the State of Virginia, in the County of York, or in the cities of Hampton or Newport News, as may be designated by the Board of Directors. The principal office of the Association may be designated from time to time by the Board of Directors.

ARTICLE II

Membership

Section 2.1. Membership. Every Owner of a Lot and a Parcel shall be a Member of the Association. Membership shall be appurtenant to, and shall not be separated from, ownership of any Lot or Parcel. Upon the recordation of a deed to any Lot or Parcel or upon any other transfer or conveyance of the record title to any Lot or Parcel, the membership of the former Owner shall cease and the Owner who acquires record title shall become a member of the Association.

Section 2.2. Classes of Members. All Owners of Lots and Parcels shall be Class A Members. (The Declarant’s Class B membership has expired, and, therefore, the Association now has only one class of Member.)

Section 2.3. Voting Rights.

(a) Each Class A Member shall be entitled to cast one vote for each Lot and Parcel owned.

(b) The Board of Directors may suspend the voting rights of any Member during the period when any assessment shall be past due, but upon payment in full of such assessment, the voting rights of such Member shall be automatically restored. The Board of Directors, after appropriate due process, may also suspend the voting rights of any Member who is in violation of the Declaration, a Supplemental Declaration, or the Rules or RMCA Standards, and/or who allows a violation to exist on his Lot if such violation remains uncorrected after the last day of a period established for correction by the Association (such period to be stated in a notice to the Owner together with a statement of the violation complained of and the manner of its correction).

ARTICLE III.

Meeting of Members

Section 3.1. Annual Meetings. Each regular annual meeting of the Members shall be held on the same week of the same month of each year thereafter, in the evening hours, as determined by the Board of Directors.

Section 3.2. Special Meetings. Special meetings of the Members may be called at any time by the president or by the Board of Directors. The notice of any special meeting shall state the time, place, and purpose thereof. Only business within the purpose or purposes described on the notice of a special meeting shall be transacted at such meeting.

Section 3.3. Notice of Meetings. Written notice of each meeting of the Members shall be given by, or at the direction of, the secretary, or person authorized to call the meeting, by mailing a copy of such notice, postage pre-paid, at least thirty (30) days but not more than sixty (60) days before such meeting to each Member entitled to vote thereat, addressed to such Member's address last appearing on the books of the Association, or supplied by such Members to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting. Notwithstanding the foregoing, notice of any membership meeting at which there shall be voted upon any amendment to the Articles, a plan of merger, a proposed sale of assets pursuant to Section 13.1-900 of the Virginia Code, or the dissolution of the Association, shall be given as required by Section 13.1-842 of the Virginia Code. The mailing or personal delivery of a notice of meeting in the manner provided in these Bylaws and Section 55.1-1815(G) of the Virginia Code, and by any of the means authorized by Section 13.1-842 of the Virginia Code, shall be considered service of notice. Notwithstanding the foregoing provisions, a waiver of notice in writing, signed by the Member or Member(s) entitled to such notice, whether before or after the meeting, shall be equivalent to the giving of such notice

to such Member(s). A Member who attends a meeting shall be deemed to have had timely and proper notice of the meeting unless such Member attends for the express purpose of objecting because the meeting is not lawfully called or convened.

Section 3.4. Quorum. The presence at the meeting of Members entitled to cast, or of proxies entitled to cast, one-tenth (1/10) of the votes shall constitute a quorum for any action except as otherwise provide in the Articles of Incorporation, the Declaration, or these Bylaws. If, however, such quorum shall not be present or represented at any meeting, the Members entitled to vote thereat shall have power to adjourn the meeting, in accordance with Section 3.7 below, from time to time, without notice other than announcement at the meeting until a quorum as aforesaid shall be present or be represented.

Section 3.5. Proxies. At all the meetings, each member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his lot. Such proxy shall be deemed revoked only upon actual receipt of notice of revocation, by the person presiding over the meeting, from any of the persons owning such Lot or Parcel. Except with respect to proxies in favor of a Mortgagee (hereinafter defined), no proxy shall in any event be valid for a period in excess of eleven months after the execution thereof and, in any event, any proxy shall terminate automatically upon the adjournment of the first meeting, or any continuance thereof, held on or after the date of the proxy.

