

# **BYLAWS**

## **Appendix II**

**To**

**Public Offering Statement**

BYLAWS  
GRAY'S POINTE, A CONDOMINIUM

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BY-LAWS  
THE UNIT OWNERS ASSOCIATION OF  
GRAY'S POINTE, A CONDOMINIUM  
Fairfax County, Virginia

ARTICLE I

GENERAL

Section 1. Applicability. These By-Laws provide for the self-government of GRAY'S POINTE, A CONDOMINIUM, ("The Condominium") pursuant to the requirements of Article 3, Chapter 4.2 of Title 55 of the Code of Virginia. The Condominium is located within the County of Fairfax, Commonwealth of Virginia.

Section 2. Compliance. Pursuant to the provisions of Section 55-79.53, Code of Virginia, as amended, every unit owner and all those entitled to occupy a unit shall comply with these By-Laws.

Section 3. Office. The office of the Unit Owners Association of the Condominium and 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.

Section 4. Definitions. Capitalized terms used in these By-Laws which are not defined shall have the meanings specified for such terms in the Declaration of the Condominium, which Declaration is recorded immediately prior hereto, or if not defined therein, the meanings specified for such terms in Section 55-79.41 of the Virginia Condominium Act.

ARTICLE II

UNIT OWNERS ASSOCIATION

Section 1. Composition. All of the Unit Owners of Units contained in the Condominium, acting as a group in accordance with the Condominium Act, the Declaration and these By-Laws, shall constitute the "Unit Owners Association," who shall have the responsibility of administering the Condominium, establishing the means and methods of collecting the contributions to the Common Expenses, arranging for the management of the Condominium and performing all of the other acts that may be required to be performed by the Unit Owners Association, by the Condominium Act and the Declaration. Except as to those matters which either the Condominium Act or the Declaration specifically require to be

performed by the vote of the Unit Owners, the administration of the foregoing responsibilities shall be performed by the Board of Directors as more particularly set forth in Article III.

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Section 2. Annual Meetings. At such time as the Unit Owners Association comes into existence, the Unit Owners Association shall hold at least one annual meeting each year. The annual meetings of the Unit Owners Association shall be held during the month of October each year on a date selected by the Board of Directors. At such annual meetings the Board of Directors shall be elected by ballot of the Unit Owners in accordance with the requirements of Section 4 of Article III of these By-Laws. So long as the Declarant shall own Units representing more than twenty-five percent (25%) of the aggregate Common Element interests (including those Common Element Interests which may from time to time be added from the Additional Land), and provided the maximum time for Declarant control permitted by Section 55-79.74(a) has not elapsed, the Declarant shall be entitled to designate the members of the Board of Directors.

Section 3. Place of Meetings. Meetings of the Unit Owners Association shall be held at the principal office of the Condominium or at such other suitable place convenient to the Unit Owners as may be designated by the Board of Directors.

Section 4. Special Meetings. (a) The President shall call a special meeting of the Unit Owners Association if so directed by resolution of the Board of Directors or, after the termination of the period of Declarant control, upon a petition signed and presented to the Secretary by Unit Owners of not less than twenty-five percent of the aggregate Common Element Interests. The notice of any special meeting shall state the time, place and purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

(b) Not later than the earlier of (i) the day after deeds of conveyance of Units representing seventy-five percent or more of the aggregate Common Element Interests shall have been delivered to Unit Owners by the Declarant or (ii) the expiration of the maximum time permitted by section 55-79.74(a) of the Condominium Act, a special meeting of the Unit Owners Association shall be held at which all of the members of the Board of Directors designated by the Declarant shall resign, with such resignations being effective as of the earlier of the dates set forth in (i) or (ii) of this subsection (b), and the Unit Owners, including the Declarant if the Declarant owns one or more Units, shall thereupon elect successor members of the Board of Directors to act in the place and stead of those resigning until the first annual meeting at which time the initial Board of Directors shall be elected pursuant to Section 4 of Article III.

