

BY-LAWS
OF
THE HIGHRIDGE CONDOMINIUM UNIT OWNER'S ASSOCIATION

ARTICLE I

Office

Office.

The office of the Association and of the Board of Directors shall be located at the Condominium or at such other place as may be designated from time to time by the Board of Directors.

ARTICLE II

Definitions

Section 1.

"Association" shall mean and refer to the HighRidge Condominium Unit Owner's Association, its successors and assigns.

Section 2.

"Properties" shall mean and refer to that certain real property described in the Declaration of Condominium of HighRidge (HighRidge), and such expansions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 3.

"Common" Elements shall mean all real property controlled and managed by the Association for the common use and enjoyment of the members of the Association as described in the Declaration of Condominium of HighRidge Condominium.

Section 4.

"Unit" shall mean and refer to a portion of HighRidge designed and intended for individual ownership and use. "Residential Unit" shall refer to one of the Units designed for residential occupancy and use.

Section 5.

"Member" shall mean and refer to every person or entity who holds membership in the Association.

Section 6.

"Owner" or "Unit Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Unit which is part of the Properties, including contract sellers, but excluding those holding title merely as security for the performance of an obligation.

Section 7.

"Declarant" shall mean and refer to Melba Investors Southeast, Inc., T/A Wintergreen, its successors and assigns as developer of the "Properties".

Section 8.

"Declaration" shall mean and refer to the Declaration of Condominium applicable to all Properties recorded in the Office of the Clerk of the Circuit Court of Nelson County, Virginia.

ARTICLE III

MembershipSection 1.

Every person or entity who is a record owner of a whole or partial interest in any Unit which is subject by the Declaration to assessment by the Association, including contract sellers, shall be a member of the Association. When a Unit is owned of record in the name of two or more individuals, each co-owner shall be a member provided, however, that the vote appertaining to such Unit shall be cast in accordance with Section 55-79.77(c) of the Code of Virginia as amended. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any Unit which is subject to assessment by the Association. Ownership of such Unit shall be the sole qualification for membership.

Section 2.

Suspension of Membership Rights. During any period in which a member shall be delinquent in excess of 30 days in the payments of any annual or special assessment levied by the Association, the right to the use of the Common Area and the recreation facilities, if any, of such member may be suspended by the Board of Directors until such assessment has been paid, provided, however, that access by the delinquent Unit Owners shall not be denied. Such rights of a member may also be suspended, after two weeks prior written notice and a hearing before the Board of Directors, for a period not to exceed thirty (30) days, for violation of any rules and regulations established by the Association governing the use of the Common Elements and facilities.

ARTICLE IV

Obligations of the OwnersSection 1.

Expenses, Assessments. Every Owner shall contribute toward the expense of the maintenance of Common Elements and payment of other Common Expenses, as provided by the aforementioned Declaration. The Association shall fix a quarterly assessment for each Unit in an amount sufficient to provide for its share of the maintenance of the Common Elements and other Common Expenses, subject to adjustment from time to time as the Association may deem necessary. Each residential Unit shall pay a portion of the total assessment equal to the reciprocal of the total number of residential units. Such quarterly charge shall be due and payable in advance on the first day of every calendar quarter, shall at the option of the Board of Directors when established at a duly called meeting

of said Board, bear interest at the rate of eighteen percent (18%) per annum from due date until paid, and with such interest shall be a lien on the Unit, assessed prior in right to all other charges whatsoever except assessments, liens and charges in favor of the State of Virginia or the County of Nelson for taxes past due and unpaid on such Unit and amounts and liabilities secured by first mortgage instruments or deeds of trust duly recorded prior to the perfection of the lien and securing institutional lenders. In the event any Owner is delinquent in the payment of any quarterly assessment for a period in excess of thirty (30) days, the Association is authorized to discontinue all services that the Association is furnishing to his Unit and residents thereof and/or to suspend the easement to the Common Elements, (except for access) to the Unit Owner, his family, tenants and assigns.

Section 2.

Maintenance and Repair.

(a) Every Owner must perform promptly all maintenance and repair work within his own Unit excluding, however, the Common Elements, which if omitted would affect the Common Elements and/or any other Unit, and shall be expressly responsible for the damages and liabilities that his failure to do so may engender. Every Unit Owner shall be responsible for maintaining the interior temperature of his Unit sufficiently high such that water pipes located within such Unit shall not be in danger of freezing.

(b) Every Owner shall be responsible for the repairs of internal installations of the Unit which serve only such Unit, such as water, light, power, sewerage, telephone, sanitary installations, doors, windows, lamps and all other accessories belonging

to the Unit.

(c) An Owner shall reimburse the Association for any expenditures it incurs in repairing or replacing any common area or facility damaged through the Owner's negligence or failure to promptly perform all maintenance and repair work within his Unit.

Section 3.

Use of Units. All Units shall be utilized in accordance with the provisions of the By-Laws, Declaration, and House Rules.

Section 4.

House Rules. In order to assure the peaceful and orderly enjoyment of the buildings and common elements of the Condominium, the Association may from time to time adopt, modify, and revoke in whole or in part by a vote of the members present in person or represented by proxy whose aggregate interest in the common elements constitutes sixty percent (60%), at any meeting duly called for the purpose, such reasonable rules and regulations, to be called House Rules, governing the conduct of persons within the Properties as it may deem necessary. Such House Rules upon adoption, and every amendment, modification, and revocation thereof, shall be delivered promptly to each Owner and shall be binding upon all members of the Association and occupants of the Properties.

Section 5.

Perfection and Foreclosure of Lien. The Association shall perfect its lien against any Unit for which assessments are not paid within ninety (90) days from the time such assessments became due in the manner set forth in Section 55-79.84 of the Code of Virginia as amended. This requirement can be waived only by specific action of the Board of Directors prior to the expiration of such time. The waiving of the perfection of such lien shall not waive the right of the Association to maintain

an action at law to recover a money judgement for unpaid assessments. Any Owner who is delinquent in the payment of his assessments shall be responsible for the costs and reasonable attorney's fees incurred by the Association in the collection of such assessments. In any suit to foreclose the lien for assessments, the Association shall follow the requirements of Section 55-79.84 of the Code of Virginia as amended. The Board of Directors, or its agent, shall have the power, but not the obligation, to acquire such Unit on behalf of the Association at a foreclosure sale provided that such action shall have been previously authorized at a regularly held meeting of the Board of Directors. No Unit shall have any votes in the Association when it is owned by the Association.

Section 6.

Right of Entry. The President or any person authorized by the Board of Directors shall have the right to enter such Unit in case of any emergency originating in or threatening such Unit whether or not the Owner or occupant is present at the time. Every Owner and occupant, when so required, shall permit Board members or their representatives, employees or contractors to enter his Unit at reasonable times for the purpose of performing authorized installations, alterations, or repairs to the common elements therein for central services, provided that requests for entry are made in advance, except when such request is not practicable due to an emergency situation.

Section 7.

Title. Every Unit Owner shall promptly cause to be duly recorded in the Clerk's Office of the Circuit Court of Nelson County, Virginia, the deed or other conveyance to him of his Unit and file a copy thereof or other evidence of his title with the Board of

Directors through the Secretary, and the Secretary shall maintain such information in the record of ownership of the Association.

Section 8.

Mortgages. Any institutional first lien mortgagee, (the Mortgagee), of a Unit may file a copy of its mortgage or deed of trust with the Board of Directors through the Secretary, and the Secretary shall maintain such information in the record of ownership of the Association. After the filing of the mortgage or deed of trust, the Board of Directors (through its manager if one exists), shall notify the Mortgagee of any Unit Owner who is in default in the expenses for the administration of the Association and the Mortgagee at its option may pay the delinquent expenses.

ARTICLE V

Meeting of Members

Section 1.

Annual Meetings. The first annual meeting of the members shall be held within one year from the date of recordation of the Declaration of Condominium registered with the Virginia Real Estate Commission pursuant to Section 55-79.92 of the Virginia Code. Each subsequent regular annual meeting of the members shall be held on the Sunday following the second Saturday in each November of each year thereafter, or at such other date as the Board shall establish.

Section 2.

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

Section 3.

Notice of Meetings. Written notice of each meeting of the members shall be given by, or at the

direction of, the Secretary or person authorized to call the meeting, by mailing a copy of such notice, United States Mail, at least twenty-one (21) days before the annual and regular meetings and seven (7) days before a special meeting, to each member of record entitled to vote thereat, addressed to the member's Unit address, or such other address supplied by such member to the Association for the purpose of notice. Such notice shall specify the place, day and hour and purposes of the meeting. In lieu of delivering notice as above, the notice may be hand delivered by such officer, provided he obtains a receipt of acceptance of such notice from the Unit Owner.

Section 4.

Quorum. The presence at the beginning of meetings of members entitled to cast, or of written proxies entitled to cast, one-quarter (1/4) of the votes of all the membership, shall constitute a quorum for any action except as otherwise provided in the Declaration or these By-Laws. 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 from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

Section 5.

The votes appertaining to any Unit may be cast pursuant to a proxy or proxies duly executed by or on behalf of the Unit Owner, or, in cases where the Unit Owner is more than one person, by or on behalf of all such persons. No such proxy shall be revocable except by actual notice to the person presiding over the meeting, by the Unit Owner or by any such persons, that it be revoked. Any proxy shall be void if it is not dated, if it purports to

be revocable without notice as aforesaid, or if the signatures of any of those executing the same has not been duly witnessed by a person who has signed his full name and address. The proxy of any person shall be void if not signed by a person having authority, at the time of the execution, thereof, to execute deeds on behalf of that person. Any proxy shall terminate automatically upon the adjournment of the first meeting held on or after the date of that proxy.

ARTICLE VI

Voting Rights

Section 1.

The Association shall have one class of voting membership: Every Residential Unit Owner, whether one or more, shall have one vote for each Unit owned. If more than one person owns a Unit, the vote for such Unit shall be cast according to Section 55-79.77 (c) of the Code of Virginia as amended.

ARTICLE VII

Property Rights

Section 1.

Member's Easements of Enjoyment. Every member shall have a right and easement of enjoyment in and to the Common Elements and such easement shall be appurtenant to and shall pass with the title to every assessed Unit, subject to the following provisions:

- (a) the suspension of membership rights under the provisions of Article III, Section 2. hereof,
- (b) the right of the Association to limit the number of guests of members; and
- (c) the right of the Association, in accordance with its By-Laws, to borrow money for the purpose of improving the Common Elements.

Section 2. Delegations of Use. Any member may delegate, in accordance with the By-Laws, his right of enjoyment to the Common Elements to the members of his family, his guest, his tenants, or contract purchasers who reside on the property.

Section 3. Utility Easements. The Association by normal Board action may convey and grant any utility easement.

ARTICLE VIII

Board of Directors

Section 1. The management of the affairs, property and business of the Association shall be vested in a Board of Directors consisting of not less than three or more than seven persons, who shall be elected at the annual meeting of the members for a term of one year, and shall hold office until their successors are elected and qualify. In addition to the powers expressly conferred by these By-Laws and the Declaration, the Board of Directors may exercise all such powers of the Association and do all such lawful acts and things as are not by statute, or by the Declaration or by these By-Laws directed or required to be exercised or done by the members.

Section 2. The Board of Directors shall have the right to delegate to a Managing Agent all of its powers relating to the maintenance of the Common Elements and to the collection of all assessments for the Association. Such Managing Agent shall have no power to establish rules and regulations for the Association.

Section 3. The Board of Directors shall administer the By-Laws and the House Rules as they relate to the use of the Common Elements. The Board of Directors shall have the right to delegate the approval of any changes in the exterior of the Building to an Architectural Review Board. Such Architectural Review Board shall

be appointed by the Board of Directors to a term not to exceed the term of one year.

Section 4.

Directors may not receive any compensation other than reimbursement of expenses made on behalf of the Association.

Section 5.

The regular meeting of the Board of Directors without notice other than these By-Laws, shall be held immediately after the adjournment of each annual meeting of the Association and at the same place.

Section 6.

Special meetings of the Board of Directors, to be held at a place to be designated by the President or Vice-President, may be called by the President, or in his absence, by the Vice-President, or by any two members of the Board of Directors.

Section 7.

Notice of the time and place of all special meetings of the Board of Directors shall be mailed to each Director by the Secretary or Assistant Secretary at least ten (10) days before the time fixed for the meeting, unless the fixing of such notice is waived by prior resolution of the Board of Directors or pursuant to Section 11. of this Article. All notices of special meetings shall state the purposes thereof, except as this requirement may be waived as hereinafter provided.

Section 8.

A quorum for the transaction of business at any regular or special meeting of the Board of Directors shall consist of a majority of the members of said Board, but the Directors present at any Directors' meeting, though less than a quorum, may adjourn the meeting from time to time, without notice other than at the time of adjournment, until the requisite quorum shall be present.

Section 9.

Any vacancy on the Board of Directors, except where caused by removal of a Director, may be filled by vote of the remaining Directors at any regular or

special meeting of the Board of Directors. A Director elected to fill a vacancy shall serve for the expired portion of the term of the Director whose place he filled and until his successor shall be duly elected and qualify, unless sooner displaced.

Section 10.

At each annual members' meeting, the Board of Directors shall submit a statement of the business done during the preceding year, together with a report on the general financial condition of the Association and on the condition of its tangible property.

Section 11.