Section 3.6. Place of Meetings. Meetings of the Members shall be held at such suitable place as may be designated by the Board of Directors.

Section 3.7. Adjournment of Meetings. If at any meeting of the Members a quorum is not present, Owners holding a majority of the votes, who are present at such meeting in person or by permitted proxy, may adjourn the meeting to a time not less than forty-eight hours after the time the original meeting was called. Notice of an adjournment of any meeting of the Association shall be posted at a conspicuous location, and shall state the time and place for the meeting to be reconvened. Notice may also be posted on any website of the Association; however, posting of notice on such a website shall not constitute official notice of such meeting. If a meeting is adjourned to a different date, time, or place, the notice required pursuant to Section 3.3 above need not be given if the new date, time, or place is announced at the meeting before adjournment.

Section 3.8. Voting. Voting at all meetings of the Association shall be on the basis set forth in these Bylaws. Where the ownership of a Lot or Parcel is in more than one person, the person who shall be entitled to cast the vote appurtenant to such Lot or Parcel shall be the person owning such Lot or Parcel, who is present at a meeting, whether in person or by proxy. If more than one person owning such Lot or Parcel is present, then such vote shall be cast only in accordance with their unanimous agreement, and absent such unanimous agreement, the vote appurtenant to such Lot or Parcel may not be cast at such meeting. Wherever the approval or disapproval of an Owner is required by the Declaration, the Articles, or these Bylaws, such approval or disapproval shall be made only by the person who would be entitled to cast the vote of such Lot or Parcel, at any

meeting of the Association. Except where a greater number is required by law, the Declaration, the Articles, or these Bylaws, Owners holding more than one-half of the aggregate Class A membership votes present in person or by proxy at a duly convened meeting at which a quorum is present ("Majority of Owners"), are required to adopt decisions at any meeting of the Association.

Section 3.9. Conduct of Meetings. The President (or, in the absence of the President, the Vice-President or other duly designated officer) shall preside over all meetings of the Association, and the Secretary (which may be a recording secretary) shall keep the minutes of the meeting and record in a minute book all resolutions adopted, and a record of all other transactions occurring, at the meeting.

Section 3.10. Alternative Voting Procedures. Notwithstanding any other provision of these Bylaws, to the extent permitted by the laws of Virginia, including, but not limited to, Section 13.1-846 of the Virginia Code, and provided the Board of Directors deems it to be in the best interest of the Association, any vote to be taken of the Members for the election of directors may be taken by mail, or electronically by e-mail or similar service that satisfies the requirements of Section 13.1-846 of the Virginia Code, and the number of votes necessary for election as a director shall be the same as if the vote were taken at a meeting.

## ARTICLE IV

### Board of Directors

Section 4.1. Number. The affairs of this Association shall be managed by a Board of no less than three (3) directors who must be Members of the Association. By action of the Board of Directors, the number of Directors may be increased up to as high as nine (9), and may be decreased down to as low as three (3), from time to time. Directors shall be elected by the Members or otherwise appointed in accordance with the provisions of these Bylaws, the Articles, and the Virginia Non-Stock Corporation Act. The Articles contain additional provisions regarding a Member's eligibility to serve on the Board of Directors. The method of nominating and electing Directors, and the term for which each Director is to be elected, shall be as provided in the Articles. The removal of Directors and the filling of vacancies in the Board of Directors shall also be as provided in the Articles.

Section 4.2. Term of Office. The term of office for all Directors shall be for one year, starting at the adjournment of the annual meeting at which they are elected and ending at the adjournment of the subsequent annual meeting.

Section 4.3. Removal. Any Director may be removed from the Board with or without cause, by a majority vote of the Board. Any Director may be removed from the Board with or without cause, by a majority vote of the Members of the Association, voting in person or by proxy at a meeting at which a quorum is present. In the event of death, resignation or removal of a director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

Section 4.4. Compensation. No Director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 4.5. Action Taken Without a Meeting. The Directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

Section 4.6. Meetings by Telephone Conference, etc. The Board of Directors may meet by means of a telephone conference, video-conference, or similar communication equipment by means of which all persons participating in the meeting can hear each other, and participation by such means shall constitute presence in person at such meeting. Such meetings may be called by the President or by a majority of the directors, and at least two (2) of the directors shall be physically present at the meeting place specified in the notice.