Section 5. Notice of Meetings. It shall be the duty of the Secretary to mail a notice of each annual or special meeting of the Unit Owners pursuant to the provisions of Section 55-79.75, Code of Virginia, as amended, by mailing by regular United States mail or delivery by hand to each Unit Owner of record at the address of his Unit or to such other address as may be designated by said Unit Owner at least twenty-one (21) days advance notice in the case of any annual meeting and at least seven (7) days advance notice of any special meeting of the Unit Owners Association.

Section 6. Adjournment of Meetings. If any meetings of the Unit Owners Association cannot be held because a quorum is not present, Unit Owners owning a majority of the Common Element interests who are present at such meeting, either in person or by proxy, may adjourn the meeting to a time not less than forty-eight (48) hours from the time the original meeting was called in which event any business which could have been transacted at the meeting originally called may be transacted without further notice.

Section 7. Order of Business. The order of business of all meetings of the Unit Owners Association shall be as follows:

- (a) Roll Call
- (b) Proof of Notice of Meeting
- (c) Reading of minutes of preceding meeting
- (d) Reports of officers and Board of Directors
- (e) Report of Management Agent, if any, and if present
- (f) Reports of Committees
- (g) Election or appointment of inspectors of election (when so required)
- (h) Election of members of the Board of Directors (when so required)
- (i) Unfinished business
- (j) New business
- (k) Adjournment

Section 8. Title to Units. Title to a Unit may be taken in the name of one or more Persons, in any manner permitted by law. The Unit Owners Association may acquire, hold and transfer full



legal title to one or more Condominium Units in the Condominium in its own name.

Section 9. Voting. At every meeting of the Unit Owners Association, each of the Units shall have the right to cast a vote proportionate to its Common Element Interest, as set forth in the Declaration as said Declaration may be amended from time to time. Where the ownership of a Unit is in more than one person, the person who shall be entitled to cast the vote of such Unit may be any record owner of said Unit, unless any other record owner of said Unit shall, at the time the vote is cast object to the casting of said vote, in which event the person who shall be entitled to cast the vote of such Unit shall be the person named in a certificate executed by all record owners of said Unit. Any voting certificate executed pursuant to this section shall remain valid until revoked by a subsequent certificate similarly executed. In the event that no certificate is supplied, no record owner shall be entitled to cast the vote. Subject to the requirements of Section 55-79.72 of the Condominium Act, wherever the approval or disapproval of a Unit Owner is required by the Condominium Act, the Declaration or these By-Laws, such approval or disapproval shall be made only by the Person who would be entitled to cast the vote of such Unit at any meeting of the Unit Owners Association. Except where a greater number is required by the Condominium Act, the Declaration or these By-Laws, the owners of more than fifty percent (50%) of those Units present and voting in person or by proxy at one time at a duly convened meeting at which a quorum is present ("Majority of the Unit Owners") is required to adopt decisions at any meeting of the Unit Owners Association. Any specified percentage of the Unit Owners means the Unit Owners owning such number of Units in the aggregate. If the Declarant owns or holds title to one or more Units, the Declarant shall have the right at any meeting of the Unit Owners Association to cast the votes to which such Unit or Units are entitled. No unit Owner may vote at any meeting of the Unit Owners Association or be elected to or serve on the Board of Directors if the Unit Owners Association has perfected a lien against his Unit and the amount necessary to release such lien has not been paid within seventy-two (72) hours prior to the time of such meeting or election.

