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Exhibit A-1

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BYLAWS
OF
SCOTTER HILLS/RIDGEMOOR
TOWNHOUSE ASSOCIATION, INC.

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BYLAWS

OF

SCOTTER HILLS/RIDGEMOOR
TOWNHOUSE ASSOCIATION, INC.

ARTICLE I

NAME AND LOCATION

The name of the corporation is Scotter Hills/Ridgemoor Townhouse Association, Inc. (the "Association"). The principal office of the corporation shall be initially located at 3951 Westerre Parkway, Suite 160, Richmond, Virginia 23233, but meetings of members and directors may be held at such places within the Commonwealth of Virginia, as may be designated by the Board of Directors.

ARTICLE II

DEFINITIONS

Section 1. Member. "Member" is defined as any person entitled to membership in the Association, as set forth in the "Declaration". The Declaration is defined as that certain "Declaration of Covenants, Conditions and Restrictions for Scotter Hills/Ridgemoor Townhouse Association, Inc. (the "Declaration") which has been recorded in the Clerk's Office of the Circuit Court of the County of Chesterfield, Virginia, in Deed Book _____, Page _____, and all amendments and annexations thereto.

Section 2. Initially Capitalized Words. Certain initially capitalized words or terms not defined in these Bylaws shall have the same meaning as set forth in the Declaration, the terms of which are incorporated herein by this reference.

ARTICLE III

MEETING OF MEMBERS

Section 1. Annual Meetings. The first annual meeting of the Members shall be held on _____, 2004. Each subsequent regular annual meeting of the Members shall be held on _____.

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 Members who are entitled to cast one fourth (1/4) of all of the votes entitled to be cast by the Members.

Section 3. Notice of Meetings. Except as may otherwise be provided in these Bylaws or in the Declaration, 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. A copy of the notice shall be hand delivered or mailed, postage prepaid, (a) if for a regular meeting, no less than fourteen (14) days and no more than thirty (30) days before such meeting, (b) if for a special meeting, no less than seven (7) days and no more than thirty (30) days before such meeting, and (c) if for a meeting to act on an amendment to the Articles of Incorporation, a plan of merger, a proposed sale of assets other than in the Association's usual course of business, or dissolution of the Association, no less than twenty-five (25) nor more than sixty (60) days before such meeting, to each Member entitled to vote thereat, addressed to the Member's address currently appearing on the books of the Association, or supplied in writing by such Member to the Association for the purpose of notice. This notice shall specify the place, day and hour of the meeting, and the purpose of the meeting. A Member may waive notice of any meeting by submitting a signed waiver to the secretary or by attendance at the meeting.

Section 4. Order of Business. The order of business at all meetings of the Association shall be as follows:

- (a) Roll call and establishment of a quorum;
- (b) Proof of notice of meeting;
- (c) Approval of minutes of preceding meeting;
- (d) Reports of officers and Board of Directors, when appropriate;
- (e) Reports of committees, when appropriate;
- (f) Discussion of budget, when appropriate;
- (g) Election of members of the Board of Directors
(when so required);
- (h) Unfinished business; and lastly,
- (i) New business.

Section 5. Voting at Meetings. Unless greater than a majority vote is otherwise required by the Virginia Nonstock Corporation Act (the "Act"), the Articles of Incorporation, the Declaration or these Bylaws, the vote, by the Members, of more than fifty percent (50%) of the votes entitled to be cast at a duly convened meeting at which a quorum is present is required to adopt decisions made at any meeting of the Association.

Section 6. Multiple Votes. When more than one person holds an interest in property within the Property: (i) the vote for such property shall be

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exercised as the co-owners among themselves determine, but no more votes may be cast with respect to such property than have been allocated to such property; (ii) if only one co-owner of property casts the votes allocable to that property, the presiding officer at the meeting at which such vote is to be cast shall deem that the vote allocable to such property is to be cast by such co-owner; and (iii) if the parties together entitled to cast a vote with respect to property in which they hold a co-interest cannot among themselves determine how to exercise such vote, the presiding officer of the meeting at which such vote is to be cast shall disallow the vote with respect to such property.

Section 7. Quorum.

(a) General Quorum Requirements. At any meeting of Members, the presence at the beginning of the meeting, whether by proxy or in person, of Members entitled to cast twenty-five percent (25%) of the votes entitled to be cast by all of the Members shall constitute a quorum for any action except as provided in subparagraph (b) below and as otherwise provided in the Act, the Articles of Incorporation, the Declaration, or these Bylaws. If, however, such quorum shall not be present or represented at any meeting, the Members entitled to vote thereat shall have the power to adjourn and reconvene the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or be represented. The required quorum at the reconvened meeting shall be ten percent (10%) of the votes entitled to be cast by all of the Members. In determining whether a quorum exists at any meeting of the Members, the presiding officer, if he or she wishes to, shall be entitled to rely upon the representation of the Declarant as to the number of votes it is entitled to at any given time without further inquiry.