Any or all of the requirements of this Article of By-Laws as to time, place, or notice of any meeting of the Board of Directors may be waived by the Directors, if each member of said Board shall agree in writing to such waiver.

Section 12.

In any case where the Association enters into any contract, transacts any business with any Director or Directors, or with any corporation or association of which one or more of its Directors is a stockholder, director, officer, trustee or partner, such contract or transaction shall not be invalidated or in any wise affected by the fact that such Director or Directors have or may have any interest, if disclosure is made to the Board of Directors by the Directors having such interest, and if the Board of Directors by majority vote of the disinterested Directors authorizes, affirms, ratifies, or approves such contract or transaction; such Director may not vote on any such action in which he has said interest as stated above.

ARTICLE IX

Nomination and Election of DirectorsSection 1.

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

Section 2.

Election. At the election of the Board of Directors, the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE X - OfficersSection 1.

The Board of Directors shall elect the officers of the Association, such election to be held at the annual meeting of the Board of Directors following each annual member's meeting. An officer may be removed at any time by a majority vote of the full

Board of Directors at any regular or special meeting of the Directors, but any officer whose removal is contemplated shall be granted a reasonable time in which to answer, at a hearing before the full Board of Directors, such charges as may be brought against him.

Section 2.

The officers of the Association shall be a President, a Vice-President, a Secretary, an Assistant Secretary, if elected, and a Treasurer, but any two officers except that of President and Secretary may be held by the same individual. The officers shall be elected for a term of one year and shall hold office until their successors are duly elected and qualified. Officers elected to fill vacancies for the unexpired portion of the terms of their predecessors and hold office until their successors are duly elected and qualify. No one shall be eligible for the office of President who is not a Director of the Association, and any President who ceases to be a Director shall cease to hold the office of President.

Section 3.

The President shall be the chief executive of the Association; he shall preside at all Directors' and members' meetings; shall have general supervision over the affairs of the Association, shall sign all membership certificates; and shall perform all such duties as are incident to his office or as the Board of Directors may prescribe.

Section 4.

In the case of the absence or disability of the President, his duties shall be performed by the Vice-President, or by such other officer as the Board of Directors may designate. The other duties of the Vice-President shall be such as the Board of Directors may from time to time prescribe.

Section 5.

The Secretary shall issue the notices of meetings

of the members and of the Board of Directors, and shall attend and keep the minutes of the same; he shall be in charge of all Association records except those to be kept by the Treasurer; attest with his signature all membership certificates and all written contracts of the Association as to which attestation is necessary, and shall perform all such other duties as are incident to his office, or as the Board of Directors may prescribe.

Section 6.

The Treasurer shall have the custody of all monies and securities of the Association and shall keep regular books of account. He shall disburse the funds of the Association in payment of the just demands against the Association or as may be ordered by the Board of Directors, taking proper vouchers for such disbursements, and shall render to the Board of Directors from time to time as may be required of him, an account of all his transactions as Treasurer and of the financial conditions of the Association. He shall perform all duties incident to his office or which are properly required of him by the Board of Directors.

Section 7.

In the case of the absence or inability to act of any officer of the Association, the Board of Directors may, from time to time, delegate the powers or duties of such officer to any other officer, or any Director or other person whom it may select.

Section 8.

Any vacancy in any office arising from any cause may be filled by the Directors at any regular or special meeting.

Section 9.

The Board of Directors may appoint such other officer or officers as it shall deem necessary or expedient, who shall hold his or their office for such terms, and who shall exercise such powers and

perform such duties as shall be determined from time to time by the Board of Directors.

ARTICLE XI

Meetings

Section 1.

The order of business at all regular meetings of the Board of Directors and of members shall follow as nearly as practicable the following outline:

- (a) Calling meeting to order and determination of a quorum,
- (b) Reading and adoption of the minutes of the previous meeting(s),
- (c) Reports of officers,
- (d) Reports of special committees,
- (e) Election of Directors (or officers),
- (f) Unfinished business,
- (g) New business; and
- (h) Adjournment.

ARTICLE XII

Finances

Section 1.

Fiscal Year. The fiscal year of the Condominium shall consist of the twelve (12) month period commencing on January 1 of each year and terminating on December 31 of the same year.

Section 2.

Preparation and Approval of Budget. Each year on or before December 1, the Board of Directors shall adopt a budget for the Condominium containing an estimate of the total amount which it considers necessary to pay the cost of utility services, maintenance, management, operation, repair and replacement of the Common Elements and those parts of the Units as to which it is the responsibility of the Board of Directors to maintain, repair, replace, and the cost of wages, fees, materials, insurance

premiums, services, supplies, reserves and other expenses that constitute Common Expenses under the Condominium Act, these By-Laws or a Resolution of the Board of Directors or the Unit Owner's Association, and which will be required during the ensuing fiscal year of the administration, operation, maintenance and repair of the Condominium and the rendering to the Unit Owners of all related services. The Budget may also include:

(a) The cost of the maintenance or repair of any condominium unit in the event such maintenance or repair is reasonably necessary in the discretion of the Board of Directors to protect the Common Elements or to preserve the appearance or value of the condominium project or is otherwise in the interest of the general welfare of all owners of the condominium units; provided, however, that no such maintenance or repair shall be undertaken without a resolution by the Board of Directors and not without reasonable written notice to the owner of the condominium Unit on which such maintenance or repair is performed and when so assessed, a statement for the amount thereof shall be rendered promptly to the then owner of said condominium Unit at which time the assessment shall become due and payable and a continuing lien and obligation of said owner in all respects as provided in Article IV of these By-Laws.

(b) Any amount necessary to discharge any lien or encumbrance levied against the condominium, or any portion thereof, which way, in the opinion of the Board of Directors, constitute a lien against the Common Elements rather than the interest therein of the owner of any individual condominium unit.

(c) Such budget may also include such reasonable

amounts as the Board of Directors considers necessary to provide working funds for the Condominium, a general operating reserve, or reserves for contingencies and replacements. The Board of Directors shall send to each Unit Owner a copy of the Budget, in a reasonably itemized form which sets forth the amount of the Common Expenses payable by each Unit Owner, at least ten (10) days prior to the beginning of the fiscal year to which the Budget applies. The said Budget shall constitute the basis for determining each Unit Owner's contribution for the Common Expenses of the Condominium.

Section 3.

Reserves. The Board of Directors may build up and maintain reasonable reserves for working capital, operations, contingencies and replacements. Extraordinary expenditures not originally included in the Budget which may become necessary during the year shall be charged first against reserves. If the reserves are inadequate for any reason, including non-payment of any Unit Owner's assessment, the Board of Directors may at any time levy a further assessment which shall be assessed against the Unit Owner's according to their respective Undivided Interests in the Common Elements, and which may be payable in a lump sum or in installments as the Board of Directors may determine. The Board of Directors shall serve notice of any such further assessment on all Unit Owners by a statement in writing giving the amount and reason therefor and such further assessment shall, unless otherwise specified in the notice, become effective with the next monthly payment which is due after the delivery or mailing of such notice of further assessment. All Unit Owners shall be obligated to pay the adjusted

monthly amount or, if the additional assessment is not payable in installments, the amount of such assessment.

Section 4.

Effect of Failure to Prepare or Adopt Budget. The failure or delay of the Board of Directors to prepare or adopt the annual budget for any fiscal year shall not constitute a waiver or release in any manner of a Unit Owner'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 Unit Owner shall continue to pay the monthly charge at the then existing monthly rate established for the previous fiscal period until the new annual or adjusted budget shall have been mailed or delivered.

Section 5.

Deposit of Funds. The funds of the Association shall be deposited in such banks, trust companies, or other depositories as the Board of Directors may designate. Checks drawn to pay indebtedness of the Association may be signed by such person or persons as the Board of Directors may choose by resolution.

Section 6.

Authorized Signature. The President or the Secretary are hereby authorized to make and issue notes, bonds, debentures, obligations, and evidences of indebtedness of all kinds only pursuant to resolutions duly adopted by the Board of Directors.

ARTICLE XIII

Books and Records

Section 1.

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any member. The Declaration and these By-Laws shall be available

for inspection by any member at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE XIV

Insurance

Section 1.

The Unit Owner's Association shall obtain and maintain at all times insurance, as set forth herein, including insurance against fire, with endorsement for extended coverage for the full insurable replacement value, of HighRidge Condominium as authorized by Section 55-79.81 of the Code of Virginia as amended. Such insurance shall run to the benefit of the Unit Owner's Association, the respective Unit Owners and their respective mortgagees, as their interests may appear, which insurance shall be governed by the following provisions:

(a) The Board of Directors shall be required to obtain a single master policy covering physical damage for the entire Property under which the insurance company will issue to each Unit Owner a certificate or sub-policy. The master policy shall also provide:

(1) That each Unit Owner shall have the right to request an increase in the coverage allocated to his Unit by reason of improvements made solely to his Unit, but any additional coverage shall be billed by the insurance company directly to, and shall be paid by, such Unit Owner; and

(b) In addition, the Board of Directors shall be required to secure a master policy covering physical damage that will provide the following:

(1) That the insurer waives its rights of sub-

rogation to any claims against the Declarant, Board of Directors, the Managing Agent, the Unit Owners and their respective agents, employees, and in the case of Unit Owners, the members of their households;

(2) That the master policy on the Property cannot be cancelled, invalidated, or suspended on account of the conduct of any member of the Board, officer or employee of the Board of Directors or the Managing Agent, without a prior demand in writing that the Board of Directors or the Managing Agent cure the defect;

(3) That any "no other insurance" clause contained in the master policy shall expressly exclude individual Unit Owner's policies from its operation;

(4) That until the expiration of thirty (30) days after the insurer gives notice in writing to the mortgagee of any Unit, the mortgagee's insurance coverage will not be affected or jeopardized by any act or conduct of the Unit Owner of such Unit, the other Unit Owners, the Board of Directors, or any of their agents, employees or household members, nor cancelled for nonpayment of premiums.

(5) That the master policy may not be cancelled or substantially modified without at least thirty (30) days prior written notice to the Board of Directors and all mortgagees of Units;

(6) That the net proceeds of such policies, if less than twenty-five thousand dollars, (\$25,000) shall be payable to the Board of Directors, and if more than twenty-five

thousand dollars, (\$25,000), shall be payable to the Insurance Trustee.

(7) That the master policy shall contain a standard mortgagee clause in favor of each mortgagee of a Unit to the extent of the portion of the coverage of the master policy allocated to such Unit, which shall provide that the loss, if any, thereunder shall be payable to such mortgagee and the Unit Owner as their interests may appear subject; however, to the loss payment and adjustment provisions in favor of the Board of Directors and the Insurance Trustee contained in Sections 4. and 5. of this Article.

(c) All policies of insurance shall be written with a company licensed to do business in the State of Virginia and holding a rating of "AAA" or better by Best's Insurance Reports.

(d) In no event shall the insurance coverage obtained and maintained by the Board of Directors hereunder be brought into contribution with insurance purchased by individual Unit Owners or their mortgagees.

(e) Each Unit Owner shall be required to notify the Board of Directors of all improvements made by the Unit Owners to his Unit, the value of which is in excess of one thousand dollars, (\$1,000).

(f) Any Unit Owner who obtains individual insurance policies covering any portion of the properties, shall be required to file a copy of such individual policy or policies with the Board of Directors within thirty (30) days after the purchase of such insurance. Such Unit Owner shall also promptly notify, in writing, the Board of Directors in the event such policy is

cancelled.

Section 2.

Insurance Coverage.

(a) The Board of Directors shall be required to the extent available to obtain and maintain the following insurance:

(1) Fire insurance with extended coverage vandalism, malicious mischief and windstorm endorsements, insuring the entire Properties (including all of the Units and bathroom and kitchen fixtures initially installed therein by the Declarant, but not including furniture, furnishings, or other personal property supplied or installed by Unit Owners), together with boiler and machinery insurance contained therein and covering the interests of the Association and all Unit Owners and their mortgagees as their interests may appear in the amount equal to at least 100% of replacement value of the Properties.

(2) Workmen's compensation insurance, if and to the extent necessary to meet the requirements of law.

(3) Such other insurance as the Board of Directors may determine.

(b) The Board of Directors shall also be required to obtain and maintain to the extent obtainable, public liability and property damage insurance in such limits as the Board of Directors may from time to time determine insuring the Declarant, each member of the Board of Directors, the Managing Agent, and each Unit Owner against any liability to the public or to the Unit Owners (and their invitees, agents and employees arising out of, or incident to, the ownership and or use of the Common Elements). Said insurance shall be issued on a

comprehensive liability basis and shall contain a cross liability endorsement under which the rights of named insured under the policy shall not be prejudiced with respect to his action against another named insured. The Board of Directors shall review such limits once a year, but in no event shall such insurance be less than one million dollars, (\$1,000,000) with respect to any one accident or occurrence and fifty thousand dollars, (\$50,000) with respect to any claim for property damage. It shall be the responsibility of each Unit Owner to obtain, at his own expense, liability insurance with respect to his ownership and or use of his Unit, and the Board of Directors shall not be responsible for obtaining such insurance.

(c) A duplicate original of the master policy of physical damage insurance, all renewals thereof, and all sub-policies or certificates issued thereunder, together with proof of payment of premiums, shall be delivered to all mortgagees of Units at least thirty (30) days prior to expiration of the then current policies. Prior to obtaining any policy of fire insurance or any renewal thereof, the Board of Directors shall obtain an appraisal from an insurance company, or such other source as the Board of Directors may determine, of the full replacement value of the property, without deduction for depreciation for the purpose of determining the amount of physical damage insurance to be effected pursuant to this Section.