Section 10. Proxies. A vote may be cast in person or by proxy. Such proxy may be granted by any Unit Owner in favor of another Unit Owner, a Mortgagee, the Declarant or any other person designated. Proxies shall be dated, duly executed in writing and witnessed by a person who shall sign his full name and address and shall be valid only for the particular meeting designated therein and must be filed with the Secretary before the appointed time of the meeting. Such proxy shall be deemed revoked only upon actual receipt by the person presiding over the

meeting of notice of revocation from any of the persons owning such Unit. Except with respect to proxies in favor of a Mortgagee, no proxy shall in any event be valid for a period in excess of one hundred and eighty days after the execution thereof. Any proxy which is undated or any proxy not executed by a person having authority at time of execution thereof to execute deeds on behalf of that person shall be void.

Section 11. Conduct of Meeting. The President shall preside over all meetings of the Unit Owners Association and the Secretary shall keep the minutes of the meeting and record in a Minute Book all resolutions adopted by the meeting as well as a record of all transactions occurring thereat. Robert's Rules of Order (latest edition) shall govern the conduct of all meetings of the Unit Owners Association when not in conflict with the Declaration, these By-Laws or the Condominium Act.

Section 12. Quorum. The presence, either in person or by proxy, of members representing at least twenty-five percent (25%) of the total votes of the Condominium shall be requisite for, and shall constitute a quorum for the transaction of business of all meetings of members.

### ARTICLE III

#### BOARD OF DIRECTORS

Section 1. Number and Qualification. The affairs of the Unit Owners Association shall be governed by a Board of Directors. Until deeds of conveyance representing seventy-five percent or more of the aggregate Common Element Interests of all Units (including such Common Element Interests as may from time to time be added from the Additional Land) shall have been delivered to Unit Owners by the Declarant, the Board of Directors shall consist of such persons as may be designated by the Declarant; provided, however, that the foregoing power of designation shall not extend beyond the maximum time permitted by Section 55-79.74(a) of the Condominium Act. The Board of Directors shall be composed of five (5) persons, all of whom shall be Unit Owners or spouses of Unit Owners, Mortgagees (or designees of Mortgagees) or designees of the Declarant; provided, however, that, anything in these By-Laws to the contrary notwithstanding, so long as the Declarant owns Units representing more than twenty-five percent (25%) of the aggregate Common Element Interests (but in no event after the expiration of the maximum time permitted by Section 55-79.74(a) of the Condominium Act) the Board of Directors shall consist of at least three (3) members, all of whom shall be designated by the Declarant. The Declarant shall have the right in its sole discretion to replace such Directors as may be so designated, and to designate their successors. The time limit on the period of Declarant's control

shall commence upon settlement of the first Unit to be sold in any portion of the Condominium.

Section 2. Powers and Duties. The Board of Directors shall have all of the powers and duties necessary for the administration of the affairs of the Unit Owners Association and may do all such acts and things as are not by the Condominium Act, the Declaration or by these By-Laws required to be exercised and done by the Unit Owners Association. The Board of Directors shall have the power from time to time to adopt any Rules and Regulations deemed necessary for the benefit and enjoyment of the Condominium; provided, however, that such Rules and Regulations shall not be in conflict with the Condominium Act, the Declaration or these By-Laws. The Board of Directors shall delegate to one of its members or to a person employed for such purpose the authority to act on behalf of the Board of Directors on such matters relating to the duties of the Managing Agent (as defined in Section 3 of this Article), if any, which may arise between meetings of the Board of Directors as the Board of Directors deems appropriate. In addition to the duties imposed by these By-Laws or by any resolution of the Unit Owners Association that may hereafter be adopted, the Board of Directors shall on behalf of the Unit Owners Association:

(a) Prepare an annual budget, in which shall be established the assessments of each Unit Owner for the Common Expenses.

(b) Make assessments against Unit Owners to defray the cost and expenses of the Condominium, establish the means and methods of collecting such assessments from the Unit Owners and establish the period of the installment payment of the annual assessment for Common Expenses. Unless otherwise determined by the Board of Directors, the annual assessment against each Unit Owner for his proportionate share of the Common Expenses shall be payable in equal monthly installments, each such installment to be due and payable in advance on the first day of each month for such month.