## ARTICLE V

### Nomination and Election of Directors

Section 5.1. Nomination. Nomination for the election to the Board of Directors shall be made by any member of the Association prior to the Annual Meeting or be made from the floor at the Annual Meeting.

Section 5.2. Election. Election to the Board of Directors shall be by written secret ballot. At such election the Members or their proxy holders may cast, in respect to such vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration, these Bylaws, or the Articles. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

## ARTICLE VI

### Meetings

Section 6.1. Regular Meetings. Regular meetings of the Board of Directors shall be held monthly, without notice, at such place and hour as may be fixed from time to time by resolution of the Board. Should such meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 6.2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any two Directors, after not less than three (3) days' notice to each Director.

Section 6.3. Quorum. A majority of the then-serving Directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Directors present at a duly held meeting at which a quorum is present, shall be regarded as the act of the Board.

## ARTICLE VII

### Powers and Duties of the Board of Directors

Section 7.1. Powers. The Board of Directors shall have the power to:

- A. Adopt Rules as more particularly described in the Declaration;
- B. Suspend the voting rights and rights to use the recreational facilities, of a Member during any period in which such Member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) days for infraction of the Rules;
- C. Exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these Bylaws, the Articles of Incorporation, or the Declaration;
- D. Declare an office of a member of the Board of Directors to be vacant in the event such member shall be absent from three consecutive regular meetings of the Board of Directors;
- E. Employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties; and
- F. Exercise all such other powers as provided under the Virginia Nonstock Corporation Act and the Virginia Property Owners' Association Act.

Section 7.2. Duties. It shall be the duty of the Board of Directors to:

- A. cause to be kept, a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members, or at any special meeting when such statements is requested in writing by one-fourth (1/4) of the Members who are entitled to vote;
- B. supervise all officers, agents and employees of this Association and see that their duties are properly performed;
- C. as more fully provided in the Declaration to:
  - (1) fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period;
  - (2) send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of such annual assessment period; and

(3) foreclose the lien against any Lot for which assessments are not paid within thirty (30) days after due date or to bring an action at law against the Owner personally obligated to pay the same.

D. issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states the assessment has been paid, such certificates shall be conclusive evidence of such payment;

E. procure and maintain adequate liability and hazard insurance on property owned by the Association;

F. cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;

G. cause the Common Area to be maintained;

H. to maintain, repair, replace, remove, and improve real property owned by the Association that is not classified as Common Area, and to manage and run recreational activities and the like on such real property, and in connection therewith, to impose assessments, raise funds, expend funds, and the like, on such real property owned by the Association that is not classified as Common Area; and

I. may establish, via Rules, the terms and conditions upon which Owners may access and use such real property owned by the Association that is not classified as Common Area, which access and use may be contingent upon, among other things, the payment of fees.

## ARTICLE VIII

### Officers

Section 8.1. Enumeration of Officers. The officers of this Association's Board of Directors shall consist of a President, Vice President, and Treasurer at all times, and such other officer positions that the Board of Directors may establish or eliminate from time to time.

Section 8.2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Members.

Section 8.3. Term. The officers of the Association shall be elected annually by the Board and each shall hold office for one year unless they shall sooner resign, or shall be removed, or otherwise become disqualified to serve.

Section 8.4. Special Appointment. The Board may elect such other officers as the affairs of the Association may require, each of who shall hold office for such period, have such authority, and perform such duties as the Board may from time to time determine.

Section 8.5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time giving written notice to the Board, the President, and the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified within, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 8.6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 8.7. Multiple Offices. The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 8.4 of this Article.

Section 8.8. Duties. The duties of the officers are as follows:

A. President – The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments, and shall co-sign all checks and promissory notes.

B. Vice President - The Vice President shall act in the place and stead of the President in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

C. Treasurer - The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association, and shall disperse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; cause a review of the Association books by an Audit Committee consisting of two (2) Members of the Association, duly appointed by the Board of Directors, or cause the audit of the Association books to be made by an accountant of the Board's choosing when it is deemed to be necessary by the Board of Directors; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the Members.