Section 3.

Separate Insurance. Each Unit Owner shall have the right, at his own expense, to obtain additional insurance for his own Unit and for his own benefit and to obtain insurance coverage upon his personal property for his personal liability, provided that

no Unit Owner shall be entitled to exercise his right to acquire or maintain such additional insurance coverage so as to decrease the amount which the Board of Directors, on behalf of all Unit Owners, may realize under any insurance policy which it may have in force on the Properties at any particular time or to cause any insurance coverage maintained by the Board of Directors to be brought into contribution with such additional insurance coverage obtained by the Unit Owner. All such additional policies shall contain waivers of subrogation.

Section 4.

Insurance Trustee.

(a) The lender that is the holder of more than fifty percent (50%) of the mortgages or deeds of trust encumbering Units shall be designated as the Insurance Trustee. If for any reason such lender shall fail, refuse or shall cease to act as such, or at such time as it shall no longer hold such mortgages, the Board of Directors shall have the right to designate any bank, trust company, savings and loan association, building loan association, insurance company, or any institutional lender as the Insurance Trustee, and all parties beneficially interested in such insurance coverage shall be bound thereby; provided, however, that prior to such designation of a new Insurance Trustee, the Board of Directors shall obtain the consent to such new Insurance Trustee of the mortgagee or mortgagees holding mortgages constituting first liens on more than fifty percent (50%) of the number of Units in the Condominium encumbered by mortgages. The Insurance Trustee at the time of the deposit of such policies and endorsements shall acknowledge that the policies and any proceeds thereof will be held in accordance

with the terms of these By-Laws.

(b) The Insurance Trustee shall not be liable for payment of premiums, the renewal of the policies, the sufficiency of coverage, the form or content of the policies, the correctness of any amounts received by it 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 By-Laws, for the benefit of the Unit Owners and their respective mortgagees.

Section 5.

Board of Directors as Agent. The Board of Directors is hereby irrevocably appointed the agent for each Unit Owner of a Unit and for each mortgagee of a Unit and for each Owner of any other interest in the Property to adjust all claims arising under insurance policies purchased by the Board of Directors and to execute and deliver releases upon the payment of claims.

Section 6.

Premiums. Premiums upon all insurance policies purchased by the Board of Directors shall be deemed to be a Common Expense.

ARTICLE XV

Indemnification

Section 1.

The Association shall have the power to indemnify any officer, director, employee or agent of the Association who was or is threatened, made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, (other than an action by the Association), by reason that he is or was an officer, director, employee or agent of the

Association against expenses, (including attorney's fees), judgements, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding provided:

(a) such officer, director, employee or agent acted in good faith and in the manner he reasonably believed to be in or not opposed to the best interest of the Association; and

(b) such officer, director, employee or agent shall not have been guilty of gross negligence or misconduct in his position directly relating to the claim set forth in such action, suit or proceeding.

ARTICLE XVI

Amendments

Section 1.

These By-Laws may be amended by recordation of an instrument executed by the Unit Owners to which two-thirds, (2/3rds) of the votes in the Association are allocated in the Clerk's Office of the Circuit Court of Nelson County, Virginia.

Section 2.

In the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

ARTICLE XVII

Declarant Control

Section 1.

The Declarant shall control the Association until the first annual or special meeting of the Association as described in Article V hereof provided; however, in no event shall Declarant's control of the Association exceed the period of time set forth in Section 55-79.74 of the Code of Virginia, as amended.

State Tax 039	\$	_____
County Tax 213	\$	_____
Transfer Fee	\$	_____
Clerk's Fee	\$	45.00
Plats	\$	90.00
State Tax 038	\$	_____
County Tax 220	\$	_____
Total	\$	185.00

VIRGINIA: in the Clerk's Office of the Circuit Court of Nelson County Nov. 21 1958. This writing was admitted to record at 3:45 o'clock P.M. and the tax imposed by Sec. 58.1-802 of the Code in the amount of \$_____ has been paid.

TESTE: ROSEMARY F. DAVIS Clerk

By Norma W. Davis

HIGHRIDGE, A CONDOMINIUM
FIRST AMENDMENT TO
DECLARATION OF CONDOMINIUM REGIME

THIS AMENDMENT is made this the 5th. day of January, 1989, to the Declaration of Condominium Regime for HighRidge, a Condominium originally registered in the office of the Virginia Condominium Administrator on September 17, 1987, as Condominium Registration Number 87-150, which Declaration was originally recorded in the Clerk's Office of the Circuit Court of Nelson County, Virginia in Deed Book 267, at Page 365,

W I T N E S S E T H :

WHEREAS, Wintergreen Development, Inc., (the Declarant), is the fee simple owner of the hereinafter described real property;

WHEREAS, the Declarant has previously recorded its Declaration creating the HighRidge Condominium Regime for HighRidge, a Condominium, (HighRidge), in the Wintergreen Development, Nelson County, Virginia and by such Declaration specifically reserved the option to expand the Regime in accordance with Section 55-79.63 of the Code of Virginia (1950 as amended); and

SEE PLAT |
PLAT CARPET
SERIAL 410-413

WHEREAS, the Declarant now wishes to expand the Condominium Regime to include Phase 2 in addition to Phase 1 heretofore covered by the Regime.

NOW, THEREFORE, in consideration of the premises, the Declarant does hereby specifically exercise the option which it reserved pursuant to Section I. B. of the Declaration of Condominium Regime for HighRidge to expand the Regime to include the hereinafter described land and twelve (12) additional Units constructed thereon, as hereinafter described, and to reallocate the undivided interests in the common elements held by each Unit Owner.

1. Description. The land to be added to the Condominium Regime by this Amendment is more completely described by metes and bounds on the plat attached hereto as Exhibit A, Phases 1 and 2, on which it is shown as "Phase 2" and contains a total land area of 1.144 acres, more or less.

2. Description of Unit. Declarant has constructed on the land described as Phase 2 in Paragraph 1. above, twelve (12) residential Units as that term is defined in Section 55-79.41 of the Act, and the building containing such Units is located in accordance with Exhibit A., Phases 1 and 2 attached hereto. The vertical and horizontal boundaries of the Units in Phase 1 are as shown in Exhibit B to the original Declaration, and the vertical and horizontal boundaries of the Units in Phases 2 are as shown in Exhibits B to the First Amendment to the Declaration of Condominium.

3. Common Elements.

A. The Common Elements of HighRidge shall consist of all portions of the condominium not included within the boundaries of any Units; and

B. All items set forth in Section 55-79.50 (c) of the Act which are located within a Unit and which serve more than one Unit or any portion of the Common Elements; and

C. The rear porch or deck and exterior closet of each Unit which shall be deemed a limited common element appertaining to such Unit exclusively.

4. Interest in Common Elements. In accordance with Paragraph V. E. of the Declaration of Condominium Regime for HighRidge, the ownership interest in the common elements and voting rights in the Unit Owner's Association, shall be one-twenty-fourth, (1/24th.) undivided interest appurtenant to each Unit in both Phases created by the original Declaration of Condominium and by this Amendment to such Declaration.

5. Unit Owner's Association. The By-Laws of the HighRidge Condominium Unit Owner's Association specifically provide for expansion of the Regime and cover the voting and property rights as well as assessments and duties of Unit Owners. The By-Laws are recorded in the Clerk's Office of the Circuit Court of Nelson County, Virginia, with the original Declaration and are incorporated hereby by reference as Exhibit C.

6. Purpose. The purpose of this Amendment is to expand HighRidge to a total of twenty-four (24) Units, pursuant to the option reserved in the Declaration and except for such expansion as herein set out, all the terms and conditions of the HighRidge Declaration of Condominium Regime

shall remain in full force and effect, are incorporated herein by reference, and this Amendment shall be considered a supplement thereto.

IN WITNESS WHEREOF, Wintergreen Development, Inc., has caused this Amendment to be executed by a duly authorized officer on the date hereinabove first mentioned.

WINTERGREEN DEVELOPMENT, INC.

BY: Edward P. Spear
Edward P. Spear,
President

STATE OF VIRGINIA
To-Wit:
COUNTY OF NELSON

The foregoing instrument was acknowledged before me this the 5th day of January, 1989, by Edward P. Spears, President of Wintergreen Development, Inc., on behalf of the Corporation.

My commission expires: 1-15-91

Diane Kay Martin
NOTARY PUBLIC

AFFIX
NOTARIAL
SEAL:

SEE PLAT 1
PLAT CABINET
SLIDE 410-413

State Tax 039	\$.....	VIRGINIA: in the Clerk's Office of the Circuit Court of Nelson County <u>Jan 6</u> 19 <u>89</u> This writing was admitted to record at <u>3:15</u> o'clock <u>P.</u> M. and the tax imposed by Sec. 58.1-802 of the Code in the amount of \$ <u>80.00</u> has been paid.
County Tax 213	\$.....	
Transfer Fee	\$.....	
Clerk's Fee	\$ <u>10.00</u>	
Plats	\$ <u>70.00</u>	
State Tax 038	\$.....	
County Tax 220	\$.....	
Total	\$ <u>80.00</u>	TESTE: <u>ROSEMARY F. DAVIS</u> Clerk By <u>Jean M. O'Keefe</u> , Deputy Clerk

The foregoing consisting of 3 page(s) is a true copy of Deed recorded in my office in Book 269 Page 23 On Jan 6, 1989
Jean M. O'Keefe, Deputy Clerk

07001826 47
(2ND Recording)
(Rec'd NCC 5-16-07)
Cgr

070000851

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000002

Second ~~First~~ Amendment to the
By-Laws of the
High Ridge Condominium Unit Owner's Association

Whereas it is the desire of the High Ridge Condominium Unit Owners Association (1701-1724 Blue Ridge Drive, Wintergreen, Virginia) to ensure that members have timely, effective and efficient notice of meetings; that the Board of Directors be able to meet as needed to conduct the affairs of the Association; and that Association communications take advantage of electronic tools now available and available in the future;

BE IT THEREFORE RESOLVED by the High Ridge Condominium Unit Owners Association hereby amends its Bylaws as follows:

Article V. Section 3. Notice of Meetings. Written notice of each meeting of the members shall be given by, or at the direction of, the Secretary or person authorized to call the meeting, by mailing a copy of such notice, United States Mail, at least twenty-one (21) days before the annual and regular meetings and seven (7) days before a special meeting, to each member of record entitled to vote thereat, addressed to the member's Unit address, or such other address supplied by such member to the Association for the purpose of notice. Such notice shall specify the place, day and hour, and purposes of the meeting. In lieu of delivering notice as above, the notice may be hand delivered by such officer, provided he obtains a receipt of acceptance of such notice form the Unit Owner.

Notice of both regular and special meetings of the members, the Board of Directors, committees, and sub-committees may be given by electronic transmission, including posting to an internet website and electronic mail and any similar, as yet undeveloped, electronic transmission method that may supplant or replace internet websites and electronic mail.

BE IT FURTHER RESOLVED, that the High Ridge Condominium Unit Owners Association hereby amends its Bylaws as follows:

Article VIII. Section 6. Special meetings of the Board of Directors, to be held at a place to be designated by the President or Vice-President, may be called by the President, or in his absence, by the Vice-President, or by any two members of the Board of Directors.

Because High Ridge Condominium unit owners rarely occupy their units as their principal residences, and because members of the Board of Directors usually maintain their principal residences in geographically dispersed locations, and to allow the Board of Directors to conduct the business of the Association in a timely and efficient manner, meetings of the Board of Directors may be conducted by teleconference, without the physical presence of any or all of the directors at any specific location.

ADOPTED on the 3rd day of December, 2006, at the Annual Meeting of the High Ridge Condominium Unit Owners Association, and formally submitted to the Nelson County Circuit Court this 23rd day of January, 2007.

Grant Leber 23 FEB 2007
President, Grant Leber Date

February

State of Virginia
City/County of Prince William

The foregoing instrument was acknowledged before me this 23rd day of January, 2007 by Grant Leber, President of the High Ridge Condominium Unit Owner's Association, an unincorporated association.

My commission expires: _____

Signature: Jawana Williamson
Notary Public

My Commission Expires August 31, 2011

Notice: Submitted for Re-Recording on 4/5/07 to show correction to title. This is The Second Amendment.



Returned to: Wintergreen Resort, Property Management Office, P.O. Box 706, Wintergreen, VA 22958

Rec'd NCC 3.05.07 Cgr

HIGHRIDGE, A CONDOMINIUM
DECLARATION OF CONDOMINIUM

THIS DECLARATION OF CONDOMINIUM made this 17th day of November, 1988, by Wintergreen Development, Inc. a Virginia Corporation with its home office located at Wintergreen, Virginia 22958:

W I T N E S S E T H :

WHEREAS, Wintergreen Development, Inc., (the Declarant) is the fee simple owner of the hereinafter described real property; and

WHEREAS, the Declarant, in compliance with the Virginia Condominium Act, Sections 55-79.39 et seq. of the Code of Virginia (1950) (as amended) (the Act), wishes to submit the real property, (the Property), and the improvements thereon, to the provisions of the Act;

NOW THEREFORE, in consideration of the premises, the Declarant does hereby submit the hereinafter described Property, with all improvements thereon whether heretofore or hereafter constructed, and all appurtenances thereto, to the provisions of the Act, and does hereby establish a condominium with respect to said Property, to be known as HighRidge, a Condominium, (HighRidge). All of said Property (including appurtenances and improvements), shall be held, conveyed, divided or subdivided, leased, rented and occupied, improved, hypothecated or encumbered subject to the covenants, restrictions, uses, limitations, obligations, easements, equitable servitudes, charges and liens hereinafter set forth or incorporated by reference herein, and shall be deemed to run with and bind the land, and which shall be binding on all parties having or acquiring any right, title, or interest in the Property or any part thereof and shall inure to the benefit of each owner thereof.

