

# ***Cascades Pointe Condominiums***

**Public Offering Statement**

PURCHASER SHOULD READ THIS DOCUMENT FOR PURCHASER'S OWN  
PROTECTION

PUBLIC OFFERING STATEMENT

NAME OF CONDOMINIUM: CASCADES POINTE CONDOMINIUMS

LOCATION OF CONDOMINIUM: 1776 LIBERTY LANE  
MONTGOMERY COUNTY  
BLACKSBURG, VIRGINIA 24060

NAME OF DECLARANT: CASCADES POINTE OF BLACKSBURG, LLC

ADDRESS OF DECLARANT: 2809 EMERYWOOD PARKWAY  
SUITE 500  
RICHMOND, VA 23294

EFFECTIVE DATE OF PUBLIC  
OFFERING STATEMENT: FEBRUARY 6, 2006  
AMENDED: MAY 4, 2006

REGISTRATION NUMBER: 05-268

This Public Offering Statement presents information regarding condominium units being offered for sale by the Declarant. Virginia Law requires that a Public Offering Statement be given to every purchaser in order to provide full and accurate disclosure of the significant features of the condominium units being offered. This Public Offering Statement is not intended, however, to be all-inclusive. The purchaser should consult other sources for details not covered by the Public Offering Statement.

The Public Offering Statement summarizes information and documents furnished by the Declarant to the Virginia Real Estate Board. The Board has carefully reviewed the Public Offering Statement to ensure that it is an accurate summary but does not guarantee its accuracy. In the event of any inconsistency between the Public Offering Statement and the material it is intended to summarize, the latter will control.

Under Virginia Law a purchaser of a condominium unit is afforded a ten day period during which he or she may cancel the contract of sale and obtain a full refund of any sums deposited in connection with the contract. The ten day period begins running on the contract date or the date of delivery of a Public Offering Statement, whichever is later. The purchaser should inspect the condominium unit and all common areas and obtain professional advice. If the purchaser elects to cancel, he or she must deliver notice of cancellation to the Declarant by hand or by United States mail, return receipt requested.

The following are violations of Virginia Law and should be reported to the Virginia Real Estate Board, 3600 West Broad Street, 5th Floor, Richmond, Virginia 23230:

- a misrepresentation made in the Public Offering Statement
- an oral modification of the Public Offering Statement
- a representation that the Board has passed on the merits of the condominium units being offered or endorses the condominium.

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### SUMMARY OF IMPORTANT CONSIDERATIONS

Following are important matters to be considered in acquiring a condominium unit. They are highlights only. The narrative sections should be examined to obtain detailed information.

1. The Condominium will be governed by a unit owners association. Each unit owner will have a vote on certain decisions of the association and will be bound by all decisions of the association including those with which he disagrees. (See Section B3 herein)
2. Certain decisions of the unit owners association will be made by the board of directors. (See Section B3 herein)
3. The expenses of operating the unit owners association will be paid by the unit owners on the basis of an annual budget. Each unit owner will pay a monthly assessment. A unit owner cannot reduce the amount of his assessment by refraining from use of the common elements. (See Section L1 herein)
4. If a unit owner fails to pay an assessment when due, the unit owners association will have a lien against his condominium unit. Certain other penalties may be applied. (See Section L4 herein)
5. The Declarant must pay assessments on unsold condominium units. (See Section L1 herein)
6. The Declarant will retain control of the unit owners association until units to which 75% of the undivided interests in the common elements appertain have been conveyed or until two (2) years after the recordation of a deed conveying the first unit, whichever is earlier. (See Section J herein)
7. The board of directors of the unit owners association is authorized, but not required, to employ an independent managing agent to perform the routine operations of the unit owners association. (See Section J3 herein)
8. The Declarant may rent unsold condominium units. An entire unit may be rented by a unit owner but not less than an entire unit may be rented nor may a unit (other than unsold units owned by the Declarant) be rented for less than a six-month term. The right of any unit owner to rent his unit may be subject to various other regulations as required by the board of directors. (See Section I herein)

9. The right of a unit owner to resell his unit is not subject to any restrictions. (See Section I herein)

10. The units are restricted to residential use (except that the Declarant or the Association may, subject to applicable zoning and use restrictions, use certain units for model units or for management or sales offices). (See Section I herein)

11. The unit owner may not alter the structure of his unit or modify the exterior appearance of his unit without the approval of the board of directors of the unit owners association. (See Section D herein)

12. The unit owners association will obtain certain insurance benefiting the unit owner, and the unit owner must obtain other insurance on his own. (See Section M herein)

13. The unit owner will pay real estate taxes on his condominium unit. (See Section N herein)

14. The contract purchaser's right to bring legal action against the Declarant is limited by certain provisions of the purchase contract. Specifically, the purchase contract provides that, (i) upon a default of the Declarant, the contract purchaser is entitled to the return of the contract deposit and, upon the return of the deposit, the purchase contract is terminated in complete satisfaction of all of the contract purchaser's claims or other rights and (ii) in any legal action arising out of the contract, the prevailing party shall be entitled to recover reasonable attorney's fees and costs of the suit from the losing party.

15. The Condominium will not be developed as a time-share project.

16. The Declarant may be convert convertible land without the consent of any unit owner (See Section A3 herein).

17. Marketing and sale of condominium units will be conducted in accordance with the Virginia Fair Housing Law (Code of Virginia §36-96.1 et seq.) and the Virginia Condominium Act (Code of Virginia §55-79.52(c)).

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## PUBLIC OFFERING STATEMENT

### INTRODUCTION

CASCADES POINTE OF BLACKSBURG, LLC, a Virginia limited liability company (the "Declarant"), presents its proposal for condominium ownership of land and improvements located at 1776 Liberty Lane, Montgomery County, Blacksburg, Virginia. The condominium will be known as CASCADES POINTE CONDOMINIUMS and will be referred to herein as the "Condominium".

This Public Offering Statement consists of two parts, a narrative portion and an exhibit portion. The exhibits include legal documents which are required for the creation and operation of the Condominium, projected budgets and tables of reserves and expenses for the Condominium. The narrative portion of the Public Offering Statement is intended to summarize the significant features of the exhibits and also to present other information of interest to the prospective purchaser. If there is an inconsistency between the exhibits and the narrative, the provisions of the exhibits will govern.