## ARTICLE IX

### Committees

Section 9.1. Establishment. The Board of Directors shall appoint an Architectural Control Committee ("ACC"), as provided in the Declaration. The Board of Directors shall be entitled to charge a fee for each application submitted to the ACC for approval of initial construction on a vacant Lot, as more particularly described in the Declaration. The provisions of these Bylaws governing meetings, action without a meeting, notice and waiver of notice, and quorum and voting of the Board of Directors, shall apply to the ACC as well.



Section 9.2. Committees. The Board of Directors may create one or more committees (“Committees”), and may appoint members of the Board, officers of the Association, Members, or Residents (as defined below) to such committees. All residents, including Owners, Owner’s families in residence, and renters (collectively, “Residents”), may serve on Committees but not chair any Committee. Committees shall perform such tasks and serve for such periods as may be designated by resolution adopted by the Board. Each Committee shall operate in accordance with the terms of resolution of the Board of Directors designating such Committee, or with rules adopted by the Board. The provisions of these Bylaws that govern meetings, action without meetings, notice and waiver of notice, quorum, and voting requirements of the Board of Directors, shall apply to Committees as well.

Section 9.3. Eligibility. To be eligible to be appointed to, and/or to serve on, a Committee, Members and their Lots must be in financial good standing, as indicated on the books and records of the Association, and must remain in financial good standing during the Committee member’s term. In addition, to be eligible for service, a Committee member’s Lot must not be in violation of the Governing Documents during the Committee member’s term. For the purposes of this Section 9.3, a Member’s Lot shall be deemed to be in violation if the Association has notified the Owner of such Lot of a violation of the Governing Documents and such Member has not cured the violation within the time specified by the Association (or if no time is specified by the Association, within a reasonable time after the date of such notice from the Association). Finally, Members wishing to serve on a Committee must not be involved in a dispute with the Association at the time they seek appointment or at any time during their term. For the purposes of this paragraph, a “dispute” shall mean (i) a legal claim or cause of action; or (ii) a threat of a claim or cause of action, against the Association, its officers, directors, or agents.

## ARTICLE X

### Operation of the Property

Section 10.1. Fiscal Year. The fiscal year of the Association shall be the calendar year unless otherwise determined by the Board of Directors.

Section 10.2. Adoption of Budget and Establishment of Assessments. The Board of Directors shall adopt a budget (which shall include any proposed capital expenditures) for each fiscal year, as set forth in the Declaration, and shall establish the amount of the Annual Assessment for every Member subject thereto. The Board of Directors shall make the annual budget and assessment amount available to every Member at least 30 days in advance of adopting the same. These shall be available in the Association's office. In adopting a budget, the Board of Directors shall provide for a reserve fund, including a reserve for the deductible on physical damage insurance policies. The failure or delay of the Board of Directors to prepare or adopt a budget for any fiscal year after the initial budget is adopted shall not constitute a waiver or release in any manner of an Owner's obligation to pay his assessments as provided for in the Governing Documents, whenever the same shall be determined and, in the absence of any annual budget or adjusted budget, each Owner liable

therefor shall continue to pay each periodic installment at the rate established for the previous fiscal year.

Section 10.3. Payment of Assessments. Each Owner shall pay the assessments established by the Declaration, and the Supplemental Declaration (if any) applicable to such Owner's Lot, and these Bylaws. No Owner shall be liable for the payment of any part of the assessment against his Lot or Parcel, and due subsequent to the date of recordation of a deed by him, in fee of such Lot or Parcel, to a successor Owner (except a conveyance as security for the performance of an obligation). Each Owner waives the benefit of the homestead exemption as to any assessments levied against either the Lot or Parcel or the Owner. Each such assessment, together with the interest at the highest lawful rate, late charges as established by the Board of Directors, and all attorney's fees and costs of collection (all of which shall be added to the assessment) shall also be the personal obligation of the Owner at the time the assessment fell due.