1. DESCRIPTION:

A. Original: The Declarant has constructed on the Property situated in Nelson County, Virginia, more particularly described in "Exhibit A" attached hereto and incorporated herein by reference a residential building containing a total of twelve (12) Condominium Units as the term "Unit" is defined in Section 55-79.41 of the Act, hereinafter, (Unit); which Units are located in accordance with and are

described in the Unit Location Map and Floor Plans which are incorporated herein by reference as "Exhibit B".

Each Unit Owner, as that term is defined in Section 55-79.41 of the Act, by acceptance of a deed therefore, agrees that he has had full opportunity to inspect and examine the Unit thus acquired by him and waives any claim or demand which he might otherwise have had against the Declarant or any other person whomsoever as a result of any discrepancy between the Unit as it then exists and as it is described in this Declaration, the exhibits attached hereto, and the architectural plans and specifications. The ownership of each Unit shall include, but not be limited to an undivided interest in the Common Elements, membership in the HighRidge Condominium Unit Owner's Association, (herein, the Association), and an undivided interest in the funds and assets of the Association.

B. Expansion:

1. The Declarant hereby specifically reserves the option to expand this condominium to a total of no more than one hundred twenty (120) Units.
2. There are no limitations on the option so reserved, except for the provisions in regard to total number of Units and in regard to the density of Units, as hereinafter set out. The consent of Unit Owners shall not be required.
3. The option to expand the condominium if not sooner exercised, shall expire seven years from the date of recordation of this Declaration in the Clerk's Office of the Circuit Court of Nelson County. Except for such time limitation, the reserved option shall remain open to Declarant until exercised or until a written agreement is recorded by the Declarant in the Clerk's Office of the Circuit Court of Nelson County specifically waiving and relinquishing such option.
4. The land which may be added to the condominium, henceforth referred to as "additional land", shall be that designated as additional land on the plat attached as Exhibit A hereto.
5. The Declarant may at its option add additional phases to the condominium in any number and in any order provided that any phases

added must adjoin either another phase and/or the original land contained in the condominium, (Phase 1 as described in Exhibit A hereto).

6. Different portions (Phases) of the additional land may be added to the condominium at different times. Additional Phases may be added in any order so long as the entire condominium is contained within one contiguous piece of real estate.

7. There are no limitations on the location of any improvements on any parcel of additional land.

8. No more than one hundred eight Units may be constructed on the additional land. The maximum number of additional units per acre of additional land at any time shall not exceed fifteen (15).

9. All Units located on such additional land shall be restricted exclusively to residential use provided that one residential Unit may be used as a Model by Declarant. Residential use shall include accessory uses such as parking areas, paths, and storage areas.

10. Any structures erected on the additional land added to the condominium will be comparable in terms of quality of construction with the structures on the submitted land, but there is no assurance that such structures will have the same principal materials or architectural style.

11. There shall be no limitations on what other improvements other than the condominium Units, shall be made on the additional land, except that no improvements shall be placed thereon for commercial or other than residential purposes and any such improvements shall be complimentary to and for the use of the owners and residents of the Units.

12. Any Units constructed on any portion of the additional land will be residential Units, but there is no assurance that they will be substantially identical to the Units on the submitted land nor is there any limitation of the type of Unit except to the extent affected by Paragraph 10. above.

13. Declarant reserves the right to create limited common elements within the additional land such as balconies, patios, ski closets or other appurtenances to an individual Unit which are designated as limited common elements at the time the additional land is

added to the condominium, but there shall be no area designated therein as common elements which may subsequently be assigned as limited common elements except that there may be assigned no more than two parking spaces to each Unit constructed therein as limited common elements for such Unit. Except as to the parking areas described above, no assurances are made as to the types, sizes and maximum number of any limited common elements.

II. TYPES, AREA AND CONTENT OF UNITS: Each of the Units of HighRidge shall be composed of the rooms and contain the square footage of interior space as described, enumerated and as shown in Exhibit "B" to this Declaration, subject only to possible minor variations as may occur in the course of construction.

III. HORIZONTAL AND VERTICAL BOUNDARIES: All Units of HighRidge shall be shown on the Exhibit "B" and, excepting the items stated in VI. B., below, shall include that part of the structure which lies within the following boundaries together with any separate heating or air-conditioning equipment not within such boundaries but serving only such Unit.

A. Upper and Lower Boundaries: The upper and lower boundaries of the Unit shall be the following boundaries extended to an intersection with the vertical (perimetric) boundaries:

1. Upper Boundary: The plane(s) of the exterior side of the sheetrock or other finished ceiling surface at the top of the Unit.

2. Lower Boundary: The plane(s) of the interior side of the sub-flooring located at the bottom of the Unit.

B. Vertical Boundaries: The vertical boundaries of the Unit shall be the vertical plane which includes the outermost surface of the sheetrock or other finished wall surface of all walls bounding the Unit extended to intersections with each other and with the upper and lower boundaries.

These definitions setting forth the Unit boundaries shall be governed by the terms of Sub-sections 55-79.50 (b&c) of the Act. All boundaries of Units shall be physical, as-built boundaries. The boundaries of the Units shall not be relocated nor shall the Units be sub-divided.

IV. COMMON ELEMENTS:

A. The Common Elements of HighRidge shall consist of all portions of the condominium not included within the boundaries of any Units; and

B. All items set forth in Section 55-79.50 (c) of the Act which are located within a Unit and which serve more than one Unit or any portion of the Common Elements.

C. Any deck(s) and balcony as well as the exterior closet associated with a Unit on Exhibit "B" shall be deemed a limited common element appertaining to such Unit only.

V. INTEREST IN COMMON ELEMENTS:

A. Ownership of the Common Elements as described herein shall be by the Unit Owners as tenants in Common. The undivided interest of each Unit Owner in and to the Common Elements at any particular time and the share of each Unit Owner in the expense of operating and maintaining the Common Elements shall be a fraction in which the numerator is one and the denominator, the total number of Units in the Condominium. The undivided interest of each Unit Owner in the Common Elements is appurtenant to the Unit owned by him and no such interest shall be deemed to be conveyed or encumbered or to otherwise pass without the Unit or be portioned from the Unit. Each Unit Owner and the Association may use the Common Elements for the purposes for which they are intended, but no such use shall enter or encroach upon the lawful rights of the other Unit Owners.

B. The interests assigned herein do not necessarily reflect or represent the relative selling price or actual value of any Unit and no opinion, appraisal, sale or market value transaction of one Unit at a greater or lesser price than another Unit shall be interpreted as requiring or permitting any change in the undivided interest assigned herein.

C. The use of the Common Elements shall be governed by the By-Laws and rules and regulations adopted by the Association as provided for in Section 55-79.73 of the Act. The Common Expenses, as defined in Section 55-79.41 (b) of the Act shall be borne among the Unit Owners in

direct proportion to their interest in the Common Elements as defined in Article V. A. above.

D. The Common Elements shall remain undivided and no Unit Owner may bring any action for partition or division of these Common Elements except as provided in Article XIII. below.

E. In the event Declarant exercises its option to add additional land as set forth in Paragraph I. B. above of this Declaration, the Common Elements shall be apportioned evenly between all the Units, both the original Units submitted hereby and the Units contained on the additional, such that, when the additional land is added, each Unit in the original plan and on the additional land shall have an undivided interest in the Common Elements which is determined by a fraction in which the numerator is one and the denominator is the total number of Units contained in the expanded Condominium. Upon exercise of the option to add additional land, the Declarant shall cause the recording of such plats and plans as required by the Virginia Condominium Act. Section 55-79.39 et seq., Code of Virginia, 1950 as amended and simultaneously therewith shall execute and record an amendment to this Declaration reallocating the undivided interest in the Common Elements on the basis hereinabove set out.

VI. ADMINISTRATION: The administration of HighRidge Condominium shall be conducted in accord with the provisions of this Declaration and the By-Laws of the Association attached hereto as Exhibit "C".

VII. EASEMENTS:

A. Enjoyment of Common Elements: Every Unit Owner shall have a right to use an easement of enjoyment in and to the Common Elements and such easement shall be appurtenant to and shall pass with the title to every Unit. Any Unit Owner may delegate, in accordance with the By-Laws, his right of enjoyment to the Common Elements to the members of his family, his guests or to his tenants who reside in his Unit.

B. Encroachments and Support: Each Unit and the property included in the Common Elements shall be subject to an easement for encroachments as set forth in Section 55-79.60 of the Act.

C. Utilities, etc.: There is hereby granted a blanket easement upon, across, over and under all of the Property for ingress, egress, installation, replacing, repairing and maintaining a master television antenna/cable system and all utilities including but not limited to, water, sewers, telephones and electricity. By virtue of this easement, it shall be expressly permissible for the providing utility company to erect and maintain the necessary equipment on said property and to affix and maintain utility wires, circuits and conduits on, above, across and under the roofs and exterior walls of the Units. Notwithstanding anything to the contrary contained in this sub-paragraph, no sewers, electrical lines, water lines, or other utilities may be installed or relocated on the Property except as programmed and approved by the Declarant, prior to the recordation of this Declaration, or thereafter approved by the Association. Should any utility furnishing a service covered by the general easement herein provided request a specific easement by separate recordable document, the Declarant or Association shall have the right to grant such easement on said property without conflicting with the terms hereof. The easements provided for in this Article VII, shall in no way affect any other recorded easement on the Property.

D. Easements to Wintergreen: The Declarant does hereby reserve unto itself, its successors and assigns, the easements and rights-of-way as hereinafter provided:

1. An easement to facilitate sales and to maintain a sales office and model Unit within the Condominium. Under this easement, the Declarant, its duly authorized agents, representatives and employees shall have the right to use a condominium Unit as a Model Unit and/or sales office to show to prospective purchasers and otherwise use in the course of the sale of condominium Units. Such Unit may be either retained by the Declarant or sold and leased back by the Declarant. The owner of the Model Unit shall have the same rights, obligations and responsibilities with respect to such Unit as any other Unit Owner provided, however, that such Model Unit shall be the only Unit which may be used for commercial purposes. Declarant shall have the right to designate any condominium Unit as the Model Unit provided either that

the Declarant has retained its ownership of such Unit or that Declarant has leased such Unit from its owner under a lease providing that such Unit shall be the Model Unit.

2. The easement and rights-of-way granted herein may be exercised by any licensee of the Declarant, but the granting of the aforesaid easements and rights-of-way shall not be considered an obligation of the Declarant to provide or maintain any of the aforesaid utilities or services.

E. Repairs: The Association, or its designee, shall have the right to enter any Unit when necessary to carry out any repair, maintenance, landscaping, or construction for which the Association is responsible or for which any Unit Owner is responsible and has not completed after written notice to the Unit Owner from the Association. The entry by the Association shall be made with as little inconvenience to the Unit Owner as practicable and any damage caused shall be repaired at the expense of the Association unless the entry is made to perform any obligation for which the Owner is responsible, in which event the entry and all work shall be done at the risk and expense of the Unit Owner.

F. Emergency Services: There is hereby granted a blanket easement to the Association, its directors, officers, agents and employees, to any Manager employed by or on behalf of the Association and to all policemen, firemen, ambulance personnel and all similar persons without prior written notice to enter upon the property subject to this Declaration, By-Laws and Rules of the Association, in the event of emergencies or immediate danger to the Unit, to other Units or to the Common Elements.

G. Exercise of Easements, Notice: Except when an emergency situation arises or in furnishing (but not installing), or in repairing utility services, the rights accompanying the easements provided by this Article VII. shall be exercised only during reasonable daylight hours and then whenever practicable only after advance notice, to and with the permission of, the Unit or tenant directly affected thereby unless otherwise provided in Paragraph E. of this Article.

VIII. RESTRICTIVE AND AFFIRMATIVE COVENANTS:

A. Every person who is the record owner of a whole or partial interest in any Unit which is part of HighRidge and which is subject to this Declaration or any amendments thereto, shall be both a member of the HighRidge Condominium Unit Owner's Association and a member of The Wintergreen Property Owner's Association, with all the rights and privileges of such membership and subject to all corresponding obligations including the payment of annual and special assessments. The foregoing is not intended to include persons who hold an interest merely as security for the performance of an obligation.