#### A. THE CONDOMINIUM CONCEPT.

1. Form of Property Ownership. The term "condominium" refers to a form of property ownership. Property which is owned as a condominium contains two distinct types of property - units and common elements. Units are portions of a condominium which are set aside for individual ownership. In the case of a residential condominium such as the Condominium, the units are the separate living quarters which may be used only by the unit owner. Common elements, on the other hand, are all portions of the Condominium which are not included within the units. The land surrounding units and improvements to land which is not a part of a unit constitutes the common elements. Each unit owner owns an "undivided interest" in the common elements. An undivided interest is a fractional or percentage share of ownership of all of the common elements. In the Condominium, the undivided interest in the common elements is a percentage and is referred to as a "Percentage Interest." The ownership of an undivided interest in the common elements gives the unit owner the right to participate in the control and management of all the common elements but such ownership carries with it the obligation of each unit owner to pay his or her share of the expenses of operating and maintaining all of the common elements. It is the ownership of an undivided interest in the common elements which sets condominium ownership apart from other forms of property ownership.

2. Limited Common Elements. Certain common elements are designated limited common elements. A limited common element is a portion of the common elements assigned to one or more, but less than all, units. The owners of the units to which a limited common element is assigned or appertains have an exclusive right to use the limited common element, except as set forth in this Public Offering Statement.

3. Conversion of Convertible Land. The Condominium contains three separate parcels of Convertible Land comprising a total of 1.329 acres of the Common Elements of the



Condominium. The Convertible Land may be converted into units and/or limited common elements by recording an amendment to the Declaration and Bylaws (as those terms are defined below) converting all or a portion of the Convertible Land, and by filing new plats and plans describing the land being converted and the new units to be included within the Condominium. The Convertible Land so converted and new units will be in all respects a part of the Condominium, subject to the Condominium Instruments. The owners of the new units will become members of the Association (as defined below) which governs the Condominium; and each of the new units will have appertaining to it a Percentage Interest in the common elements of the Condominium. The Percentage Interest appertaining to existing units will necessarily be decreased upon the creation of additional units which are assigned a Percentage Interest in the common elements.

## B. CREATION OF THE CONDOMINIUM.

1. Condominium Act. Chapter 4.2 of Title 55 of the 1950 Code of Virginia, as amended (called the "Condominium Act" throughout this Public Offering Statement), is the controlling law in Virginia concerning the creation and management of condominiums. The Condominium Act requires that no condominium shall come into existence until condominium instruments are recorded within the jurisdiction where the condominium is located. Condominium instruments are stated in the Condominium Act to be the declaration, the bylaws of the association that will govern the operation of the condominium, plats and plans showing the location of various elements within the condominium and various other exhibits, schedules and certifications recorded as a part of the condominium instruments. The Declarant will forward to each contract purchaser of a unit in the Condominium an exact copy of the recorded Declaration, Bylaws and the amendments thereto within ten (10) days after recording of those documents.

2. Condominium Instruments. The controlling and most important document concerning the Condominium is the Declaration which has been or will be recorded in the Clerk's Office of the Circuit Court of the County of Montgomery, Virginia (the "Clerk's Office"). A copy of the Declaration is attached as Exhibit I to this Public Offering Statement. The Declaration establishes the boundaries of the Condominium, as a whole, as well as the boundaries of each unit and allocates to each unit an undivided interest in the common elements. The Declaration also designates certain portions of the common elements to be limited common elements and certain portion which are designated as convertible land. The terms common elements and limited common elements are further described in Section E of this Public Offering Statement.

In addition to those Condominium Instruments previously named, the Condominium will be governed by Articles of Incorporation creating Cascades Pointe Condominium Association (the "Association"), which will be filed with the Virginia State Corporation Commission. Every unit owner will be, and only a unit owner can be, a member of the Association. Once created, the Association will operate under its Articles and Bylaws in a manner similar to any other nonstock corporation. The Bylaws, among other things, (a) set forth the procedures for the election of officers and directors of the Association, (b) delineate the powers and duties of the directors and officers, (c) allocate responsibility for the maintenance of units and common elements, (d)

establish procedures for the assessment of common expenses, (e) set forth restrictions on the use of units and common elements and (f) provide guidelines for insuring the Condominium and handling casualty and condemnation losses. The Articles of Incorporation and Bylaws will be or have been recorded in the Clerk's Office as Exhibits E and F, respectively, to the Declaration.

There will also be recorded with the Declaration plats and plans of the Condominium which, to the extent possible, will graphically depict the boundaries of the Condominium and its units, common elements and limited common elements. Photo-reduced copies of these plats and plans are included in this Public Offering Statement as exhibits to the Declaration. Full-size copies of these plats and plans are available for inspection at the office of the Declarant or at the office of the Virginia Real Estate Board at 3600 W. Broad Street, Richmond, Virginia 23230.

The Association's board of directors, who will be elected in accordance with the Bylaws, shall have the right to adopt Rules and Regulations that will control detailed aspects of how the Association, through its board of directors, directs that the Association's members will act insofar as the Condominium is concerned and how the Condominium will be governed. At the present time, Rules and Regulations have not been adopted.

If approved by Unit Owners of Units to which 75% of the votes of the Association appertain and by two-thirds (2/3) of the eligible lenders holding first mortgage liens on the units, the Declaration may be amended by recording an amendment in the Clerk's Office. If approved by Unit Owners of Units to which two-thirds (2/3) of the votes of the Association appertain and by two-thirds (2/3) of the eligible lenders holding first mortgage liens on the units, the other Condominium Instruments may be amended by recording an amendment in the Clerk's Office. Such amendments must be signed or ratified by the requisite number of unit owners and lenders. If there are no unit owners other than the Declarant, the Declarant may unilaterally amend the Condominium Instruments. Moreover, the Declarant may record without the approval of any unit owner such amendments as are necessary to make technical modifications to the Condominium Instruments, provided that such modifications do not materially alter the substantive rights of the unit owners, and to comply with the requirements of certain institutional lenders and loan guarantors such as the Federal National Mortgage Corporation and the United States Veterans Administration.

Copies of all Condominium Instruments may be obtained from the Declarant's office located at 2809 Emerywood Parkway, Suite 500, Richmond, VA 23294.