Section 10.4. Collection of Assessments. The Board of Directors, or the managing agent at the request of the Board of Directors, may take action to collect any assessments, interest, late charges, attorney's fees, and costs of collection due from any owner. Each defaulting Owner shall also pay all attorney's fees and costs of collection, incurred in the collection of any unpaid assessment, and shall also pay any expense incurred as a result of a check being returned to the Association without payment. Any installment of an Annual Assessment or a special assessment not paid on or before the due date shall be delinquent, in which case the Board of Directors may exercise any remedies available to the Association at law, under these Bylaws, and/or the Declaration. In addition, if such installment is not paid within thirty (30) days after the due date, the Board of Directors shall have the right, upon notice to the Owner, to accelerate the installments owed and declare the entire balance of any Annual Assessment or special assessment due and payable in full.

Section 10.5. Statement of Assessments and Access to Records. In addition to complying with the requirements of Section 10.2 of these Bylaws, the Board of Directors shall promptly provide any Owner, contract purchaser, or Mortgagee so requesting the same in writing, with a written statement of the amount of the general, and any special, assessment levied against a Lot or Parcel, and all unpaid assessments due from such Owner. The Association shall keep detailed records of its operation and administration, and make the same available for inspection as provided in Section 55.1-1815 of the Virginia Code. The Association may impose and collect a charge, reflecting the actual cost of materials and labor, before providing copies of any books and records to a Member.

Section 10.6. Disclosure Packets. In addition to providing a statement of assessments and making the Association records available as provided in Section 10.5 of these Bylaws, the Association shall provide to the Owner of a Lot or Parcel who has contracted to sell the same, within 14 days of the actual receipt by the Association of a written request therefor, a disclosure packet containing all of the documents and other information required under Section 55.1-1809 of the Virginia Code. The Association may charge a fee for the preparation and issuance of each disclosure packet, to reflect the actual cost of the preparation thereof, not to exceed the maximum amount allowed under Section 55.1-1810 of the Virginia Code (if the Association engages a managing agent) or under

Section 55.1-1811 of the Virginia Code (if the Association employs a director of operations and not a managing agent).

Section 10.7. Maintenance, Repair, Replacement and Other Expenses. The Association shall be responsible for such maintenance, repair, and replacement of the Common Areas as is set forth in the Declaration. Unless otherwise determined by the Board of Directors, all repairs and replacements shall be substantially similar to the original construction and installation, and shall be of good quality. The method of approving payment vouchers for repairs and replacements performed by the Association shall be determined by the Board of Directors. In addition, the Association is authorized to maintain, repair, replace, remove, and improve real property owned by the Association that is not classified as Common Area, and to manage and run recreational activities and the like on such real property, and in connection therewith, to impose assessments, raise funds, expend funds, and the like, on such real property owned by the Association that is not classified as Common Area.

## ARTICLE XI

### Insurance

#### Section 11.1. General Requirements.

(a) Purchase of Insurance. All insurance policies relating to the Common Areas, or any other real property owned by the Association that is not classified as Common Area, shall be purchased by the Association. Neither the Board of Directors nor the managing agent shall be liable for failure to obtain any coverage required by the Declaration, by this Article XI, or for any loss or damage resulting from such failure, if such failure is due to the unavailability of such coverages from reputable insurance companies, or if such coverage is available only at unreasonable cost.

(b) Required Provisions in Policies. Each insurance policy for the Common Areas, or any other real property owned by the Association that is not classified as Common Area, shall provide that:

(i) The insurer waives any right to claim (A) by way of subrogation against the Association, the Board of Directors, the managing agent, or the Owners and their respective lessees, and (B) invalidity arising from acts of the insured.

(ii) Such policy may not be cancelled, not renewed or substantially modified, without at least thirty (30) days prior written notice to the Association and the managing agent, and in the case of physical damage and fidelity insurance, to all Owners and Mortgagees and mortgage loan servicers.

(iii) The Association and the managing agent, if any, shall be named insureds.

(c) Insurance Companies. All policies of insurance shall be written by reputable companies licensed to do business in the Commonwealth of Virginia and, in the case of the physical damage insurance, holding a rating of B/III or better by Best's Insurance Reports.