B. In addition to the provisions of this Declaration and any amendments thereto, the property comprising HighRidge is expressly subject to the provisions of:

The "Declaration of Rights, Restrictions, Affirmative Obligations and Conditions Applicable to All Property In Wintergreen", recorded in the Clerk' Office of the Circuit Court of Nelson County, Virginia in Deed Book 137, at Page 568,

The "Declaration of Covenants and Restrictions of The Wintergreen Property Owner's Association and Wintergreen, a Virginia Limited Partnership", which Declaration is recorded in the Clerk's Office of the Circuit Court of Nelson County, Virginia in Deed Book 137, at Page 589, as amended, and the

"Affirmative Obligations and Conditions - Multiple-Family Covenants", dated September 10, 1974, and of record in said Clerk's Office in Deed Book 137, at Page 546, and

The "Declaration Subjecting a Portion of Wintergreen , Nelson and Augusta Counties, Virginia, to a Covenant and Restriction Against Timesharing", which Declaration is recorded in said Clerk's Office in Deed Book 215, at page 469, all of which Declarations are incorporated herein by reference.

IX. CHANGES BY DECLARANTS: Nothing contained in this Declaration shall be deemed to affect in any way whatsoever the right of the Declarant, its successors or assigns, to sell or to change the location, design, method of construction, grade, elevation or any other part or

feature of a Unit prior to the contracting for the conveyance of the Unit to a purchaser, or to impose upon the Declarant, its successors or assigns any obligation of any nature to build, construct or provide any portion of HighRidge prior to entering into a contract for the purchase and sale of a Condominium Unit.

X. MANAGEMENT:

A. Establishment of Assessments: The Association shall establish and collect an equal assessment for each Unit from the Owners of such Unit to provide for the payment of Common Elements as defined in Section 55-79.41 (b) of the Act. An initial assessment shall be charged to each Purchaser of a Unit (other than the Declarant) upon the initial conveyance of such Unit from the Declarant to such Purchaser. The initial assessment shall be in an amount established by Declarant prior to the filing hereof in the Clerk's Office of the Circuit Court of Nelson County, Virginia. Subsequent to the initial assessment, assessments made by the Association shall be in amounts sufficient to meet the Association's estimate of expenses set forth in an operating budget. The determination of Common Elements and assessments shall be as set forth in the By-Laws of the Association attached hereto as Exhibit "C".

B. Liability for Assessments: The assessments imposed by the Association in accord with the provision of the By-Laws for the maintenance and operation of the Common Elements shall constitute a lien upon each Unit superior to all other liens, other than liens for real estate taxes and liens for first mortgage or first trust financing securing institutional lenders recorded prior to the perfection of the lien for the assessments of the Association. In addition, each Unit Owner shall be personally liable for all such assessments imposed by the Association which may be due but unpaid at the time he acquires a Unit or which may become due and payable during any time while he owns his Unit.

No Unit Owner may exempt himself from liability for assessments to his Unit for the cost of the maintenance and operation of the Common Elements by the abandonment of his Unit.

XI. MAINTENANCE, REPAIR AND INTERNAL CHANGES OF UNITS:

A. Every Unit Owner must promptly perform all maintenance and repair work within his own Unit excluding however, the Common Elements described in Article IV. (B.) hereof which if omitted would affect HighRidge, in its entirety, or other Units which shall specifically include, but not be limited to, maintaining heat within the Unit to protect against freezing pipes.

B. Every Unit Owner shall be responsible for the repairs and/or replacement of accessories within or attached to a Unit and serving only such Unit, such as water, electricity, gas, power, sewerage, telephones, air-conditioners, sanitary installations, doors, windows, screens, lamps and all other accessories belonging to a Unit. The maintenance and repair of the outside portion of the heater/air-conditioner furnishing service to the Unit shall be at the Unit Owner's individual expense.

C. A Unit Owner shall reimburse the Association for any expenditures incurred in repairing or replacing any Common Element damaged through the Unit Owner's negligence or failure to promptly perform all maintenance and repair work within his Unit. Such amounts shall provide for the same lien as is provided for assessments levied by the Association.

D. A Unit Owner shall not make structural modifications or exterior alterations to his Unit or its equipment without previously notifying the Association in writing through the President of the Association, and obtaining the Association's written consent. The Association shall have the obligation to answer within thirty (30) days and failure to do so within the stipulated time shall mean that there is no objection to the proposed modification or alteration, which may then be completed in accordance with the submitted proposals as if the Association's consent had been given.

XII. CONDEMNATION: The rights of Declarant, the Association, all Unit Owners and any institutional first lien creditors shall be determined by the provisions of Section 55-79.44 of the Code of Virginia, 1950 as amended, in the event of any exercise of the right of eminent domain against HighRidge.

XIII. TERMINATION: This Declaration and HighRidge Condominium Regime may be terminated and the Property removed from the provisions of the Act, or this Declaration and/or the By-Laws may be amended, pursuant to the provisions of Section 55-79.72 of the Act.

IN WITNESS WHEREOF, Wintergreen Development, Inc., has caused this Declaration to be executed on the date first above mentioned.

WINTERGREEN DEVELOPMENT, INC.

BY: Edward P. Spears

TITLE: President

STATE OF Virginia

To-Wit:

CITY/COUNTY OF Nelson

The foregoing instrument was acknowledged before me this the 17th day of November, 1988, by Edward P. Spears, President of Wintergreen Development, Inc., on behalf of the Corporation.

My commission expires: 1-15-91

Diane Kay Martin
NOTARY PUBLIC

37 AFFIX NOTARIAL SEAL:

HIGHRIDGE, A CONDOMINIUM
FIRST AMENDMENT TO
DECLARATION OF CONDOMINIUM REGIME

THIS AMENDMENT is made this the 5th. day of January, 1989, to the Declaration of Condominium Regime for HighRidge, a Condominium originally registered in the office of the Virginia Condominium Administrator on September 17, 1987, as Condominium Registration Number 87-150, which Declaration was originally recorded in the Clerk's Office of the Circuit Court of Nelson County, Virginia in Deed Book 267, at Page 365,

W I T N E S S E T H :

WHEREAS, Wintergreen Development, Inc., (the Declarant), is the fee simple owner of the hereinafter described real property;

WHEREAS, the Declarant has previously recorded its Declaration creating the HighRidge Condominium Regime for HighRidge, a Condominium, (HighRidge), in the Wintergreen Development, Nelson County, Virginia and by such Declaration specifically reserved the option to expand the Regime in accordance with Section 55-79.63 of the Code of Virginia (1950 as amended); and

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410-413

WHEREAS, the Declarant now wishes to expand the Condominium Regime to include Phase 2 in addition to Phase 1 heretofore covered by the Regime.

NOW, THEREFORE, in consideration of the premises, the Declarant does hereby specifically exercise the option which it reserved pursuant to Section I. B. of the Declaration of Condominium Regime for HighRidge to expand the Regime to include the hereinafter described land and twelve (12) additional Units constructed thereon, as hereinafter described, and to reallocate the undivided interests in the common elements held by each Unit Owner.

1. Description. The land to be added to the Condominium Regime by this Amendment is more completely described by metes and bounds on the plat attached hereto as Exhibit A, Phases 1 and 2, on which it is shown as "Phase 2" and contains a total land area of 1.144 acres, more or less.

2. Description of Unit. Declarant has constructed on the land described as Phase 2 in Paragraph 1. above, twelve (12) residential Units as that term is defined in Section 55-79.41 of the Act, and the building containing such Units is located in accordance with Exhibit A., Phases 1 and 2 attached hereto. The vertical and horizontal boundaries of the Units in Phase 1 are as shown in Exhibit B to the original Declaration, and the vertical and horizontal boundaries of the Units in Phases 2 are as shown in Exhibits B to the First Amendment to the Declaration of Condominium.

3. Common Elements.

A. The Common Elements of HighRidge shall consist of all portions of the condominium not included within the boundaries of any Units; and

B. All items set forth in Section 55-79.50 (c) of the Act which are located within a Unit and which serve more than one Unit or any portion of the Common Elements; and

C. The rear porch or deck and exterior closet of each Unit which shall be deemed a limited common element appertaining to such Unit exclusively.

4. Interest in Common Elements. In accordance with Paragraph V. E. of the Declaration of Condominium Regime for HighRidge, the ownership interest in the common elements and voting rights in the Unit Owner's Association, shall be one-twenty-fourth, (1/24th.) undivided interest appurtenant to each Unit in both Phases created by the original Declaration of Condominium and by this Amendment to such Declaration.

5. Unit Owner's Association. The By-Laws of the HighRidge Condominium Unit Owner's Association specifically provide for expansion of the Regime and cover the voting and property rights as well as assessments and duties of Unit Owners. The By-Laws are recorded in the Clark's Office of the Circuit Court of Nelson County, Virginia, with the original Declaration and are incorporated hereby by reference as Exhibit C.

6. Purpose. The purpose of this Amendment is to expand HighRidge to a total of twenty-four (24) Units, pursuant to the option reserved in the Declaration and except for such expansion as herein set out, all the terms and conditions of the HighRidge Declaration of Condominium Regime

shall remain in full force and effect, are incorporated herein by reference, and this Amendment shall be considered a supplement thereto.

IN WITNESS WHEREOF, Wintergreen Development, Inc., has caused this Amendment to be executed by a duly authorized officer on the date hereinabove first mentioned.

WINTERGREEN DEVELOPMENT, INC.
BY: Edward P. Spears
Edward P. Spears,
President

STATE OF VIRGINIA
To-Wit:
COUNTY OF NELSON

The foregoing instrument was acknowledged before me this the 5th day of January, 1989, by Edward P. Spears, President of Wintergreen Development, Inc., on behalf of the Corporation.

My commission expires: 1-15-91

Diane Kay Martin
NOTARY PUBLIC

AFFIX
NOTARIAL
SEAL:

SEE PLAT
PLAT NUMBER
410-413

State Tax 039	\$	<u>f</u>
County Tax 213	\$	<u>f</u>
Transfer Fee	\$	<u>f</u>
Clerk's Fee	\$	<u>10.00</u>
Plats	\$	<u>70.00</u>
State Tax 038	\$	<u>f</u>
County Tax 220	\$	<u>f</u>
Total	\$	<u>80.00</u>

VIRGINIA: In the Clerk's Office of the Circuit Court of Nelson County Jan. 6 10 89 This writing was admitted to record at 3:15 o'clock P.M. and the tax imposed by Sec. 58.1-802 of the Code in the amount of \$ 80.00 has been paid.

TESTE: ROSEMARY F. DAVIS Clerk
By Jan W. Osmond, Deputy Clerk

BY-LAWS
OF
THE HIGHRIDGE CONDOMINIUM UNIT OWNER'S ASSOCIATION

ARTICLE I

Office

Office.

The office of the Association and of the Board of Directors shall be located at the Condominium or at such other place as may be designated from time to time by the Board of Directors.

ARTICLE II

Definitions

Section 1.

"Association" shall mean and refer to the HighRidge Condominium Unit Owner's Association, its successors and assigns.

Section 2.

"Properties" shall mean and refer to that certain real property described in the Declaration of Condominium of HighRidge (HighRidge), and such expansions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 3.

"Common" Elements shall mean all real property controlled and managed by the Association for the common use and enjoyment of the members of the Association as described in the Declaration of Condominium of HighRidge Condominium.

Section 4.

"Unit" shall mean and refer to a portion of HighRidge designed and intended for individual ownership and use. "Residential Unit" shall refer to one of the Units designed for residential occupancy and use.

Section 5.

"Member" shall mean and refer to every person or entity who holds membership in the Association.

Section 6.

"Owner" or "Unit Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Unit which is part of the Properties, including contract sellers, but excluding those holding title merely as security for the performance of an obligation.

Section 7.

"Declarant" shall mean and refer to Melba Investors Southeast, Inc., T/A Wintergreen, its successors and assigns as developer of the "Properties".

Section 8.

"Declaration" shall mean and refer to the Declaration of Condominium applicable to all Properties recorded in the Office of the Clerk of the Circuit Court of Nelson County, Virginia.

ARTICLE III

MembershipSection 1.

Every person or entity who is a record owner of a whole or partial interest in any Unit which is subject by the Declaration to assessment by the Association, including contract sellers, shall be a member of the Association. When a Unit is owned of record in the name of two or more individuals, each co-owner shall be a member provided, however, that the vote appertaining to such Unit shall be cast in accordance with Section 55-79.77(c) of the Code of Virginia as amended. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any Unit which is subject to assessment by the Association. Ownership of such Unit shall be the sole qualification for membership.

Section 2.

Suspension of Membership Rights. During any period in which a member shall be delinquent in excess of 30 days in the payments of any annual or special assessment levied by the Association, the right to the use of the Common Area and the recreation facilities, if any, of such member may be suspended by the Board of Directors until such assessment has been paid, provided, however, that access by the delinquent Unit Owners shall not be denied. Such rights of a member may also be suspended, after two weeks prior written notice and a hearing before the Board of Directors, for a period not to exceed thirty (30) days, for violation of any rules and regulations established by the Association governing the use of the Common Elements and facilities.

ARTICLE IV

Obligations of the OwnersSection 1.

Expenses, Assessments. Every Owner shall contribute toward the expense of the maintenance of Common Elements and payment of other Common Expenses, as provided by the aforementioned Declaration. The Association shall fix a quarterly assessment for each Unit in an amount sufficient to provide for its share of the maintenance of the Common Elements and other Common Expenses, subject to adjustment from time to time as the Association may deem necessary. Each residential Unit shall pay a portion of the total assessment equal to the reciprocal of the total number of residential units. Such quarterly charge shall be due and payable in advance on the first day of every calendar quarter, shall at the option of the Board of Directors when established at a duly called meeting

of said Board, bear interest at the rate of eighteen percent (18%) per annum from due date until paid, and with such interest shall be a lien on the Unit, assessed prior in right to all other charges whatsoever except assessments, liens and charges in favor of the State of Virginia or the County of Nelson for taxes past due and unpaid on such Unit and amounts and liabilities secured by first mortgage instruments or deeds of trust duly recorded prior to the perfection of the lien and securing institutional lenders. In the event any Owner is delinquent in the payment of any quarterly assessment for a period in excess of thirty (30) days, the Association is authorized to discontinue all services that the Association is furnishing to his Unit and residents thereof and/or to suspend the easement to the Common Elements, (except for access) to the Unit Owner, his family, tenants and assigns.