3. Unit Owners Association. The Condominium is governed by the Association. Each unit owner has voting rights equal to one (1) vote per Unit, notwithstanding the Percentage Interest appertaining to that Unit, and may cast his or her vote on certain decisions of the Association. All of the unit owners will be bound by all decisions of the Association even though less than all of the owners approve the decisions. The day to day affairs of the Association are managed and controlled by a board of directors. The board of directors will be elected by the unit owners in accordance with the Bylaws; provided, however that during the Declarant Control Period (see the discussion in Section J of this Public Offering Statement), the Declarant has the right to appoint the members of the board of directors.

C. DESCRIPTION OF THE CONDOMINIUM.

The Condominium is located on a 6.854 acre site (the "Land") located at 1776 Liberty Lane, Blacksburg, Virginia. The Condominium consists of eight three-story buildings containing twelve (12) units each for a total of ninety-six (96) units in the project. Any of the unsold units may be used as models or sales offices during the sales period. Except for models, sales offices and unsold units, all units within the Condominium will be used for residential purposes only. This and other use restrictions are found in Article VII, Section 7.1 of the Declaration. At this time, the Declarant does not plan to rent any of the units, but may do so if market conditions so warrant. Declarant expects that a substantial percentage of the units will be rented and plans in no way to restrict the number of units which may be sold to persons who do not intend to occupy the units as their primary residences.

Cascades Pointe Condominiums are what is known as a conversion condominium because the buildings in which the Condominium is located were formerly apartment buildings. The buildings were occupied as apartment buildings since their construction in 1982. Once the Condominium Instruments are recorded in the Clerk's Office as described in Section B of this Public Offering Statement, the apartment buildings and the Land on which they are located will be "converted" into a Condominium.

Certain portions of the common elements of the Condominium containing a total of 1.329 acres is designated on Exhibit A-2 to the Declaration as the "Convertible Land" and the Declarant reserves the right to construct and convert as many as 36 units on the Convertible Land. The Convertible Land will be converted and the units will become a part of the Condominium upon the Declarant executing and recording one or more Amendments to Declaration and Bylaws converting all or any portion of the Convertible Land into Units and/or limited common elements; provided that the Declarant's option to convert the Convertible Land expires on the seventh anniversary of the date of recordation of the Declaration. Declarant is not obligated to convert all or any portion of the Convertible Land. Until such time as the Declarant converts the Convertible Land into units or limited common elements, the Declarant is required by the Virginia Condominium Act to pay for the upkeep of the Convertible Land. Once the Convertible Land has been converted, maintenance and other financial responsibilities associated with the land so designated become the responsibility of the Association and, therefore, may be reflected in the periodic assessment for the Condominium. It is not anticipated that common expense assessments will increase should the Convertible Land be converted.

D. INDIVIDUAL UNITS.

Each unit will be depicted on the plats and plans of the Condominium. Each unit will generally consist of the space bounded by the surface of the unit's walls, floor and ceiling, and will include (i) doors and windows and (ii) all portions of any utility system and appliances servicing only that unit. Each unit will be sold unfurnished, but each unit will be separately heated and air conditioned, and will be equipped with a flat-top range, a refrigerator, a dishwasher, a stacked washer/dryer unit, a hot water heater and pre-wired electrical outlets. Upgrade packages are

available for each unit. All of the Units are substantially complete with certain renovations scheduled for completion prior to the sale of the first Unit.

The identifying number and design of each unit in the Condominium are set forth in the plans attached as Exhibit C to the Declaration. Ninety-Six (96) Units being offered are located in eight three-story buildings. Six units have one (1) bedroom and contain approximately 620 square feet. Forty-two units have two (2) bedrooms and contain approximately 780 square feet. Forty-two units have three (3) bedrooms and contain approximately 920 square feet. Six units have four (4) bedrooms and contain approximately 1,275 square feet.

The Association will be responsible for the maintenance, repair and replacement of the common elements constituting the exteriors of the units. However, the costs of such maintenance, repairs and replacements may be assessed against a unit owner if the costs are incurred as the result of the owner's fault. The exteriors of the units, whether or not a portion of the common elements or a portion of the unit itself, and the structure of each unit, cannot be altered or changed in appearance in any way without the consent of the board of directors of the Association; provided, however, that this provision shall not apply to units owned by the Declarant until such units have been conveyed by the Declarant. The same restrictions on alterations apply to limited common elements.

#### E. COMMON ELEMENTS.

1. Common Elements. The common elements constitute all of the Condominium other than the units. All common elements are substantially complete with certain renovations scheduled for completion prior to the conveyance of any of the units to a unit owner.

The following items are expected to be the major common elements of the Condominium: all of the land, parking areas, a clubhouse, a 30' x 60' swimming pool, walls separating Units, the exteriors and structural components of the building, portions of plumbing, electrical, heating, mechanical and air-conditioning systems serving more than one unit, common hallways and stairways. Certain of the common element improvements including the clubhouse, the swimming pool, an asphalt basketball court, a playground and 32 parking spaces are located within the area designated as Convertible Land. The Declarant has reserved the right to convert any such Convertible Land and the common elements located thereon into units and/or limited common elements. The allocation of undivided interests in the common elements will be made on the basis of each unit's Percentage Interest in the Condominium. The Percentage Interest appertaining to each unit shall be calculated as the percentage that the square footage of the unit bears to the total square footage of all the units in the Condominium. Generally, the Association will be responsible for the performance of any maintenance and repair to and replacement of the common elements; however, the Declarant shall be responsible to pay for the upkeep of the Convertible Land and all improvements located thereon until such land has been converted. The cost of such maintenance, repair and replacement will be a common expense assessed proportionately against each unit owner based on the Percentage Interest appertaining to each unit.

There are approximately 1.85 parking spaces available per unit in the Condominium. The Declarant and the Association reserve the right but not the obligation, to be exercised in their sole discretion, to number parking spaces and to assign such parking spaces as limited common elements for the exclusive use of certain unit owners to whose units these parking spaces shall become appurtenant. Parking spaces will be assigned by the Declarant as limited common elements to the units to which they are appurtenant in the deed from the Declarant to the unit owner and confirmed by the recordation of an Amendment to the Declaration assigning such parking spaces. Common element parking spaces which have not been assigned as limited common elements will be open to all unit owners on a first come, first served basis. Generally, the Association will be responsible for the performance of any maintenance and repair to and replacement of the common elements. The cost of such maintenance, repair and replacement will be a common expense assessed equally against each unit owner.