(c) Provide for the operation, care, upkeep and maintenance of all of the Property and services of the Condominium.

(d) Designate, hire and dismiss the personnel necessary for the maintenance, operation, repair and replacement of the Common Elements and provide services for the property and, where appropriate, provide for the compensation of such personnel and for the purchase of equipment, supplies and material to be used by such personnel in the performance of their duties, which supplies and equipment shall be deemed part of the Property.

(e) Collect the assessments against the Unit Owners, deposit the proceeds thereof in bank depositories designated by the Board of Directors and use the proceeds to carry out the administration of the Property.

\* (f) Make and amend the Rules and Regulations.

(g) Open bank accounts on behalf of the Unit Owners Association and designate the signatories thereon.

(h) Make, or contract for the making of, repairs, additions and improvements to or alterations of the Property and repairs to and restoration of the Property, in accordance with these By-Laws, after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings.

(i) Enforce by legal means the provisions of the Declaration, these By-Laws and the Rules and Regulations and act on behalf of the Unit Owners with respect to all matters arising out of any eminent domain proceeding.

(j) Obtain and carry insurance against casualties and liabilities, as provided in Article VII of these By-Laws, pay the premiums therefor and adjust and settle any claims thereunder.

(k) Pay the cost of all authorized services rendered to the Unit Owners Association and not billed to Unit Owners of individual Units or otherwise provided for in Article VI of these By-Laws.

(l) Keep books with detailed accounts in chronological order of the receipts and expenditures affecting the Property, and the administration of the Condominium, specifying the expenses of maintenance and repair of the Common Elements and any other expenses incurred. Such books and vouchers accrediting the entries thereupon shall be available for examination by the Unit Owners, their duly authorized agents or attorneys, during general business hours on working days at the times and in the manner set and announced by the Board of Directors for the general knowledge of the Unit Owners. All books and records shall be kept in accordance with generally accepted accounting principles, and the same shall be audited at least once each year by an independent accountant retained by the Board of Directors who shall not be resident of the Condominium or a Unit Owner. The cost of such audit shall be a Common Expense.

(m) Notify a Mortgagee of any default hereunder by the Unit Owner of the Unit subject to such Mortgage, in the event such default continues for a period exceeding thirty days.

(n) Borrow money on behalf of the Condominium when required in connection with any instances relating to the operation, care, upkeep and maintenance of the Common Elements, provided, however, that the consent of at least two-thirds in number of all Unit Owners, obtained by either a mail ballot or at a meeting duly called and held for such purpose in accordance with the provisions of these By-Laws, shall be required to borrow any sum in excess of Fifteen Thousand Dollars. If any sum borrowed by the Board of Directors on behalf of the Condominium pursuant to the authority contained in this subparagraph (n) is not repaid by the Unit Owners Association, a Unit Owner who pays to the creditor such proportion thereof as his Common Element Interest bears to the total of Common Element Interests in the Condominium shall be entitled to obtain from the creditor a release of any judgment or other lien which such creditor shall have filed or shall have the right to file against such Unit Owner's Condominium Unit.

(o) Acquire, hold and dispose of Condominium Units and mortgage the same if such expenditures and hypothecations are included in the budget adopted by the Unit Owners Association.

(p) In its sole discretion, designate from time to time certain Common Elements as "Reserved Common Elements" and impose such restrictions and conditions on the use thereof as the Board of Directors deem appropriate.

(q) Furnish the statement required by Section 55-79.97 of the Condominium Act, within ten days after the receipt of a written request therefor from any Unit Owner.

(r) Do such other things and acts not inconsistent with the Condominium Act, the Declaration or these By-Laws which the Board of Directors may be authorized to do by a resolution of the Unit Owners Association.

(s) Negotiate and adjust with any contractor, subcontractor or Declarant any warranty claims on any Common Element made by or on behalf of any Unit Owner or the Unit Owners' Association.