#### Section 11.2. Physical Damage Insurance.

(a) All Risk Coverage. The Association shall obtain and maintain a policy of insurance against fire and such other hazards within the meaning of "all risk", insuring the improvements to the Common Areas (including fixtures and building service equipment and personal property), and any other real property owned by the Association that is not classified as Common Area, naming the Association as insured for the use and benefit of all Owners, in an amount equal to not less than 100% of the then current replacement cost of the improvements to the Common Areas (exclusive of land, excavations, foundations, and other items usually excluded from such coverage), and any other real property owned by the Association that is not classified as Common Area, such amount to be redetermined annually by the Board of Directors with the assistance of the insurance company affording such coverage. Any deductible shall not exceed the lesser of \$10,000 or 1% of the amount of coverage, and such deductible shall be considered in establishing the level of reserves.

(b) Required Provisions. Such policy shall also provide (unless otherwise provided):

(i) A waiver of any right of the insurer to repair, rebuild, or replace any damage or destruction if a decision is made not to do so.

(ii) The following endorsements (or equivalent) if applicable and available: (A) "contingent liability from operation of building laws", "demolition cost" and "increased cost of construction", (B) "agreed amount" or its equivalent and "inflation guard," and (C) "steam boiler and machinery coverage" with minimum liability per accident of not less than the lesser of the insurable value of the building housing the boiler or machinery (if applicable) or \$2,000,000.

(iii) That any "no other insurance" clause expressly excludes individual Owners' policies from its operation, so that the physical damage policy purchased by the Board of Directors shall be deemed primary coverage, and any individual Owners' policies shall be deemed excess coverage, and in no event shall the insurance coverage obtained and maintained by the Board of Directors hereunder provide for or be brought into contribution with insurance purchased by individual Owners or their Mortgagees, unless otherwise required by law.

(c) Delivery of Policies to Mortgagees. A duplicate original of the policy of physical damage insurance, all renewals thereof, and any subpolicies or certificates and endorsements issued thereunder, together with proof of payment of premiums, shall be delivered by the insurer, at least ten days prior to the expiration of the then current policy, to any Mortgagee requesting the same.

(d) Prohibited Provisions. The Association shall not obtain a policy where (i) under the terms of the carrier's charter, bylaws, or policy, contributions or assessments may be made against any Owner or Mortgagee or mortgage loan servicer, or become a lien on the Property; or (ii) by the terms of the carrier's charter, bylaws, or policy, loss payments are contingent upon action by the carrier's board of directors, policyholders, or members; or (iii) the policy includes any limiting clauses (other than insurance conditions) that could prevent the Association from collecting insurance proceeds.

Section 11.3. Liability Insurance. The Association shall obtain and maintain comprehensive general public liability and property damage insurance in such limits as the Board of Directors may from time to time determine (but not less than \$1,000,000 for bodily injury or property damage), insuring the Association, each member of the Board of Directors, 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 Common Areas, other real property owned by the Association that is not classified as Common Area, and other areas (if any) under the supervision of the Association, including, to the extent applicable and available: host liquor liability, elevator collision liability, comprehensive automobile liability, contractual liability, garage keeper's liability, and bailee's liability. Such insurance shall be issued on a comprehensive liability basis and shall contain a "severability of interest" endorsement that shall preclude the insurer from denying liability to an owner because of negligent acts of the Association or of another Owner. The Board of Directors shall review such limits once each year. "Umbrella" liability insurance in excess of the primary limits may also be obtained.

Section 11.4. Other Insurance. The Association shall obtain and maintain:

(i) Fidelity coverage to protect against dishonest acts on the part of officers, directors, employees, and agents (including the managing agent, if applicable) of the Association and all others who handle, or are responsible for handling, funds of the Association. Such fidelity bonds shall: (A) name the Association as an obligee; (B) be written in an amount to cover the maximum funds that will be in the custody of the Association or the managing agent at any time, and in any event not less than three (3) months' aggregate assessments on all Lots plus reserves; and (C) contain waivers of any defense based upon the exclusion of persons who serve without compensation, from any definition of "employee" or similar expression;

(ii) Worker's compensation and employer's liability insurance, if and to the extent necessary to meet the requirements of law and which, if carried, shall name the managing agent (if any) as an additional insured; and

(iii) Such other insurance as the Board of Directors may determine, or as may be requested from time to time by Owners of a majority of the Lots.