2. Limited Common Elements. The right to exclusive use of limited common elements is reserved to the owners of the units to which such limited common elements are appurtenant. Limited common elements shall include all individual mailboxes, window screens, screen doors, storm doors, if any, and storm windows. The exclusive right of each owner to use the limited common elements assigned to his or her unit is subject to an easement for ingress and egress by all persons who must maintain the limited common elements as set forth in the Condominium Instruments. Other than the restrictions and assessments described in the Condominium Instruments, there are no restrictions or charges for the use of parking spaces.

#### F. THE DECLARANT.

Cascades Pointe of Blacksburg, LLC is a Virginia limited liability company which was formed on August 31, 2005, for the purpose of acquiring, owning, developing, constructing and selling units in the Condominium. The sole member and manager of the Declarant is Venture Investment Properties Group, Inc., a Virginia corporation ("VIP Group"), which was formed in May of 2005 for the purpose of owning and developing real estate. VIP Group acted as Declarant for The Cascades Condominiums, a 69-unit conversion condominium located in Blacksburg, Virginia.

The President of VIP Group is Thomas E. Eide, who has been associated with VIP Group since its formation. Mr. Eide served as President and Chief Executive Officer of Connect Me Service, a telecommunications provider, and the Chief Executive Officer of Volume Software, Inc., a wholesale distributor of computer components and software. Mr. Eide will generally be responsible for overseeing all aspects of the conversion of the Condominium.

Hugo F. Camacho, who has been associated with VIP Group since its inception, will act as Director of Finance. Mr. Camacho has been employed as a financial specialist with Wachovia Securities.

Brian W. Spencer, who has extensive experience in commercial real estate construction project management and landscape design in the Washington, D.C. area, will be

responsible for construction management and overseeing the development of the Condominium. Mr. Spencer has been associated with VIP Group since its formation.

Joshua D. McGilliard has been associated with VIP Group since its inception and will act as Director of Sales and Marketing. Mr. McGilliard has extensive experience in marketing and advertising with particular experience in real estate marketing and strategic planning for both single family residential real estate projects, multi-family dwelling residential projects and resort projects.

G. TERMS OF THE OFFERING.

1. The Unit Purchase Agreement. The average unit sales price is contemplated to range from approximately \$90,000 to \$120,000. The unit prices are subject to change by the Declarant depending on market conditions, changes in the cost of construction and renovation and other relevant factors. Unless a purchaser elects to pay all cash at closing, the purchase agreement will be conditioned upon the purchaser's obtaining a commitment for a first mortgage loan. The Declarant does not intend to provide permanent financing for purchasers of individual units. A Unit purchaser may apply for financing from any lender. Each Unit purchaser will be responsible for satisfying the credit requirements and conditions established by the lender or lenders. Financing is subject to additional terms and conditions stated in the loan commitment or instruments, which the Unit Owner receives from its lender. The purchaser will be required to pay all fees, mortgage insurance premiums and prepaid items in connection with the procurement and placement of the mortgage loan. The purchaser must make prompt application for the loan commitment after signing the purchase agreement. If the purchaser is unable to obtain a loan commitment within a certain time specified in the purchase agreement, the Declarant may, but shall not be obligated to, allow the purchaser additional time to obtain a commitment from another source. Alternatively, the Declarant may give notice to the purchaser at that time or at any time thereafter that the purchase agreement is terminated, and neither party will have any further obligations to the other. The Declarant may terminate the purchase agreement if Declarant determines that a sufficient number of units have not been "pre-sold" to assure the sound operation of the Condominium. If the purchase agreement is terminated for failure of either the financing condition or the presale condition, the Declarant will return the deposit to the purchaser. Upon any default by the Declarant under the purchase agreement, the Declarant will return the deposit to the purchaser and the parties will have no further rights or obligations under the purchase agreement. Upon a default by purchaser, the Declarant may retain the deposit and shall be able to pursue all rights or remedies available to a seller in law or in equity, including the right of specific performance. The purchase contract does not require the purchaser to pay attorney's fees of the Declarant; provided, however, pursuant to Subparagraph (c) of the Default Section contained in The Standard Conditions Addendum set forth on Page 8 of the purchase contract, the prevailing party shall be entitled to recover from the losing party attorneys' fees and costs of any legal action arising out of the purchase contract. The purchase contract does not contain any provisions requiring the purchaser to waive trial by jury in any civil action against the Declarant.

2. Purchaser's Costs. The Declarant does not intend to provide permanent financing for purchasers of individual units. Purchasers financing the purchase of individual units through conventional mortgage lenders may have to pay to the lender a loan origination fee and "points" in an amount equal to a stipulated percentage of the mortgage loan, in addition to other closing costs. Financing is subject to such additional terms and conditions as may be stated in the loan commitment or instruments. At the settlement of the purchase of a unit, the purchaser will be required to make a nonrefundable initial capital contribution to the Association equal to two (2) month's assessments for common expenses. The general purpose of this contribution is to provide a source of funds for certain prepaid items (for example, insurance premiums), and to provide the Condominium with working capital and a contingency reserve. The purchaser is required to pay the Association common expenses allocable to the unit monthly in advance. Common expenses payable for the month in which the sale of the unit closes are adjusted on a per diem basis as of the settlement date. The estimated Common Expenses for the first year of operation for each unit are set forth in Exhibit II attached to this Public Offering Statement.

3. Closing. Closing of the sale of a unit shall occur only after satisfaction of any presale requirements of a lender offering financing to the purchaser. At the closing, the Declarant will pay the sales commission, all state and county transfer taxes applicable to grantors and legal fees incurred in connection with the preparation of the deed of transfer.

4. Declarant's Costs. The Declarant will bear the costs and expenses incurred in connection with the creation of the Condominium and the cost of selling the units, including selling expenses and commissions upon the initial sales of units, advertising and any printing expenses, the Declarant's attorneys' fees, organization costs and architectural, engineering and surveying costs whether incurred by the Declarant prior or subsequent to the effective date of the registration of the Condominium. The Declarant will convey each unit free of liens or liabilities against such units, except the lien for current real estate taxes not then due and payable and the statutory lien for condominium assessments.

5. Deposits. All deposits will be held in escrow by an entity designated by the Declarant pending settlement. Declarant shall be entitled to retain any interest earned on the deposits. All deposits shall be credited against the purchase price at settlement, paid over to the Declarant upon a breach of the purchase agreement by the purchaser or returned to the purchaser in the event the Declarant does not complete the contemplated transaction for any reason.