Section 3. Managing Agent. The Board of Directors shall employ for the Condominium a "Managing Agent" at a compensation established by the Board of Directors.

(a) Requirements. The Managing Agent shall be a bona fide business enterprise, which may be affiliated with the Declarant, which manages common interest residential communities. Such firm shall have a minimum of two years experience in real estate community management.

(b) Duties. The Managing Agent shall perform such duties and services as the Board of Directors shall authorize, including, but not limited to, the duties listed in subparagraphs (a), (c), (d), (e), (h), (i), (j), (k), (l), (m), (q), and (r) of Section 2 of this Article III. The Board of Directors may delegate to the Managing Agent all of the powers granted to the Board of Directors by these By-Laws other than the powers set forth in subparagraphs (b), (f), (n), (o), (p) and (s) of Section 2 of this Article III. The Managing Agent shall perform the obligations, duties and services relating to management of the property, the rights of Mortgagees and the maintenance of reserve funds in compliance with the provisions of these By-Laws.

(c) Standards. The Board of Directors shall impose appropriate standards of performance upon the Managing Agent. Unless the Managing Agent is instructed otherwise by the Board of Directors, the Managing Agent shall comply with the following standards:

(1) The cash or accrual method of accounting as defined by generally accepted accounting principles shall be employed.

(2) two or more persons shall be responsible for handling cash to maintain adequate financial control procedures.

(3) cash accounts of the Unit Owners Association shall not be commingled with any other accounts;

(4) no remuneration shall be accepted by the Managing Agent from vendors, independent contractors or others providing goods or services to the Unit Owners Association whether in the form of commissions, finders' fees, service fees or otherwise; any discounts received shall benefit the Unit Owners Association;

(5) any financial or other interest which the Managing Agent may have in any firm providing goods or services to the Unit Owners Association shall be disclosed promptly to the Board of Directors; and

(6) a monthly financial report shall be prepared for the Unit Owners Association disclosing:

(A) all receipts and disbursements activity for the preceding month;

(B) the status of all accounts in an "actual" versus "projected" (budget) format; and

(C) any actual or pending obligations which are in excess of budgeted amounts by an amount exceeding the operating reserves or ten percent of a major budget category (as distinct from a specific line item in an expanded chart of accounts).

(d) Limitations. Subject to the provisions of Section 55-79.74(b) of the Condominium Act, during the period when persons designated by the Declarant constitute a majority of the Board of Directors, the Board of Directors may employ a Managing Agent for an initial term not to exceed one (1) year. The Unit Owners Association and the Board of Directors shall not undertake "self-management" or fail to employ a Managing Agent without the consent of a majority vote and the written consent of Mortgagees together holding sixty-six and two-thirds percent (66-2/3%) of the mortgages on the Condominium Units. Any contract with the Managing Agent must provide that it may be terminated, without payment of a termination fee, without cause on no more than ninety days written notice and with cause on no more than thirty days written notice, and the term of such contract or agreement may not exceed one (1) year.

Section 4. Election and Term of Office. At the first annual meeting of the Unit Owners Association, the term of office of two members of the Board of Directors shall be fixed at three years, the term of office of two members of the Board of Directors shall be fixed at two years and the term of office of the remaining member of the Board of Directors shall be fixed at one year. At the expiration of the initial term of office of each member of the initial Board of Directors elected at the first annual meeting, a successor shall be elected to serve for a term of three years. The members of the Board of Directors shall hold office until their respective successors shall have been elected and have held their first meeting.

Section 5. Removal of Members of the Board of Directors. Except with respect to Directors designated by Declarant, at any regular or special meeting of the Unit Owners Association duly called, (but only at or after the first annual meeting), any one or more of the Board of Directors may be removed with or without cause by a majority of the Unit Owners and a successor may then and there be elected to fill the vacancy thus created. Any director whose removal has been proposed by the Unit Owners shall be given at least ten (10) days' notice of the calling of the meeting and the purpose thereof and he shall be given an opportunity to be heard at the meeting.