(b) Special Quorum Requirements. At any meeting of the Members called for the purpose of taking any action pursuant to the Declaration, the number of votes required by the Declaration for the approval of the action shall also constitute a quorum.

Section 8. Proxies. At any meeting of the Association, Members may cast their votes in person or by proxy. All proxies shall be in writing in accordance with the approved form of proxy attached hereto as Exhibit A, and filed with the presiding official of the meeting at which the vote is to be cast. Every proxy shall be revocable and shall automatically terminate (1) upon conveyance by the Member of the property to which the vote pertains, or (2) if the Member giving the proxy personally attends the meeting to which the proxy pertains.

ARTICLE IV

BOARD OF DIRECTORS: SELECTION, REMOVAL AND COMPENSATION

Section 1. Number and Term. The affairs of the Association shall be managed by the Board of Directors. During the Declarant Control Period, the Board of Directors shall be comprised of at least two (2) directors, but not more than five (5) directors, none of whom need be Members. At the first annual meeting after the expiration of the Declarant Control Period, the Members shall elect five (5) directors. The three (3) persons receiving the highest number of votes shall serve for terms of two (2) years each. The persons receiving the fourth and fifth highest number of votes shall serve for terms of one (1) year each. Thereafter, Directors shall serve for terms of two (2) years each. Directors' terms of office shall commence on the first day of the fiscal year succeeding the fiscal year in which they were elected. Directors may be elected for an unlimited number of terms.

Section 2. Nomination. After the termination of the Declarant Control Period, nomination for election to the Board of Directors shall be made by a Nominating Committee, except that no nomination shall be required where the members of the Board of Directors select a successor pursuant to Article VI, subsection 1(j) of these Bylaws. Nominations may also be made by Members 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 (2) or more Members. The Nominating Committee shall be appointed by the Board of Directors to serve from the close of each annual meeting of the Members until the close of the next annual meeting or until their successors are duly elected, if later. 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 non-Members.

Section 3. Election. Election to the Board of Directors shall be by secret written ballot. At such election the Members may cast, with 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.

Section 4. Removal. After the expiration of the Declarant Control Period, any director may be removed from the Board of Directors, with or without cause, by more than fifty percent (50%) of the votes entitled to be cast by all of the Members, and the successor to the director so removed by the Members shall be selected by the Members at the time of such removal. Upon the death, resignation or removal of a director by the Board of Directors as permitted by Article VI, subsection 1(j), a successor shall be selected by the

remaining members of the Board of Directors and shall serve for the unexpired term of his predecessor.

Section 5. Compensation. No director shall receive compensation for any service he may render to the Association unless such compensation is approved by seventy-five percent (75%) of the votes entitled to be cast by all of the Members. However, any director may be reimbursed for his actual expenses reasonably incurred in the performance of his duties.

ARTICLE V

MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors may be held as the Board of Directors deems necessary, or as infrequently as annually, at such place and hour as may be fixed from time to time by resolution of the Board of Directors. No other notice shall be required. Should a meeting fall upon a legal holiday or weekend, then that meeting shall be held at the same time on the next day which is not a legal holiday or weekend.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the president of the Association, or by any two (2) directors, after at least three (3) business days' notice of the meeting is hand delivered or mailed to each director specifying the time and place of the meeting and the business to be transacted thereat. Notice of special meetings may be waived by submitting a signed waiver to the secretary or by attendance at the meeting.

Section 3. Quorum. A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board of Directors.

Section 4. Action Taken Without a Meeting. The directors shall have the right to take any action in the absence of a meeting that they could take at a meeting by obtaining the written approval of all the directors or pursuant to a telephonic meeting, as permitted by Virginia law. Any action so approved shall have the same effect as though taken at a meeting of the directors.

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ARTICLE VI

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. In addition to all other powers granted in these Bylaws or in the Declaration, plus all powers conferred by law or inferred from obligations imposed by them, the Board of Directors shall have power to:

(a) Subject to the provisions of Article X of these Bylaws, suspend a Member's voting rights and right to use any of the Common Area (except for the right to use roadways for ingress and egress to such Member's Lot) during any period in which the Member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended for a period not to exceed thirty (30) days for any single and non-recurring infraction of any published rules and regulations or breach of or default under any of the covenants or provisions contained in the Declaration. If any such infraction, breach or default is continuous or recurring, then such rights may be suspended for a period commencing as of the hearing required under section 3 of Article X of these Bylaws and ending not more than sixty (60) days after the date such infraction, breach or default ceases or is remedied;

(b) Commence to foreclose the liens imposed by the Declaration against any property within the Property for which assessments are not paid when due or bring an action at law against the Member personally obligated to pay the same, or both. In addition, to the extent permitted by law, the Board may assess a late charge as provided in the Declaration on each assessment or installment thereof not paid within the grace period, if any, permitted for such late payment.