#### H. ENCUMBRANCES.

The Condominium is or may become subject to utility easements for water, sewer, gas, cable television, electric and telephone lines. In addition, the Condominium is subject to and benefited by the Declaration and all subsequent amendments thereto, and certain easements created by the Declaration, the Condominium Act, or both.

The Condominium will also be subject to and benefited by the following easements:

1. Easement for Encroachments. By virtue of this easement, unit owners and the Association are protected if a unit or common element encroaches upon another unit or common element.
2. Easement to Facilitate Sales. The Declarant may use any unsold units in the Condominium as sales offices or models to show prospective purchasers or as a management office and may place advertising signs anywhere within the Condominium that is not unreasonable.
3. Easement for Ingress and Egress. Each unit owner has a right of access to all common elements, subject to rules, regulations and restrictions established by the Association.
4. Easement for Access to Units. Authorized representatives of the Association, including the Declarant and the managing agent, if any, may enter any unit to the extent necessary to correct conditions threatening other units or the common elements, to make repairs to common elements which are accessible only from the unit, to fulfill the Association's obligation to repair, paint, maintain and replace the limited common elements constituting the exterior of the unit, or to correct conditions which constitute violations of the Declaration, the Articles of Incorporation, the Bylaws or any rules and regulations issued by or through the authority of the Association's board of directors. Notice must be given to the unit owner prior to entry except in emergencies when a unit may be entered without notice. Upon a violation of the foregoing documents, the violation may be corrected without the consent of the unit owner, and the unit owner will be liable for the resulting expenses.
5. Easement for Support. Each unit owner has the benefit of a restriction upon any action of a neighboring unit owner, or of the Association with respect to the common elements, which would endanger the stability or safety of his unit.
6. Declarant's Right to Grant Easements. The Declarant has the right to grant and reserve easements and rights-of-way through, under, over and across the common elements for construction purposes, and for the installation, maintenance and inspection of the lines and appurtenances for public or private water, sewer, drainage, gas, electricity, telephone, cable television, and other utilities.
7. Deed of Trust. The Condominium may be subjected to the terms of a deed of trust securing a loan from an institutional lender for the acquisition of the property and the renovation of units of the Condominium. The condominium units will be released from the lien of this deed of trust in conjunction with the conveyance of the unit to a purchaser, and hence the failure of the Declarant to perform the obligations secured thereby should have no direct effect upon unit owners. The condominium units will be conveyed free and clear of all other liens, except those for taxes not yet due (which will be prorated at settlement) and for any purchase money financing that the purchaser obtains.



I. RESTRICTIONS ON TRANSFER.

There are no restrictions on the transfer or resale of a condominium unit by a unit owner. Leasing of units will be subject to the following restrictions: No unit, other than units owned by the Declarant which have not been previously sold, may be leased for less than a six-month term without the prior written approval of the Association's board of directors. No unit may be leased for hotel or transient purposes. No portion of a unit (i.e., less than the entire unit) may be leased for any period. All leases must be written and must provide that failure to comply with the Condominium Instruments and rules and regulations constitutes a default under the lease. The Association may adopt further restrictions on leasing, at its option, all of which will be incorporated into the rules and regulations of the Association. The Declarant may enter into leases of unsold units with third parties. No unit may be subjected to a timesharing or similar form of ownership on a periodic or revolving basis.

J. UNIT OWNERS ASSOCIATION.

A nonprofit organization known as Cascades Pointe Condominium Association is the organization responsible for governing the Condominium. The Association 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 Association by the Condominium Act and the Condominium Instruments. The Association shall be incorporated by the filing of the Articles of Incorporation in the form attached to the Declaration as Exhibit E in the Virginia State Corporation Commission. Each unit owner has an equal vote in the Association.

1. Appointment and Election of Board of Directors. Initially, the board of directors of the Association shall consist of not more than three members and shall be appointed by the Declarant. The purpose of the Declarant's retaining control in the early stages of the Condominium's existence is to ensure the stability of the Association and to administer the Condominium's affairs until the new unit owners become familiar with the Condominium and management responsibilities. The Declarant may retain control of the officers and board of directors for two (2) years following the conveyance of a unit from the Declarant to the first unit owner or until units to which seventy-five percent (75%) or more of the aggregate undivided interest in Common Elements appertain are sold and settled, whichever event first occurs. After termination of the Declarant Control Period, five (5) directors, who may but need not be unit owners, will be elected by the unit owners at a special meeting of the unit owners held within 60 days after the expiration of the Declarant Control Period. One vote shall be taken on the entire slate of nominees and the two (2) people receiving the highest number of votes shall be elected for three (3) years, the two people receiving the third and fourth highest votes shall be elected for two (2) years and the person receiving the fifth highest number of votes shall be elected for a one (1) year term. At the expiration of the initial term of office of each member of the Board of Directors, that member's successor shall be elected for a three (3) year term. The directors shall annually elect officers of the Association which will include a president, vice president, secretary and treasurer. The President, but no other officer, shall be required to be a member of the Board

of Directors. The officers shall perform such duties as directed by the Board of Directors in accordance with the Bylaws of the Association.

2. Board of Directors. All of the operations of the Association will be performed under the direction of the Board of Directors, as elected by the Association, or as designated by the Declarant during the Declarant Control Period. The Board of Directors shall have all of the powers and duties necessary for the administration of the affairs of the Condominium, provided, however, the unit owners will participate directly in the important policy decisions of the Association such as whether the Association should borrow money or make improvements to the Condominium costing more than Ten Thousand Dollars (\$10,000) in any twelve month period as set forth in Section 6.5 of the Bylaws.

3. Managing Agent. The board of directors of the Association may employ a managing agent to act on its behalf in the performance of all duties other than major decisions and actions such as the board's policy making duties, acquiring property, opening bank accounts and borrowing money. The managing agent may be an entity which is controlled by individuals who own or control the Declarant; however, no management agreement currently exists. In the event that the Association employs a managing agent, any remuneration to the managing agent shall be agreed to under a contract lasting no longer than two years and providing for reasonable remuneration based upon contracts of a similar nature for the management of other condominiums. Any management agreement entered into by or on behalf of the Association and a managing agent during the Declarant Control Period shall be terminable with or without cause on ninety (90) days' notice given within sixty (60) days after the end of the Declarant Control Period.