Section 11.5. Separate Insurance by Owners. Each Owner shall have the right and responsibility, at his own expense, to obtain insurance for his own Lot or Parcel and improvements thereon and for his own benefit; provided, however, that no Owner shall be entitled to exercise his right to obtain such insurance coverage so as to decrease the amount that the Association, on behalf of all Owners, may realize under any insurance policy maintained by the Association, or to cause any insurance coverage maintained by the Association to be brought into contribution with insurance coverage obtained by an Owner. Each Owner shall obtain liability insurance with respect to his Lot or Parcel in the amount of at least \$300,000.00. All such policies shall contain waivers of subrogation as against the Association and its Board of Directors, and the managing agent (if any), and their respective agents and employees. No Owner shall obtain separate insurance policies in conflict with this Section 11.5.

Section 11.6. Board of Directors as Agent. The Board of Directors is hereby irrevocably appointed the agent and attorney-in-fact (coupled with an interest) for each Owner, each Mortgagee, other named insureds 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 Association, and to execute and deliver releases upon the payment of claims, and to pursue and settle all claims arising out of the taking by way of eminent domain of any of the Common Areas or any other real property owned by the Association that is not classified as Common Area.

## ARTICLE XII

### Miscellaneous

Section 12.1. Notices. All notices, demands, requests, statements, or other communications under these Bylaws shall be in writing and shall be either delivered by overnight express mail, in person, or if sent by U.S. first class mail, postage prepaid, (i) if to an Owner, at the address that the Owner shall designate in writing and file with the Secretary or, if no such address is designated, at the address of the Lot of such Owner, or (ii) if to the Association, at the address of its managing agent, or at such other address as shall be designated by notice in writing to the Owners, pursuant to this Section, or (iii) if to a Mortgagee, to the address provided by the Owner, or to such other address as the Mortgagee may specify by written notice to the Association. All such notices, demands, requests, statements, or other communications shall be deemed to have been given when sent to the appropriate address above. Rejection or other refusal to accept shall not invalidate the effectiveness of any notice, demand, request, statement, or other communication. The Association may utilize electronic forms of communication to serve notices, demands, requests, statements, or other communications to the extent such forms of communication are authorized for such purposes under applicable law.

Section 12.2. Captions. The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit, or describe the scope of these Bylaws or the intent of any provision thereof.

Section 12.3. Gender, Etc. The use of the masculine gender in these Bylaws shall be deemed to include the feminine and neuter genders and the use of the singular shall be deemed to include the plural, and vice versa, whenever the context so requires.

Section 12.4. Construction. These Bylaws are intended to comply with applicable laws and shall be so interpreted and applied. In the event of conflict between the Declaration, any Supplemental Declaration, or the Articles and these Bylaws, the Declaration, Supplemental Declaration, or Articles shall control.

Section 12.5. Amendments. These Bylaws may be amended by a vote of at least two-thirds (2/3) of the Class A votes entitled to be cast by Members present in person or by proxy at a duly convened meeting at which a quorum is present. For purposes of this Section 12.5, the presence in person or by proxy of Members entitled to cast 50% of the aggregate Class A membership votes, shall constitute a quorum; however, to the extent any such amendment would be inconsistent with the Declaration or a Supplemental Declaration, such amendment shall be adopted in the same fashion as an amendment to the Declaration or the Supplemental Declaration (which must take place prior to, or contemporaneously with, the amendment of these Bylaws in order to ensure consistency).

## ARTICLE XIII

### Books and Records

Section 13.1. The books and records of the Association may be inspected in accordance with the provisions of the Virginia Property Owners' Association Act. The Declaration, the Articles of Incorporation, and Bylaws of the Association shall be available for inspection by any Member at the Association's website or via request made to the Association.

## ARTICLE XIV

### Assessments

Section 14.1. As more fully provided in the Declaration, each member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the Lot against which the assessment is made. Any assessment which are not paid when due shall be delinquent.

## ARTICLE XV

### MISCELLANEOUS

Section 15.1. The fiscal year of the Association shall begin on the first day of January and end on the last day of December of every year.