(c) Exercise for the Association the right to own, maintain, improve or develop the Common Area as provided in the Declaration;

(d) Exercise for the Association the right to dedicate or transfer Common Area to any public agency, authority or utility as provided in the Declaration;

(e) Permit the temporary use of the Common Area for parking and promulgate regulations governing the same;

(f) Exercise for the Association the right to charge reasonable admission fees for the use of any facilities in the Common Area;

(g) Promulgate rules and regulations governing the use of, and activity upon, the Common Area. All rules and regulations promulgated by the Board of Directors shall be published and distributed to each Member at his

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record address at least thirty (30) days prior to the effective date of such rules and regulations;

(h) Enforce the decisions and regulations of the Architectural Committee by any lawful means;

(i) Exercise on behalf of the Association the right to annex real property to the provisions of the Declaration and jurisdiction of the Association as provided in the Declaration;

(j) Declare the office of a member of the Board of Directors to be vacant if such member shall be absent from three (3) consecutive regular meetings of the Board of Directors and appoint a successor member to fill such vacancy for the remaining term of the vacating member; and

(k) Exercise for the Association all powers, duties and authority (i) vested in or delegated to the Association and not reserved to the Members by other provisions of these Bylaws, the Articles of Incorporation, or the Declaration, and (ii) vested in or delegated to the Board of Directors by other provisions of these Bylaws, the Articles of Incorporation or the Declaration.

Section 2. Duties. In addition to all other duties imposed by these Bylaws or the Declaration, it shall be the duty of the Board of Directors to:

(a) Cause to be kept a record of its acts and corporate affairs;

(b) Supervise all officers, agents and employees of the Association, and to see that their duties are properly performed;

(c) As more fully provided in the Declaration, to:

(i) Fix the amount of the annual assessment, the special assessment and other assessments provided for in the Declaration to every Member subject thereto; and

(ii) Send written notice of each assessment to every Member subject thereto at the Member's record address as required by the Declaration;

(d) Provide for the preparation of the disclosure information required by the Act.

(e) Procure and maintain adequate liability and hazard insurance on property owned or leased by the Association and such other additional coverages as required by the Declaration;

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- (f) File and adjust all claims arising under such insurance;
- (g) Cause all officers, employees or agents having fiscal responsibilities to be bonded, if fidelity bonds are reasonably available, the cost of which bonds shall be common expenses of the Association;
- (h) Appoint members of the Architectural Committee as provided in the Declaration and appoint a Nominating Committee, as provided in these Bylaws. The Board of Directors may appoint other committees as it deems appropriate in carrying out its duties; and
- (i) Enforce the decisions and regulations of the Architectural Committee by any lawful means.

ARTICLE VII

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Officers. The officers of the Association shall be a president, who shall at all times be a member of the Board of Directors, a vice president, a secretary and a treasurer and such other officers as the Board of Directors may from time to time by resolution create.

Section 2. Election of Officers. An organizational meeting of the Board of Directors shall be held within thirty (30) days after the annual meeting of the Members. The election of officers shall take place at the organizational meeting.

Section 3. Term. The officers of the Association shall be elected annually by the Board of Directors and each shall hold office for one (1) year or, if later, until their respective successors are elected, unless any shall sooner resign, or shall be removed, or otherwise disqualified to serve. Officers may be reelected for an unlimited number of terms.

Section 4. Special Appointments. The Board of Directors may elect such other officers as the affairs of the Association may require. Each such officer shall hold office for such period, have such authority and perform such duties as the Board of Directors may, from time to time, determine.

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board of Directors. Any officer may resign at any time by giving written notice to the Board of Directors, the president or the secretary. Such resignation shall take effect on the date of receipt of such notice or, if later, such time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

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Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Board of Directors. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7. Multiple Offices. The same person shall be permitted to simultaneously hold more than one of any of the offices described in Sections 1 and 4 of this Article, except for the president and unless prohibited by the Act.