Section 2.

Maintenance and Repair.

(a) Every Owner must perform promptly all maintenance and repair work within his own Unit excluding, however, the Common Elements, which if omitted would affect the Common Elements and/or any other Unit, and shall be expressly responsible for the damages and liabilities that his failure to do so may engender. Every Unit Owner shall be responsible for maintaining the interior temperature of his Unit sufficiently high such that water pipes located within such Unit shall not be in danger of freezing.

(b) Every Owner shall be responsible for the repairs of internal installations of the Unit which serve only such Unit, such as water, light, power, sewerage, telephone, sanitary installations, doors, windows, lamps and all other accessories belonging

to the Unit.

(c) An Owner shall reimburse the Association for any expenditures it incurs in repairing or replacing any common area or facility damaged through the Owner's negligence or failure to promptly perform all maintenance and repair work within his Unit.

Section 3.

Use of Units. All Units shall be utilized in accordance with the provisions of the By-Laws, Declaration, and House Rules.

Section 4.

House Rules. In order to assure the peaceful and orderly enjoyment of the buildings and common elements of the Condominium, the Association may from time to time adopt, modify, and revoke in whole or in part by a vote of the members present in person or represented by proxy whose aggregate interest in the common elements constitutes sixty percent (60%), at any meeting duly called for the purpose, such reasonable rules and regulations, to be called House Rules, governing the conduct of persons within the Properties as it may deem necessary. Such House Rules upon adoption, and every amendment, modification, and revocation thereof, shall be delivered promptly to each Owner and shall be binding upon all members of the Association and occupants of the Properties.

Section 5.

Perfection and Foreclosure of Lien. The Association shall perfect its lien against any Unit for which assessments are not paid within ninety (90) days from the time such assessments became due in the manner set forth in Section 55-79.84 of the Code of Virginia as amended. This requirement can be waived only by specific action of the Board of Directors prior to the expiration of such time. The waiving of the perfection of such lien shall not waive the right of the Association to maintain

an action at law to recover a money judgement for unpaid assessments. Any Owner who is delinquent in the payment of his assessments shall be responsible for the costs and reasonable attorney's fees incurred by the Association in the collection of such assessments. In any suit to foreclose the lien for assessments, the Association shall follow the requirements of Section 55-79.84 of the Code of Virginia as amended. The Board of Directors, or its agent, shall have the power, but not the obligation, to acquire such Unit on behalf of the Association at a foreclosure sale provided that such action shall have been previously authorized at a regularly held meeting of the Board of Directors. No Unit shall have any votes in the Association when it is owned by the Association.

Section 6.

Right of Entry. The President or any person authorized by the Board of Directors shall have the right to enter such Unit in case of any emergency originating in or threatening such Unit whether or not the Owner or occupant is present at the time. Every Owner and occupant, when so required, shall permit Board members or their representatives, employees or contractors to enter his Unit at reasonable times for the purpose of performing authorized installations, alterations, or repairs to the common elements therein for central services, provided that requests for entry are made in advance, except when such request is not practicable due to an emergency situation.

Section 7.

Title. Every Unit Owner shall promptly cause to be duly recorded in the Clerk's Office of the Circuit Court of Nelson County, Virginia, the deed or other conveyance to him of his Unit and file a copy thereof or other evidence of his title with the Board of

Directors through the Secretary, and the Secretary shall maintain such information in the record of ownership of the Association.

Section 8.

Mortgages. Any institutional first lien mortgagee, (the Mortgagee), of a Unit may file a copy of its mortgage or deed of trust with the Board of Directors through the Secretary, and the Secretary shall maintain such information in the record of ownership of the Association. After the filing of the mortgage or deed of trust, the Board of Directors (through its manager if one exists), shall notify the Mortgagee of any Unit Owner who is in default in the expenses for the administration of the Association and the Mortgagee at its option may pay the delinquent expenses.

ARTICLE V

Meeting of Members

Section 1.

Annual Meetings. The first annual meeting of the members shall be held within one year from the date of recordation of the Declaration of Condominium registered with the Virginia Real Estate Commission pursuant to Section 55-79.92 of the Virginia Code. Each subsequent regular annual meeting of the members shall be held on the Sunday following the second Saturday in each November of each year thereafter, or at such other date as the Board shall establish.

Section 2.

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

Section 3.

Notice of Meetings. Written notice of each meeting of the members shall be given by, or at the

direction of, the Secretary or person authorized to call the meeting, by mailing a copy of such notice, United States Mail, at least twenty-one (21) days before the annual and regular meetings and seven (7) days before a special meeting, to each member of record entitled to vote thereat, addressed to the member's Unit address, or such other address supplied by such member to the Association for the purpose of notice. Such notice shall specify the place, day and hour and purposes of the meeting. In lieu of delivering notice as above, the notice may be hand delivered by such officer, provided he obtains a receipt of acceptance of such notice from the Unit Owner.

Section 4.

Quorum. The presence at the beginning of meetings of members entitled to cast, or of written proxies entitled to cast, one-quarter (1/4) of the votes of all the membership, shall constitute a quorum for any action except as otherwise provided in the Declaration or these By-Laws. 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 from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

Section 5.

The votes appertaining to any Unit may be cast pursuant to a proxy or proxies duly executed by or on behalf of the Unit Owner, or, in cases where the Unit Owner is more than one person, by or on behalf of all such persons. No such proxy shall be revocable except by actual notice to the person presiding over the meeting, by the Unit Owner or by any such persons, that it be revoked. Any proxy shall be void if it is not dated, if it purports to

be revocable without notice as aforesaid, or if the signatures of any of those executing the same has not been duly witnessed by a person who has signed his full name and address. The proxy of any person shall be void if not signed by a person having authority, at the time of the execution, thereof, to execute deeds on behalf of that person. Any proxy shall terminate automatically upon the adjournment of the first meeting held on or after the date of that proxy.

ARTICLE VI

Voting Rights

Section 1.

The Association shall have one class of voting membership: Every Residential Unit Owner, whether one or more, shall have one vote for each Unit owned. If more than one person owns a Unit, the vote for such Unit shall be cast according to Section 55-79.77 (c) of the Code of Virginia as amended.

ARTICLE VII

Property Rights

Section 1.

Member's Easements of Enjoyment. Every member shall have a right and easement of enjoyment in and to the Common Elements and such easement shall be appurtenant to and shall pass with the title to every assessed Unit, subject to the following provisions:

- (a) the suspension of membership rights under the provisions of Article III, Section 2. hereof,
- (b) the right of the Association to limit the number of guests of members; and
- (c) the right of the Association, in accordance with its By-Laws, to borrow money for the purpose of improving the Common Elements.

Section 2. Delegations of Use. Any member may delegate, in accordance with the By-Laws, his right of enjoyment to the Common Elements to the members of his family, his guest, his tenants, or contract purchasers who reside on the property.

Section 3. Utility Easements. The Association by normal Board action may convey and grant any utility easement.

ARTICLE VIII

Board of Directors

Section 1. The management of the affairs, property and business of the Association shall be vested in a Board of Directors consisting of not less than three or more than seven persons, who shall be elected at the annual meeting of the members for a term of one year, and shall hold office until their successors are elected and qualify. In addition to the powers expressly conferred by these By-Laws and the Declaration, the Board of Directors may exercise all such powers of the Association and do all such lawful acts and things as are not by statute, or by the Declaration or by these By-Laws directed or required to be exercised or done by the members.

Section 2. The Board of Directors shall have the right to delegate to a Managing Agent all of its powers relating to the maintenance of the Common Elements and to the collection of all assessments for the Association. Such Managing Agent shall have no power to establish rules and regulations for the Association.

Section 3. The Board of Directors shall administer the By-Laws and the House Rules as they relate to the use of the Common Elements. The Board of Directors shall have the right to delegate the approval of any changes in the exterior of the Building to an Architectural Review Board. Such Architectural Review Board shall

be appointed by the Board of Directors to a term not to exceed the term of one year.

Section 4.

Directors may not receive any compensation other than reimbursement of expenses made on behalf of the Association.

Section 5.

The regular meeting of the Board of Directors without notice other than these By-Laws, shall be held immediately after the adjournment of each annual meeting of the Association and at the same place.

Section 6.

Special meetings of the Board of Directors, to be held at a place to be designated by the President or Vice-President, may be called by the President, or in his absence, by the Vice-President, or by any two members of the Board of Directors.

Section 7.

Notice of the time and place of all special meetings of the Board of Directors shall be mailed to each Director by the Secretary or Assistant Secretary at least ten (10) days before the time fixed for the meeting, unless the fixing of such notice is waived by prior resolution of the Board of Directors or pursuant to Section 11. of this Article. All notices of special meetings shall state the purposes thereof, except as this requirement may be waived as hereinafter provided.

Section 8.

A quorum for the transaction of business at any regular or special meeting of the Board of Directors shall consist of a majority of the members of said Board, but the Directors present at any Directors' meeting, though less than a quorum, may adjourn the meeting from time to time, without notice other than at the time of adjournment, until the requisite quorum shall be present.

Section 9.

Any vacancy on the Board of Directors, except where caused by removal of a Director, may be filled by vote of the remaining Directors at any regular or

special meeting of the Board of Directors. A Director elected to fill a vacancy shall serve for the expired portion of the term of the Director whose place he filled and until his successor shall be duly elected and qualify, unless sooner displaced.

Section 10.

At each annual members' meeting, the Board of Directors shall submit a statement of the business done during the preceding year, together with a report on the general financial condition of the Association and on the condition of its tangible property.

Section 11.

Any or all of the requirements of this Article of By-Laws as to time, place, or notice of any meeting of the Board of Directors may be waived by the Directors, if each member of said Board shall agree in writing to such waiver.

Section 12.

In any case where the Association enters into any contract, transacts any business with any Director or Directors, or with any corporation or association of which one or more of its Directors is a stockholder, director, officer, trustee or partner, such contract or transaction shall not be invalidated or in any wise affected by the fact that such Director or Directors have or may have any interest, if disclosure is made to the Board of Directors by the Directors having such interest, and if the Board of Directors by majority vote of the disinterested Directors authorizes, affirms, ratifies, or approves such contract or transaction; such Director may not vote on any such action in which he has said interest as stated above.

ARTICLE IX

Nomination and Election of DirectorsSection 1.

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

Section 2.

Election. At the election of the Board of Directors, the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE X - OfficersSection 1.

The Board of Directors shall elect the officers of the Association, such election to be held at the annual meeting of the Board of Directors following each annual member's meeting. An officer may be removed at any time by a majority vote of the full

Board of Directors at any regular or special meeting of the Directors, but any officer whose removal is contemplated shall be granted a reasonable time in which to answer, at a hearing before the full Board of Directors, such charges as may be brought against him.

Section 2.

The officers of the Association shall be a President, a Vice-President, a Secretary, an Assistant Secretary, if elected, and a Treasurer, but any two officers except that of President and Secretary may be held by the same individual. The officers shall be elected for a term of one year and shall hold office until their successors are duly elected and qualified. Officers elected to fill vacancies for the unexpired portion of the terms of their predecessors and hold office until their successors are duly elected and qualify. No one shall be eligible for the office of President who is not a Director of the Association, and any President who ceases to be a Director shall cease to hold the office of President.

Section 3.

The President shall be the chief executive of the Association; he shall preside at all Directors' and members' meetings; shall have general supervision over the affairs of the Association, shall sign all membership certificates; and shall perform all such duties as are incident to his office or as the Board of Directors may prescribe.

Section 4.

In the case of the absence or disability of the President, his duties shall be performed by the Vice-President, or by such other officer as the Board of Directors may designate. The other duties of the Vice-President shall be such as the Board of Directors may from time to time prescribe.

Section 5.

The Secretary shall issue the notices of meetings

of the members and of the Board of Directors, and shall attend and keep the minutes of the same; he shall be in charge of all Association records except those to be kept by the Treasurer; attest with his signature all membership certificates and all written contracts of the Association as to which attestation is necessary, and shall perform all such other duties as are incident to his office, or as the Board of Directors may prescribe.

Section 6.

The Treasurer shall have the custody of all monies and securities of the Association and shall keep regular books of account. He shall disburse the funds of the Association in payment of the just demands against the Association or as may be ordered by the Board of Directors, taking proper vouchers for such disbursements, and shall render to the Board of Directors from time to time as may be required of him, an account of all his transactions as Treasurer and of the financial conditions of the Association. He shall perform all duties incident to his office or which are properly required of him by the Board of Directors.

Section 7.

In the case of the absence or inability to act of any officer of the Association, the Board of Directors may, from time to time, delegate the powers or duties of such officer to any other officer, or any Director or other person whom it may select.

Section 8.

Any vacancy in any office arising from any cause may be filled by the Directors at any regular or special meeting.

Section 9.