4. Bylaws. The operation of the Association is governed by the Bylaws which are attached to the Declaration as Exhibit F and by rules and regulations which may be promulgated from time to time by the Association's board of directors. The Bylaws have been or will be recorded in the Clerk's Office with the Declaration. In addition to provisions for a managing agent, directors and officers, as discussed above, the Bylaws provide for annual and special meetings, common expense assessments, insurance, restrictions on the use of units and common elements, and numerous other matters affecting the occupancy and operation of the Condominium. The Bylaws do not provide for standing committees to perform functions of the Association. The Bylaws authorize the board of directors to promulgate rules and regulations governing the Condominium. The Bylaws may be amended by agreement of the unit owners to which two-thirds (2/3) of the votes in the Association appertain as described in Section B above, except that during the Declarant Control Period, no amendment which affects the Declarant's right to control the board may be made without the Declarant's approval. Also, there are certain actions which cannot be taken without the approval of Mortgagees. These include changing percentage interests or obligations of unit owners, altering unit boundaries and terminating the Condominium.

5. Limited Liability. Any contract or other commitment made by the board of directors or any managing agent shall be made only as agent for the unit owners. The members of the board of directors or any managing agent, as the case may be, shall have no personal liability on any such contract (except as to their being unit owners), except as expressly provided in the Bylaws or except as provided by contract between the board of directors and any managing agent. The liability of any unit owner on any such contract or commitment shall be limited to the proportionate share of the total liability thereunder based upon the Percentage Interest appertaining to his unit. The board of directors shall have no liability to the unit owners for damages resulting from errors of judgment or negligence, but shall be liable to the unit owners for damages resulting from their willful misconduct. If reasonably available, the board of directors shall obtain adequate fidelity coverage to protect against dishonest acts on the part of officers, directors, trustees and employees of the Association and all others who handle or are responsible for handling funds of the Association, including any managing agent.

K. SURROUNDING AREA.

The Condominium is located approximately two miles from the Virginia Tech campus and downtown Blacksburg, Virginia. The immediate neighborhood of the Condominium is predominantly medium-density residential area, with adjacent properties consisting of multifamily apartment buildings, multifamily townhouse structures, and detached single-family homes.

L. FINANCIAL MATTERS.

1. Assessments. The Association's board of directors will formulate an annual budget to determine the sums necessary for payment of all common expenses. All unit owners will be assessed to obtain the funds necessary to meet the Association's budget. The assessments will be made on an annual basis, but payment of the assessments will be on a monthly basis. On the first day of each month each unit owner will pay an installment of one-twelfth (1/12) of the amount of the annual assessment.

Each unit will be assessed based on the Percentage Interest appertaining to the unit with each unit owner being responsible for payment of his Percentage Interest of the total annual budget. Percentage Interest is equal to the percentage of each Unit's approximate square footage in relation to the total square footage of all units in the Condominium. A unit owner cannot obtain reduction of the amount assessed against his unit by refraining from use of any of the common elements. Assessments will commence as of the recordation of the Declaration creating the Condominium. The Declarant will pay that portion of the annual budget applicable to the total Percentage Interest of all units owned by it unless those units are sold.

If a shortage develops in the funds available for the payment of the common expenses (including the funding by the board of directors of the Association of adequate reserves for unforeseen contingencies, working capital and the repair and replacement of the common elements and the limited common elements), the board of directors may assess the amount of such shortage equally against all units, as stated in Section 6.1(d) of the Bylaws. A special

assessment may be payable either in a lump sum or in installments, as determined by the board of directors.

2. Allocation of Expenses. The Association shall be responsible for painting, repairing, replacing and maintaining the common elements as provided in Article 3, Section 3.3 of the Declaration. The cost of any additions or alterations to the limited common elements which are requested by the unit owners and benefit only the requesting unit owners may be assessed on an individual basis to the benefited unit owners.

Each Unit Owner shall maintain on an individual basis the limited common elements appurtenant to his unit as provided in the maintenance section of the Bylaws. The cost of all maintenance, repairs and replacements to the common elements and the exterior of the units shall be charged to all unit owners as a common expense, except to the extent that the same are caused by the negligence, misuse or neglect of a unit owner, as determined by the board of directors, in which case such expense shall be charged to the unit owner. In addition, any alterations to the exterior of the unit required by law to satisfy the needs of the unit owner shall be made at that unit owner's expense.

Expenses which arise from the operation, maintenance, improvement or alteration specifically benefiting an individual unit may be assessed directly to the owner of the unit. A unit owner must pay directly all of the costs of maintenance and repair for his own unit and the cost of utilities serving the unit and separately metered for that unit. The charges for utilities, if any, appertaining solely to the common elements are common expenses which will be apportioned among all unit owners.

3. Budget. Attached to this Public Offering Statement as Exhibit II is a budget covering the anticipated common expenses for the first year of operation of the Condominium. Each unit owner will pay an equal amount towards such reserves.

The Bylaws require that the Association include reserves for replacement of building components. The budget also discloses those amounts which the Declarant considers necessary as an adequate reserve to provide for the repair and replacement of various common elements, as listed, that might require repair or replacement. In all years of operation reserves will be accumulated to cover the estimated costs of scheduled repairs and replacements. A Unit Owner's share of such funds may not be utilized by him or her, and will be deemed conveyed with title to a Unit as an appurtenance.

All budget figures are estimates and the Declarant cannot be certain that sufficient funds have been budgeted to cover all common expenses that may be incurred. If insufficient funds are budgeted for any given fiscal year, the Association may levy a special assessment to make up the deficit. Any special assessment will be payable by unit owners either in a lump sum or in installments, as the board of directors determines.

The aggregate replacement cost of all existing physical assets of the Condominium whose replacement costs are regular Common Expenses and whose expected useful lives are ten (10)

years or less is One Hundred Eighty-Nine Thousand Two Hundred and Thirty-one Dollars (\$189,231). An average total annual common expense assessment of One Hundred Ninety-seven Dollars (\$197) per Unit would be necessary to accumulate over a ten-year period an amount of capital reserves equal to such aggregate replacement cost (assuming no inflation for the replacement costs and no investment income on the accumulated reserve balances).

Declarant estimates that during the declarant control period, the Association will accumulate capital reserves of \$37,824 if the declarant control period extends for the maximum two-year period. During this period and thereafter, the Bylaws state that the Board of Directors shall build up and maintain reasonable reserves for working capital, operations, contingencies and replacements based on anticipated inflationary increases in expenses and Association fees.