Section 8. Duties. The duties of the officers are as follows:

(a) President. The president shall (i) preside at all meetings of the Board of Directors; (ii) see that orders and resolutions of the Board of Directors are carried out; (iii) sign all leases, mortgages, deeds and other written instruments on behalf of the Association; and (iv) sign on behalf of the Association all promissory notes. In addition, the president shall exercise and discharge such other duties as may be required of him by the Board of Directors and shall have all the rights and duties of a president of a nonstock corporation under the Act.

(b) Vice President. The vice president shall act in the place and stead of the president upon the president's absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board of Directors.

(c) Secretary. The secretary shall (i) record the votes and keep the minutes of all meetings and proceedings of the Board of Directors and of the Members; (ii) serve notice of meetings of the Board of Directors and of the Members, (iii) keep appropriate current records showing the Members together with their addresses; and (iv) perform such other duties as required by the Board of Directors.

(d) Treasurer. The treasurer shall be responsible for performing the following tasks or causing them to be performed: (i) receive and deposit in appropriate bank accounts all monies of the Association; (ii) disburse funds of the Association as directed by resolution of the Board of Directors; (iii) sign all checks of the Association; (iv) keep proper books of account; (v) if required by the Board of Directors, cause an annual audit of the Association books to be made by a certified public accountant at the completion of each fiscal year; and (vi) prepare a statement of income and expenditures to be presented to the Members at their regular annual meeting, and deliver a copy of such statements to the Members.

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ARTICLE VIII

LIABILITY AND INDEMNIFICATION OF OFFICERS AND DIRECTORS

Section 1. Liability and Indemnification of Officers and Directors. The Association shall indemnify every officer, director and committee member of the Association against any and all expenses, including, without limitation, attorneys' fees, reasonably incurred by or imposed upon any officer, director or committee member in connection with any action, suit or other proceeding (including settlement of any suit or proceeding if approved by the Board of Directors) to which the officer, director or committee member may be made a party by reason of being or having been an officer, director or committee member of the Association regardless of whether he is an officer, director or committee member at the time such expenses are incurred. The officers, directors and committee members of the Association shall not be liable to the Members for any mistake of judgment, negligence, or otherwise. The officers, directors and committee members of the Association shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Association (except to the extent that such officers, directors or committee members are liable as Members) and the Association shall indemnify and forever hold each officer, director and committee member free and harmless against any and all liability to others on account of any such contract or commitment. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any officer, director or committee member of the Association, or former officer, director or committee member of the Association, may be entitled.

Section 2. Common or Interested Directors.

(a) The Board of Directors shall exercise its powers and fulfill its duties in good faith and with a view to the best interests of the Association. A contract or other transaction between the Association and one or more of its directors, or between the Association and any corporation, firm or association (including the Declarant) in which one or more of the directors of the Association are directors or officers or are pecuniarily or otherwise interested, shall not be void or voidable because such director or directors are present or vote at the meeting of the Board of Directors or any committee thereof which authorizes or approves the contract or transaction, provided that the conditions specified in at least one of the following subsections exist:

(i) The fact of the common directorate or interest is disclosed or known to the Board of Directors or noted in the minutes and a majority of the noninterested members of the Board of Directors authorizes, approves, or ratifies such contract or transaction in good faith by a vote sufficient for the purpose; or

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(ii) The fact of the common directorate or interest is disclosed or known to the Members, or a majority thereof, and a majority of the Members, without including the vote of any interested director, approves or ratifies the contract or transaction in good faith by a vote sufficient for the purpose; or

(iii) The cost of any services or goods contracted for is competitive with the cost of like services or goods provided by other reputable companies offering such services or goods in the Richmond, Virginia metropolitan area; or

(iv) The contract or transaction is commercially fair and reasonable for the Association at the time it is authorized, ratified, approved or executed.

(b) A common or interested director may be counted in determining the presence of a quorum of any meeting of the Board of Directors or committee thereof which authorizes, approves or ratifies any contract or transaction between the Association and the common or interested director and may vote thereat to authorize any contract or transaction subject to this Section.

Section 3. Exculpation of the Association. The Association shall not be liable for injury or damage to any person or property caused by the elements, any Member, or any other person, or resulting from electricity or water, snow or ice upon or which may leak or flow from any portion of any Common Area or from any pipe, drain, conduit, appliance or equipment. The Association shall not be liable to any Member for loss or damage, by theft or otherwise, of articles from any part of the Common Area. No diminution or abatement of any assessments shall be claimed or allowed for inconvenience or discomfort arising from the making of repairs or improvements to any Common Area or from any action taken by the Association to comply with any law, ordinance or with the order or directive of any municipal or other governmental authority.