Section 6. Vacancies. Vacancies in the Board of Directors caused by any reason other than the removal of a director by a vote of the Unit Owners Association shall be filled by a vote of a majority of the remaining Directors at a special meeting of the Board of Directors held for such purpose promptly after the

occurrence of any such vacancy. Each person so elected shall be a member of the Board of Directors for the remainder of the term of the member being replaced and until a successor shall be elected at the next annual meeting of the Unit Owners Association. Notwithstanding anything to the contrary in this Section or in the preceding Section 5, so long as the Declarant owns more than twenty-five percent (25%) of the aggregate Percentage Interests, (but in no event after the expiration of the maximum time permitted by Section 55-79.74(a) of the Condominium Act) the Declarant shall designate the successor to any resigned or removed member previously designated by the Declarant.

Section 7. Organization Meeting. The date of the first meeting of the members of the Board of Directors elected at the annual meeting of the Unit Owners Association shall be determined by the Board immediately following the Unit Owners Association meeting and no further notice shall be necessary to the newly elected members of the Board of Directors. Such meeting shall occur within thirty (30) days.

Section 8. Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the directors, but at least once every two months. Notice of regular meetings of the Board of Directors shall be given to each director personally, by mail, telephone or telegraph, at least three (3) business days prior to the day named for such meeting.

Section 9. Special Meetings. Special meetings of the Board of Directors may be called by the President on three (3) business days' notice to each director, given personally, by mail, telephone or telegraph, which notice shall state the time, place and purpose of the meetings. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of at least two directors.

Section 10. Waiver of Notice. Any director may, at any time, in writing, waive notice of any meeting of the Board of Directors, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a director at any meeting of the Board of Directors shall constitute a waiver of notice by him of the time and place of such meeting. If all directors are present at any meeting of the Board of Directors, no notice shall be required and any business may be transacted at such meeting.

Section 11. Fidelity Bonds. The Board of Directors shall require adequate fidelity bonds for all officers and employees of the Condominium handling or responsible for Condominium funds. The premium of such bonds shall constitute a Common Expense.



Section 12. Compensation. No director shall receive any compensation from the Condominium for exercising his duties and obligations as a director.

Section 13. Conduct of Meetings. The President shall preside over all meetings of the Board of Directors and the Secretary shall keep a Minute Book of the Board of Directors, recording therein all resolutions adopted by the Board of Directors and a record of all transactions and proceedings occurring at such meetings. Robert's Rules of Order (latest edition) shall govern the conduct of the meetings of the Board of Directors when not in conflict with the Declaration, these By-Laws or the Condominium Act.

Section 14. Action Without Meeting. Any action by the Board of Directors required or permitted to be taken at any meeting may be taken without a meeting if all of the members of the Board of Directors shall individually or collectively consent in writing to such action. Such written consent or consents shall be filed with the minutes of the proceedings of the Board of Directors.

Section 15. Quorum of Board of Directors. At all meetings of the Board of Directors a majority of the directors shall constitute a quorum for the transaction of business, and the votes of a majority of the directors present at a meeting at which a quorum is present shall constitute the decision of the Board of Directors. If at any meeting of the Board of Directors there shall be less than a quorum present, a majority of those present may adjourn the meeting from time to time. At any such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

#### ARTICLE IV

##### OFFICERS

Section 1. Designation. The principal officers of the Condominium shall be the President, Vice President, the Secretary and the Treasurer, all of whom shall be elected by the Board of Directors. The Board of Directors may appoint an Assistant Treasurer, an Assistant Secretary and such other officers as in its judgment may be necessary. The President and the Treasurer, but no other officers, shall be required to be members of the Board of Directors. The offices of President and Secretary may not be held by the same person.

Section 2. Election of Officers. The officers of the Condominium shall be elected annually by the Board of Directors