Exhibit III to this Public Offering Statement is a table of actual expenditures made by the prior owner during the calendar years 2003 to 2005, for the maintenance, repair and other upkeep of the Condominium prior to its conversion. The expenditures have been broken down between those that would have been regular common expenses and those that would have been borne by the Unit Owners individually if the property had been converted to a condominium prior to the three-year period.

4. Lien. All of the amounts assessed against a unit give rise to a lien on that unit. If the assessments are not paid when due, the Association may perfect the lien by recording a Memorandum of Lien in the Clerk's Office. The unit owner cannot dispose of his unit free of the lien until the lien is satisfied by payment of the assessments secured by the lien. The Association may obtain payment of past due assessments by foreclosure of the lien (resulting in a forced sale of the unit), or by suing the unit owner. If any assessments are past due for more than thirty (30) days, the board of directors may accelerate the payments (i.e., declare immediately due and payable the total amount assessed against the unit owner for that fiscal year not yet paid).

No unit owner shall be liable to the Association for the payment of any part of the common expenses assessed against his unit subsequent to a permissible transfer by him of such unit.

5. Bond. The Declarant has delivered a letter of credit to the Virginia Real Estate Board which may be drawn on by the unit owners association in the event the Declarant fails to pay assessments for which the Declarant is responsible. The letter of credit has been delivered in accordance with Section 55-79.84:1 of the Code of Virginia (1950), as amended.

#### M. INSURANCE.

1. Obtained by Association. The board of directors will obtain insurance to protect the Association and, to a certain limited extent, the unit owners as individuals. The building, including the Units, will be covered by fire and property damage insurance. The coverage will be "special form" or "broad form" and in an amount equal to the full replacement cost of the Condominium, with such deductibles as may be determined by the Association. This coverage

will not insure personal property belonging to a unit owner, nor betterments to the unit which increase its value beyond the limits of the policy. The Association and unit owners will also be insured against liability arising from ownership or use of the common elements. This coverage will not insure unit owners against liability arising from an accident or injury occurring within a unit or liability arising from the act or negligence of a unit owner.

2. Obtained by Owners. The Declarant strongly recommends that each unit owner obtain insurance coverage on personal property and liability exposure not covered by the Association policy. The unit owner may also wish to insure any improvements to the unit to the extent that the improvements increase the value of the unit beyond the limit of coverage provided by the policy maintained by the Association. The unit owner should be aware, however, that there are certain restrictions on this type of additional insurance in Section 7.5 of the Bylaws. The unit owner should consult the managing agent and insurance broker before purchasing such additional insurance.

#### N. TAXES.

Real estate taxes are levied separately against individual units and each unit owner will be responsible for the payment of taxes on his or her own unit. Although the assessed value of individual units is presently unknown, it is probable that each unit will be assessed at its purchase price once a deed from the Declarant to the unit owner has been recorded in the Clerk's Office. The County of Montgomery and the Town of Blacksburg assess real estate at 100% of its appraised value. The rate is presently \$0.64 per one hundred dollars (\$100.00) of assessed value in Montgomery County and \$0.22 per one hundred dollars (\$100.00) of assessed value in the Town of Blacksburg. Therefore, in order to estimate the real estate taxes that a unit owner must pay the purchase price of the unit should be divided by 100 and multiplied by the applicable tax rate. This will reflect an approximate and perhaps the exact sum that must be paid annually for real estate taxes.

#### O. GOVERNMENTAL APPROVAL.

The Condominium site is zoned RM-48, Medium Density Multi-unit Residential District, which permits multi-family dwellings and condominium use. Building permits were issued in November 2005 for renovation work to be performed on the Condominium. All zoning, site plan and other governmental regulations have been satisfied, as applicable, to the Condominium. The Declarant knows of no violations of such regulations. The units were constructed in 1982 and no assurances can be given that the buildings conform in every respect with the building code presently in effect in Virginia. The Declarant will seek approval from Montgomery County to construct additional units of the Convertible Land. Building permits will be applied for as units are constructed on the Convertible Land. Construction of such units will be performed in compliance with the applicable building codes of the County of Montgomery.

P. WARRANTIES.

1. Statutory Warranty of Construction. Each unit will be covered by the warranty set out in Section 55-79.79 of the Condominium Act, which warranty shall run for a period of two (2) years from the date of conveyance of the unit. The warranty with respect to each unit covers structural defects and provides that each unit is fit for habitation and constructed in a workman-like manner. Also, the Declarant shall warrant against structural defects all of the common elements for two (2) years from the date the first unit in the phase is conveyed or from completion of those common elements, whichever is later. The Declarant gives no warranty with respect to consumer products sold with the unit or otherwise except as required by the statutory warranty. The Declarant will transfer to the unit owner at settlement the manufacturer's warranties, if any, on appliances sold with the unit.

Subject to the terms of the statutory warranties described above, the terms of the Declarant's warranty are more fully set forth in the Limited Warranty Certificate, a copy of which is attached to this Public Offering Statement as Exhibit IV.

2. Warranties of Title. The units will be sold by the Declarant in fee simple to purchasers who may be individuals, partnerships, corporations or fiduciaries. Units will be sold together with their respective undivided interests in the common elements and exclusive rights and easements. Title to each unit and its Percentage Interest will be conveyed by general warranty deed free and clear of all liens other than those described elsewhere in this Public Offering Statement and subject to the easements also described herein.

Q. PRESENT CONDITION OF THE CONDOMINIUM

The approximate date of the original construction of the buildings and all of its components is believed to be 1982. A detailed inspection for the purpose of determining the present condition of the Condominium and its various components was conducted by Dale L. Baxter and Mr. Steve Kaskey of Dominion Due Diligence Group on August 23, 2005. Dominion Due Diligence Group conducted a visual inspection of the exterior of the entire project, conducted a review of available documents and interviewed present management and local agencies. There is no relationship between Dominion Due Diligence Group and the Declarant.

A copy of the report is attached as Exhibit VI to this Public Offering Statement and is incorporated into this Section Q and the following Section R of this Public Offering Statement. Though the information contained in this report is believed to be accurate, it is in no way guaranteed to be.