The Board of Directors may appoint such other officer or officers as it shall deem necessary or expedient, who shall hold his or their office for such terms, and who shall exercise such powers and

perform such duties as shall be determined from time to time by the Board of Directors.

ARTICLE XI

Meetings

Section 1.

The order of business at all regular meetings of the Board of Directors and of members shall follow as nearly as practicable the following outline:

- (a) Calling meeting to order and determination of a quorum,
- (b) Reading and adoption of the minutes of the previous meeting(s),
- (c) Reports of officers,
- (d) Reports of special committees,
- (e) Election of Directors (or officers),
- (f) Unfinished business,
- (g) New business; and
- (h) Adjournment.

ARTICLE XII

Finances

Section 1.

Fiscal Year. The fiscal year of the Condominium shall consist of the twelve (12) month period commencing on January 1 of each year and terminating on December 31 of the same year.

Section 2.

Preparation and Approval of Budget. Each year on or before December 1, the Board of Directors shall adopt a budget for the Condominium containing an estimate of the total amount which it considers necessary to pay the cost of utility services, maintenance, management, operation, repair and replacement of the Common Elements and those parts of the Units as to which it is the responsibility of the Board of Directors to maintain, repair, replace, and the cost of wages, fees, materials, insurance

premiums, services, supplies, reserves and other expenses that constitute Common Expenses under the Condominium Act, these By-Laws or a Resolution of the Board of Directors or the Unit Owner's Association, and which will be required during the ensuing fiscal year of the administration, operation, maintenance and repair of the Condominium and the rendering to the Unit Owners of all related services. The Budget may also include:

(a) The cost of the maintenance or repair of any condominium unit in the event such maintenance or repair is reasonably necessary in the discretion of the Board of Directors to protect the Common Elements or to preserve the appearance or value of the condominium project or is otherwise in the interest of the general welfare of all owners of the condominium units; provided, however, that no such maintenance or repair shall be undertaken without a resolution by the Board of Directors and not without reasonable written notice to the owner of the condominium Unit on which such maintenance or repair is performed and when so assessed, a statement for the amount thereof shall be rendered promptly to the then owner of said condominium Unit at which time the assessment shall become due and payable and a continuing lien and obligation of said owner in all respects as provided in Article IV of these By-Laws.

(b) Any amount necessary to discharge any lien or encumbrance levied against the condominium, or any portion thereof, which way, in the opinion of the Board of Directors, constitute a lien against the Common Elements rather than the interest therein of the owner of any individual condominium unit.

(c) Such budget may also include such reasonable

amounts as the Board of Directors considers necessary to provide working funds for the Condominium, a general operating reserve, or reserves for contingencies and replacements. The Board of Directors shall send to each Unit Owner a copy of the Budget, in a reasonably itemized form which sets forth the amount of the Common Expenses payable by each Unit Owner, at least ten (10) days prior to the beginning of the fiscal year to which the Budget applies. The said Budget shall constitute the basis for determining each Unit Owner's contribution for the Common Expenses of the Condominium.

Section 3.

Reserves. The Board of Directors may build up and maintain reasonable reserves for working capital, operations, contingencies and replacements. Extraordinary expenditures not originally included in the Budget which may become necessary during the year shall be charged first against reserves. If the reserves are inadequate for any reason, including non-payment of any Unit Owner's assessment, the Board of Directors may at any time levy a further assessment which shall be assessed against the Unit Owner's according to their respective Undivided Interests in the Common Elements, and which may be payable in a lump sum or in installments as the Board of Directors may determine. The Board of Directors shall serve notice of any such further assessment on all Unit Owners by a statement in writing giving the amount and reason therefor and such further assessment shall, unless otherwise specified in the notice, become effective with the next monthly payment which is due after the delivery or mailing of such notice of further assessment. All Unit Owners shall be obligated to pay the adjusted

monthly amount or, if the additional assessment is not payable in installments, the amount of such assessment.

Section 4.

Effect of Failure to Prepare or Adopt Budget. The failure or delay of the Board of Directors to prepare or adopt the annual budget for any fiscal year shall not constitute a waiver or release in any manner of a Unit Owner'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 Unit Owner shall continue to pay the monthly charge at the then existing monthly rate established for the previous fiscal period until the new annual or adjusted budget shall have been mailed or delivered.

Section 5.

Deposit of Funds. The funds of the Association shall be deposited in such banks, trust companies, or other depositories as the Board of Directors may designate. Checks drawn to pay indebtedness of the Association may be signed by such person or persons as the Board of Directors may choose by resolution.

Section 6.

Authorized Signature. The President or the Secretary are hereby authorized to make and issue notes, bonds, debentures, obligations, and evidences of indebtedness of all kinds only pursuant to resolutions duly adopted by the Board of Directors.

ARTICLE XIII

Books and Records

Section 1.

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any member. The Declaration and these By-Laws shall be available

for inspection by any member at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE XIV

Insurance

Section 1.

The Unit Owner's Association shall obtain and maintain at all times insurance, as set forth herein, including insurance against fire, with endorsement for extended coverage for the full insurable replacement value, of HighRidge Condominium as authorized by Section 55-79.81 of the Code of Virginia as amended. Such insurance shall run to the benefit of the Unit Owner's Association, the respective Unit Owners and their respective mortgagees, as their interests may appear, which insurance shall be governed by the following provisions:

(a) The Board of Directors shall be required to obtain a single master policy covering physical damage for the entire Property under which the insurance company will issue to each Unit Owner a certificate or sub-policy. The master policy shall also provide:

(1) That each Unit Owner shall have the right to request an increase in the coverage allocated to his Unit by reason of improvements made solely to his Unit, but any additional coverage shall be billed by the insurance company directly to, and shall be paid by, such Unit Owner; and

(b) In addition, the Board of Directors shall be required to secure a master policy covering physical damage that will provide the following:

(1) That the insurer waives its rights of sub-

rogation to any claims against the Declarant, Board of Directors, the Managing Agent, the Unit Owners and their respective agents, employees, and in the case of Unit Owners, the members of their households;

(2) That the master policy on the Property cannot be cancelled, invalidated, or suspended on account of the conduct of any member of the Board, officer or employee of the Board of Directors or the Managing Agent, without a prior demand in writing that the Board of Directors or the Managing Agent cure the defect;

(3) That any "no other insurance" clause contained in the master policy shall expressly exclude individual Unit Owner's policies from its operation;

(4) That until the expiration of thirty (30) days after the insurer gives notice in writing to the mortgagee of any Unit, the mortgagee's insurance coverage will not be affected or jeopardized by any act or conduct of the Unit Owner of such Unit, the other Unit Owners, the Board of Directors, or any of their agents, employees or household members, nor cancelled for nonpayment of premiums.

(5) That the master policy may not be cancelled or substantially modified without at least thirty (30) days prior written notice to the Board of Directors and all mortgagees of Units;

(6) That the net proceeds of such policies, if less than twenty-five thousand dollars, (\$25,000) shall be payable to the Board of Directors, and if more than twenty-five

thousand dollars, (\$25,000), shall be payable to the Insurance Trustee.

(7) That the master policy shall contain a standard mortgagee clause in favor of each mortgagee of a Unit to the extent of the portion of the coverage of the master policy allocated to such Unit, which shall provide that the loss, if any, thereunder shall be payable to such mortgagee and the Unit Owner as their interests may appear subject; however, to the loss payment and adjustment provisions in favor of the Board of Directors and the Insurance Trustee contained in Sections 4. and 5. of this Article.

(c) All policies of insurance shall be written with a company licensed to do business in the State of Virginia and holding a rating of "AAA" or better by Best's Insurance Reports.

(d) In no event shall the insurance coverage obtained and maintained by the Board of Directors hereunder be brought into contribution with insurance purchased by individual Unit Owners or their mortgagees.

(e) Each Unit Owner shall be required to notify the Board of Directors of all improvements made by the Unit Owners to his Unit, the value of which is in excess of one thousand dollars, (\$1,000).

(f) Any Unit Owner who obtains individual insurance policies covering any portion of the properties, shall be required to file a copy of such individual policy or policies with the Board of Directors within thirty (30) days after the purchase of such insurance. Such Unit Owner shall also promptly notify, in writing, the Board of Directors in the event such policy is

cancelled.

Section 2.

Insurance Coverage.

(a) The Board of Directors shall be required to the extent available to obtain and maintain the following insurance:

(1) Fire insurance with extended coverage vandalism, malicious mischief and windstorm endorsements, insuring the entire Properties (including all of the Units and bathroom and kitchen fixtures initially installed therein by the Declarant, but not including furniture, furnishings, or other personal property supplied or installed by Unit Owners), together with boiler and machinery insurance contained therein and covering the interests of the Association and all Unit Owners and their mortgagees as their interests may appear in the amount equal to at least 100% of replacement value of the Properties.

(2) Workmen's compensation insurance, if and to the extent necessary to meet the requirements of law.

(3) Such other insurance as the Board of Directors may determine.

(b) The Board of Directors shall also be required to obtain and maintain to the extent obtainable, public liability and property damage insurance in such limits as the Board of Directors may from time to time determine insuring the Declarant, each member of the Board of Directors, the Managing Agent, and each Unit Owner against any liability to the public or to the Unit Owners (and their invitees, agents and employees arising out of, or incident to, the ownership and or use of the Common Elements). Said insurance shall be issued on a

comprehensive liability basis and shall contain a cross liability endorsement under which the rights of named insured under the policy shall not be prejudiced with respect to his action against another named insured. The Board of Directors shall review such limits once a year, but in no event shall such insurance be less than one million dollars, (\$1,000,000) with respect to any one accident or occurrence and fifty thousand dollars, (\$50,000) with respect to any claim for property damage. It shall be the responsibility of each Unit Owner to obtain, at his own expense, liability insurance with respect to his ownership and or use of his Unit, and the Board of Directors shall not be responsible for obtaining such insurance.

(c) A duplicate original of the master policy of physical damage insurance, all renewals thereof, and all sub-policies or certificates issued thereunder, together with proof of payment of premiums, shall be delivered to all mortgagees of Units at least thirty (30) days prior to expiration of the then current policies. Prior to obtaining any policy of fire insurance or any renewal thereof, the Board of Directors shall obtain an appraisal from an insurance company, or such other source as the Board of Directors may determine, of the full replacement value of the property, without deduction for depreciation for the purpose of determining the amount of physical damage insurance to be effected pursuant to this Section.

Section 3.

Separate Insurance. Each Unit Owner shall have the right, at his own expense, to obtain additional insurance for his own Unit and for his own benefit and to obtain insurance coverage upon his personal property for his personal liability, provided that

no Unit Owner shall be entitled to exercise his right to acquire or maintain such additional insurance coverage so as to decrease the amount which the Board of Directors, on behalf of all Unit Owners, may realize under any insurance policy which it may have in force on the Properties at any particular time or to cause any insurance coverage maintained by the Board of Directors to be brought into contribution with such additional insurance coverage obtained by the Unit Owner. All such additional policies shall contain waivers of subrogation.

Section 4.

Insurance Trustee.

(a) The lender that is the holder of more than fifty percent (50%) of the mortgages or deeds of trust encumbering Units shall be designated as the Insurance Trustee. If for any reason such lender shall fail, refuse or shall cease to act as such, or at such time as it shall no longer hold such mortgages, the Board of Directors shall have the right to designate any bank, trust company, savings and loan association, building loan association, insurance company, or any institutional lender as the Insurance Trustee, and all parties beneficially interested in such insurance coverage shall be bound thereby; provided, however, that prior to such designation of a new Insurance Trustee, the Board of Directors shall obtain the consent to such new Insurance Trustee of the mortgagee or mortgagees holding mortgages constituting first liens on more than fifty percent (50%) of the number of Units in the Condominium encumbered by mortgages. The Insurance Trustee at the time of the deposit of such policies and endorsements shall acknowledge that the policies and any proceeds thereof will be held in accordance

with the terms of these By-Laws.

(b) The Insurance Trustee shall not be liable for payment of premiums, the renewal of the policies, the sufficiency of coverage, the form or content of the policies, the correctness of any amounts received by it 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 By-Laws, for the benefit of the Unit Owners and their respective mortgagees.

Section 5.

Board of Directors as Agent. The Board of Directors is hereby irrevocably appointed the agent for each Unit Owner of a Unit and for each mortgagee of a Unit and for each Owner of any other interest in the Property to adjust all claims arising under insurance policies purchased by the Board of Directors and to execute and deliver releases upon the payment of claims.

Section 6.

Premiums. Premiums upon all insurance policies purchased by the Board of Directors shall be deemed to be a Common Expense.

ARTICLE XV

Indemnification

Section 1.

The Association shall have the power to indemnify any officer, director, employee or agent of the Association who was or is threatened, made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, (other than an action by the Association), by reason that he is or was an officer, director, employee or agent of the

Association against expenses, (including attorney's fees), judgements, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding provided:

(a) such officer, director, employee or agent acted in good faith and in the manner he reasonably believed to be in or not opposed to the best interest of the Association; and

(b) such officer, director, employee or agent shall not have been guilty of gross negligence or misconduct in his position directly relating to the claim set forth in such action, suit or proceeding.

ARTICLE XVI

Amendments

Section 1.

These By-Laws may be amended by recordation of an instrument executed by the Unit Owners to which two-thirds, (2/3rds) of the votes in the Association are allocated in the Clerk's Office of the Circuit Court of Nelson County, Virginia.

Section 2.