ARTICLE IX

MANAGEMENT AGENT AND EMPLOYEES

The Board of Directors may in its sole discretion engage a management company to act as its agent, or may hire an employee or employees, in carrying out the collection and enforcement of assessments, and such other duties which are regular and prudent to delegate to a management agent.

ARTICLE X

ENFORCEMENT

Section 1. Sanctions. The Board of Directors shall have the power to impose the sanctions and remedies made available to the Association or the Board of Directors by the Declaration, these Bylaws, the Act or other laws, upon the violation by a Member of any duty created under the Declaration, these Bylaws, any rules or regulations duly adopted by the Association or the Board of Directors, or the Architectural Committee Standards.

Section 2. Notice. Prior to the imposition of any sanction described in Section 1 of this Article, the Board of Directors or its delegate shall serve the alleged violator with written notice of the alleged violation and the Member's right to a hearing.

Section 3. Hearing. The hearing shall be held before the Board of Directors, or a tribunal appointed by the Board of Directors, affording the Member a reasonable opportunity to be heard. Prior to the effectiveness of any sanction imposed hereunder, proof of proper notice shall be placed in the minutes of the meeting. Such proof shall be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the officer, director, or agent who delivered such notice. The minutes of the meeting shall contain a written statement of the results of the hearing and the sanction, if any, imposed. The Board of Directors may, but shall not be obligated to, suspend any proposed sanction if the violation is cured prior to the date of the hearing. Such suspension shall not constitute a waiver of the right to impose sanctions as a result of future violations by any party of the same or other provisions and rules.

Section 4. Exceptions to Notice and Hearing Requirements. The provisions of Sections 2 and 3 of this Article shall not apply to the following sanctions:

- (a) the imposition of late payment fees, fines and interest on delinquent assessments;
- (b) the filing of liens for delinquent assessments;
- (c) actions or suits brought to enforce or foreclose liens for assessments;
- (d) the acceleration of the balance of any assessment in connection with the nonpayment of the assessment; and

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(e) unless otherwise required by the Declaration, the enforcement of any provision of the Declaration, these Bylaws, the Architectural Committee Standards, or the rules and regulations of the Association, by self-help (including, without limitation, the towing of vehicles parked in violation of the Declaration, the Architectural Committee Standards, or the rules and regulations).

Section 5. Application of Sanctions. Unless expressly limited by the Board of Directors, the sanctions described in this Article shall apply to the violating Member, his family, guests, tenants and other invitees.

Section 6. Additional Enforcement Rights. The Association shall have the right to enforce, by a proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of the Declaration. In any such action, the Member or occupant responsible for the violation of which abatement is sought shall pay all costs, including reasonable attorneys' fees and costs and administrative fees and costs, actually incurred.

Section 7. Non-Waiver. Failure by the Board of Directors to enforce any covenant or restriction contained in the Declaration, the Architectural Committee Standards or other rules and regulations adopted by the Association shall not be construed or deemed a waiver of the right to do so thereafter.

ARTICLE XI

BOOKS AND RECORDS

In accordance with the Act, the books, records and papers of the Association shall at all times during reasonable business hours be subject to inspection by any Member at the principal office of the Association. Additionally, the Declaration, the Articles of Incorporation and these Bylaws shall be available for inspection by any Member at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE XII

AMENDMENTS, DISSOLUTION AND CONFLICTS

Section 1. Amendment by Members. These Bylaws may be amended, at a regular or special meeting of the Members, by a vote of more than two-thirds (2/3) of the votes entitled to be cast by the Members present at the meeting, a quorum being present. For the purposes of this Section 1, the presence at the beginning of the meeting whether by proxy or in person of Members entitled to

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cast fifty percent (50%) of the votes entitled to be cast by all of the Members shall constitute a quorum.

Section 2. HUD/VA Approval. The Department of Housing and Urban Development and the Veteran's Association have the right to veto amendments to these Bylaws while there is a Class B membership, as provided in these Bylaws.

Section 3. Dissolution. The Association may not dissolve its existence nor dispose of any real property owned by the Association without the prior written approval from the Chesterfield County directors of planning, environmental engineering and transportation.

Section 4. Conflicts. If there is any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and if there is any conflict between the Declaration and these Bylaws, the Declaration shall control.

ARTICLE XIII

FISCAL YEAR

The fiscal year of the Association shall begin on the first day of January and end on the 31st of December of every year, except that the first fiscal year shall begin on the date of incorporation.

ARTICLE XIV

INTERPRETATION

These Bylaws shall be governed and construed in accordance with the laws of the Commonwealth of Virginia.

IN WITNESS WHEREOF, we, being all of the directors of Scotter Hills/Ridgemoor Townhouse Association, Inc., have hereunto set our hands this ____ day of July, 2003.