In the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

ARTICLE XVII

Declarant Control

Section 1.

The Declarant shall control the Association until the first annual or special meeting of the Association as described in Article V hereof provided; however, in no event shall Declarant's control of the Association exceed the period of time set forth in Section 55-79.74 of the Code of Virginia, as amended.

State Tax 039	\$
County Tax 213	\$
Transfer Fee	\$
Clerk's Fee	\$	45.00
Plats	\$	90.00
State Tax 038	\$
County Tax 220	\$
Total	\$	185.00

VIRGINIA: in the Clerk's Office of the Circuit Court of Nelson County Nov. 21 1958. This writing was admitted to record at 3:45 o'clock P.M. and the tax imposed by Sec. 58.1-802 of the Code in the amount of \$..... has been paid.

TESTE: ROSEMARY F. DAVIS Clerk
By Norma W. Davis

07001826 47
(2ND Recording)
(Rec'd NCC 5-16-07)
Cgrs

070000851

000129

000002

Second ~~First~~ Amendment to the
By-Laws of the
High Ridge Condominium Unit Owner's Association

Whereas it is the desire of the High Ridge Condominium Unit Owners Association (1701-1724 Blue Ridge Drive, Wintergreen, Virginia) to ensure that members have timely, effective and efficient notice of meetings; that the Board of Directors be able to meet as needed to conduct the affairs of the Association; and that Association communications take advantage of electronic tools now available and available in the future;

BE IT THEREFORE RESOLVED by the High Ridge Condominium Unit Owners Association hereby amends its Bylaws as follows:

Article V. Section 3. Notice of Meetings. Written notice of each meeting of the members shall be given by, or at the direction of, the Secretary or person authorized to call the meeting, by mailing a copy of such notice, United States Mail, at least twenty-one (21) days before the annual and regular meetings and seven (7) days before a special meeting, to each member of record entitled to vote thereat, addressed to the member's Unit address, or such other address supplied by such member to the Association for the purpose of notice. Such notice shall specify the place, day and hour, and purposes of the meeting. In lieu of delivering notice as above, the notice may be hand delivered by such officer, provided he obtains a receipt of acceptance of such notice from the Unit Owner.

Notice of both regular and special meetings of the members, the Board of Directors, committees, and sub-committees may be given by electronic transmission, including posting to an internet website and electronic mail and any similar, as yet undeveloped, electronic transmission method that may supplant or replace internet websites and electronic mail.

BE IT FURTHER RESOLVED, that the High Ridge Condominium Unit Owners Association hereby amends its Bylaws as follows:

Article VIII. Section 6. Special meetings of the Board of Directors, to be held at a place to be designated by the President or Vice-President, may be called by the President, or in his absence, by the Vice-President, or by any two members of the Board of Directors.

Because High Ridge Condominium unit owners rarely occupy their units as their principal residences, and because members of the Board of Directors usually maintain their principal residences in geographically dispersed locations, and to allow the Board of Directors to conduct the business of the Association in a timely and efficient manner, meetings of the Board of Directors may be conducted by teleconference, without the physical presence of any or all of the directors at any specific location.

ADOPTED on the 3rd day of December, 2006, at the Annual Meeting of the High Ridge Condominium Unit Owners Association, and formally submitted to the Nelson County Circuit Court this 23rd day of January, 2007.

Grant Leber 23 FEB 2007
President, Grant Leber Date

February

State of Virginia
City/County of Prince William

The foregoing instrument was acknowledged before me this 23rd day of January, 2007 by Grant Leber, President of the High Ridge Condominium Unit Owner's Association, an unincorporated association.

My commission expires: _____

Signature: Jawana Williamson
Notary Public

My Commission Expires August 31, 2011

Notice: Submitted for Re-Recording on 4/5/07 to show correction to title. This is The Second Amendment.



Returned to: Wintergreen Resort, Property Management Office, P.O. Box 706, Wintergreen, VA 22958

Rec'd NCC 3.05.07 Cgrs

HIGHRIDGE, A CONDOMINIUM
FIRST AMENDMENT TO
DECLARATION OF CONDOMINIUM REGIME

THIS AMENDMENT is made this the 5th. day of January, 1989, to the Declaration of Condominium Regime for HighRidge, a Condominium originally registered in the office of the Virginia Condominium Administrator on September 17, 1987, as Condominium Registration Number 87-150, which Declaration was originally recorded in the Clerk's Office of the Circuit Court of Nelson County, Virginia in Deed Book 267, at Page 365,

W I T N E S S E T H :

WHEREAS, Wintergreen Development, Inc., (the Declarant), is the fee simple owner of the hereinafter described real property;

WHEREAS, the Declarant has previously recorded its Declaration creating the HighRidge Condominium Regime for HighRidge, a Condominium, (HighRidge), in the Wintergreen Development, Nelson County, Virginia and by such Declaration specifically reserved the option to expand the Regime in accordance with Section 55-79.63 of the Code of Virginia (1950 as amended); and

SEE PLAT 1
PLAT CARRIES
SERIAL 410-413

WHEREAS, the Declarant now wishes to expand the Condominium Regime to include Phase 2 in addition to Phase 1 heretofore covered by the Regime.

NOW, THEREFORE, in consideration of the premises, the Declarant does hereby specifically exercise the option which it reserved pursuant to Section I. B. of the Declaration of Condominium Regime for HighRidge to expand the Regime to include the hereinafter described land and twelve (12) additional Units constructed thereon, as hereinafter described, and to reallocate the undivided interests in the common elements held by each Unit Owner.

1. Description. The land to be added to the Condominium Regime by this Amendment is more completely described by metes and bounds on the plat attached hereto as Exhibit A, Phases 1 and 2, on which it is shown as "Phase 2" and contains a total land area of 1.144 acres, more or less.

2. Description of Unit. Declarant has constructed on the land described as Phase 2 in Paragraph 1. above, twelve (12) residential Units as that term is defined in Section 55-79.41 of the Act, and the building containing such Units is located in accordance with Exhibit A., Phases 1 and 2 attached hereto. The vertical and horizontal boundaries of the Units in Phase 1 are as shown in Exhibit B to the original Declaration, and the vertical and horizontal boundaries of the Units in Phases 2 are as shown in Exhibits B to the First Amendment to the Declaration of Condominium.

3. Common Elements.

A. The Common Elements of HighRidge shall consist of all portions of the condominium not included within the boundaries of any Units; and

B. All items set forth in Section 55-79.50 (c) of the Act which are located within a Unit and which serve more than one Unit or any portion of the Common Elements; and

C. The rear porch or deck and exterior closet of each Unit which shall be deemed a limited common element appertaining to such Unit exclusively.

4. Interest in Common Elements. In accordance with Paragraph V. E. of the Declaration of Condominium Regime for HighRidge, the ownership interest in the common elements and voting rights in the Unit Owner's Association, shall be one-twenty-fourth, (1/24th.) undivided interest appurtenant to each Unit in both Phases created by the original Declaration of Condominium and by this Amendment to such Declaration.

5. Unit Owner's Association. The By-Laws of the HighRidge Condominium Unit Owner's Association specifically provide for expansion of the Regime and cover the voting and property rights as well as assessments and duties of Unit Owners. The By-Laws are recorded in the Clerk's Office of the Circuit Court of Nelson County, Virginia, with the original Declaration and are incorporated hereby by reference as Exhibit C.

6. Purpose. The purpose of this Amendment is to expand HighRidge to a total of twenty-four (24) Units, pursuant to the option reserved in the Declaration and except for such expansion as herein set out, all the terms and conditions of the HighRidge Declaration of Condominium Regime

shall remain in full force and effect, are incorporated herein by reference, and this Amendment shall be considered a supplement thereto.

IN WITNESS WHEREOF, Wintergreen Development, Inc., has caused this Amendment to be executed by a duly authorized officer on the date hereinabove first mentioned.

WINTERGREEN DEVELOPMENT, INC.

BY: Edward P. Spears
Edward P. Spears,
President

STATE OF VIRGINIA
To-Wit:
COUNTY OF NELSON

The foregoing instrument was acknowledged before me this the 5th day of January, 1989, by Edward P. Spears, President of Wintergreen Development, Inc., on behalf of the Corporation.

My commission expires: 1-15-91

Diane Kay Martin
NOTARY PUBLIC

AFFIX
NOTARIAL
SEAL:

SEE PLAT 1
PLAT CABINET
SLIDE 410-413

State Tax 039	\$.....	VIRGINIA: in the Clerk's Office of the Circuit Court of Nelson County <u>Jan 6</u> 19 <u>89</u> This writing was admitted to record at <u>3:15</u> o'clock <u>P.</u> M. and the tax imposed by Sec. 58.1-802 of the Code in the amount of \$ <u>80.00</u> has been paid.
County Tax 213	\$.....	
Transfer Fee	\$.....	
Clerk's Fee	\$ <u>10.00</u>	
Plats	\$ <u>70.00</u>	
State Tax 038	\$.....	
County Tax 220	\$.....	
Total	\$ <u>80.00</u>	TESTE: <u>ROSEMARY F. DAVIS</u> Clerk By <u>Jean W. O'Keefe</u> , Deputy Clerk

The foregoing consisting of 3 page(s) is a true copy of Deed recorded in my office in Book 269 Page 23 On Jan 6, 1989
Jean W. O'Keefe, Deputy Clerk

INSURANCE INFORMATION FACT SHEET

1) UNDERSTANDING CONDOMINIUM INSURANCE

Does the association's master insurance policy cover losses arising from any of the following?

- Your 15-year-old hot water tank leaks, causing water damage to the furniture and fixtures, drywall and ceiling, and personal computers in your unit and the two units immediately below yours.
- In a windstorm, a section of roof tears loose, flies through your window, and lodges in the dining room hutch
- Your nephew, allowed to use your unit during winter break, leaves the sliding glass doors ajar when he departs, causing bathroom pipes to freeze and rupture one week later in very cold temperatures.

If your answer to any of the above was an unqualified "Yes", you need more information on how condominium insurance works, and what to expect if a property damage loss occurs.

One of the first, and most confusing, concepts to grapple with is that insurance coverage does not mirror maintenance responsibility or ownership. For example, each deck is a limited common element. Your condominium association may maintain it, and charge the expense of that maintenance to you individually because only you enjoy the use of the deck.

In this instance, the deck is owned in common –it is part of the common elements. But the cost of maintaining it resides with the owner who has use of it. And the Association's insurance covers it if it collapses from the weight of snow.

The easiest way to think about the property coverage provided by the Association's insurance is to consider that it covers everything that is part of the building. If you could pick the building up, turn it over and shake it, everything that falls out – furniture, clothes, art work, skis, computers, dishes – must be covered by the homeowner's policy. Everything that remains – everything that is attached to or part of the structure – is covered by the Association's property damage coverage.

2) SO WHAT COVERAGE DOES THE CONDOMINIUM ASSOCIATION CARRY?

Property Damage Coverage: an extended risk policy that includes water damage, wind, driving rain, lightening and fire. Remember that insurance covers sudden losses, not damage that occurs over time. Water infiltration around windows that damages the framing over a period of months or years would not be covered. A pipe burst would be covered. The deductible is \$10,000 for fire and other causes of loss, except water. The deductible for a water damage loss is also \$10,000.

Liability Coverage: up to \$1 million per occurrence if someone is injured or something is damaged. This is the coverage that comes into play if someone slips and falls on a patch of ice on the stairs, or if something falls off the building onto a car parked in the lot. This coverage also pays for legal representation for the Association if it is sued for damages after an injury or damage to a third party's property.

Directors and Officers Insurance: up to \$1 million per occurrence if there is a claim against the volunteer officers of the Board.

Umbrella Coverage: up to \$25 million in additional coverage in the event of a liability or D&O claim that exceeds the \$1 million policy limit.

3) SO WHAT EXPOSURE DO YOU HAVE AS A CONDOMINIUM OWNER?

First and foremost, you have to ensure your personal property – all that stuff that would fall out when you shake the building.

Second, you have to have coverage for a loss that occurs in your unit, and is caused by something that fails in your unit, up to the amount of the Association's deductible. For example, if there is a slow drip from the icemaker line on your refrigerator, and the only damage caused is to the grout that secures the tile flooring in your kitchen, and repairs cost less than \$10,000 (the Association's deductible for water damage losses) you will bear the full cost of repairs.

Third, you have to have liability coverage in case a guest – remember your great-aunt Susan and the plumber there to replace the flapper in your toilet are both your guests – trips on the oriental rug and breaks a hip. You might also have liability for losses sustained by the Association and your neighbors if damage to their property occurred as a result of your negligence – the “doors left open in the winter” or “15-year-old water heater failure” scenarios.

Finally, you should make sure your policy includes “loss assessment coverage”. This coverage would reimburse you if the Association had a judgment against it that exceeded the combined limits of the liability or D&O and umbrella policies. The remaining amount of the judgment would have to be assessed to owners in a “loss assessment”. This coverage comes into play very rarely, but is worth the small incremental cost as part of your overall policy.

Talk to your insurance agent. The standard condominium owners policy is called an HO-6 policy. Make sure the package your agent is offering includes these elements.

One final word: remember that insurance covers damages resulting from a loss, not the repair or replacement of the source of the loss. If the water heater leaks, insurance will cover the damage caused by the water that leaked, but it will not buy a new water heater. It will repair the fire damage resulting from faulty wiring, but it will not pay to replace the wiring.