Dominion Due Diligence Group concluded that the Condominium buildings generally are structurally sound except as noted in its report. The immediate deficiencies and repair requirements noted in its report included the following:

1. Install Ground Fault Circuit Interrupted (GFCI) outlets.

2. Repair firewall access doors and seal attic penetration.
3. Remove locks from apartment electrical disconnect boxes.
4. Remove flammable liquids as noted.
5. Reconfigure lease office parking lot to provide for handicapped access.
6. Provide handicap access for lease office/club house building.
7. Install levered hardware/ reconfigure club house kitchen/ bathroom as noted in Section 1.2.
8. Repair fire alarm system visual device unit on second floor breezeway.
9. Install walkway and entrance stairway handrails.
10. Install drain pans under 2nd/ 3rd floor apartment water heaters.
11. Repair GWB as noted.
12. Repair moisture damage in apartments as noted in inspection report.
13. Prune trees north and west side of unit H.
14. Repair damaged downspout northwest side of unit H.
15. Repair cracks in CMU foundation walls as noted.
16. Change configuration of stairway riser as noted.

Declarant intends to address all deficiencies noted in items 1-16 above prior to the sale of the first Unit and in addition proposes to complete the below-listed rehabilitation items:

1. Refurbish exterior building entrance staircases.
2. Repave/Re-stripe parking lot.
3. Repair all damaged and settled concrete.
4. Repair pool, new tile, new fence.
5. Construct dumpster enclosures.
6. Install new masonry entrance signs.
7. Perform landscaping improvements.
8. Renovate club house- weight equipment, furniture, sales office, etc.
9. Install additional exterior lighting and repair/replace existing.
10. Power-wash and repair damaged vinyl siding.
11. Replace all interior light fixtures.
12. Interior unit renovations (finishes, carpentry, flooring, appliances, general repairs).
13. Replace all door knobs and locksets.
14. Repair/replace HVAC components (both interior and exterior).
15. Replace water heaters older than eight (8) years and those with problems.
16. Replace all plumbing fixtures.
17. Replace all stacked laundry units.



R. REPLACEMENT REQUIREMENTS.

The expected useful lives of the physical assets in the Condominium have been determined by Dominion Due Diligence Group based on its analysis and report. The expected useful lives and current replacement costs of the various components of the physical assets, the cost of replacement of which is a common expense, as determined by Dominion Due Diligence Group, are as follows:

Existing Physical Asset	Remaining Current	
	Life	Cost
Repair and Seal-coat Parking Lot	5	\$54,000
Re-stripe parking lot	5	\$1,890
Repair and 1.5" Overlay of Asphalt and Restripe	25	\$100,800
Repair Flatwork/Sidewalk	5	\$6,250
Repaint Exterior Surfaces	6	\$7,500
Replace Vinyl Siding	30	\$267,565
Replace Composition Asphalt Shingled Roofs	20	\$84,216
Replace Composition Asphalt Shingled Roofs- community building	20	\$5,285
Replace Windows (double hung)	35	\$160,815
Replace remaining Original Exterior Metal Entrance Doors	30	\$14,640
Refurbish Steel and Concrete Entrance and Stairs/Landing	20	\$14,640
Replace and Refurbish Property Identification Signs	25	\$1,200
Electric Thru-wall PTAC Unit (office	18	\$1,685
Electric AHU (office)	18	\$1,050
Heat-pump units (office)	18	\$1,800
Replace Electric Water Heater in Leasing Office	18	\$3,525
Replace Cast Iron Sewer Mains at Each Building	45	\$64,000
Refurbish the Leasing Office/Club House/Fitness Center	11	\$7,500
Refurbish In-Ground and Wading Pools and Filtration Equipment	12	\$25,000
Replace Refrigerator (club house)	15	\$450
Replace Playground Equipment	25	\$15,000
<b>TOTAL</b>		<b>\$189,231</b>

The reader's attention is directed to Section L "Financial Matters" above for a discussion of replacement reserves for building components, the replacement costs of which are common expenses.

S. UNIT INSPECTION.

Not less than five (5) days prior to settlement on a unit, Declarant must notify the unit purchaser that his unit is ready for inspection. The purchaser will then be permitted to inspect his unit and note any defects. The Declarant will correct any legitimate defects prior to settlement. If the purchaser fails to inspect his unit he must accept his unit in an "as is" condition.

The Unit Inspection Form on which purchaser will note defects and indicate acceptance of his Unit is attached to this Public Offering Statement as Exhibit V.

T. GENERAL INFORMATION.

Any information or data regarding the Condominium not presented in this Public Offering Statement or contained in its Exhibits must not be relied upon. No person has been authorized by the Declarant to make any representation not expressly contained herein. This Public Offering Statement may not be changed or modified orally.

The Declarant reserves the right to change the terms of this Public Offering Statement as they affect potential purchasers not then under contract, provided, however, that any such change shall not affect the substance of the Public Offering Statement with respect to prior purchasers or purchasers under contract, nor shall such change affect the Percentage Interests in the common elements.

1201428/v4

**EXHIBIT I**  
**TO**  
**PUBLIC OFFERING STATEMENT**

**CASCADES POINTE CONDOMINIUMS**

**DECLARATION**

**DECLARATION  
OF  
CASCADES POINTE CONDOMINIUMS**

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Exhibit A-1 – Description of Submitted Land  
Exhibit A-2 – Description of Convertible Land  
Exhibit B – Plat  
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Exhibit E – Articles of Incorporation  
Exhibit F – By-Laws

Tax Parcel No.: 318-A46

Prepared by:  
Williams, Mullen, Clark & Dobbins  
P. O. Box 1320  
Richmond, VA 23218-1320

DECLARATION  
OF  
CASCADES POINTE CONDOMINIUMS

Pursuant to the provisions of Chapter 4.2 of Title 55 of the Code of Virginia of 1950, as amended (the "Condominium Act"), CASCADES POINTE OF BLACKBURG, LLC, a Virginia limited liability company (the "Declarant"), makes this DECLARATION for the purpose of establishing CASCADES POINTE CONDOMINIUMS (the "Condominium").

RECITALS

WHEREAS, the Declarant is the owner of record of the fee simple title to the real property situated, lying and being in the Town of Blacksburg, County of Montgomery, Virginia, as more particularly described in Exhibit A, and as depicted more particularly on that certain plat entitled "Condominium Plat of Cascades Pointe Condominiums" attached hereto as Exhibit B, both of which Exhibits are incorporated herein by reference; and

WHEREAS, it is the desire and intention of the Declarant to submit the real property that it owns, afterwards referred to as the "Land", to the provisions of the Condominium Act and thereby create the Condominium.

ARTICLE I  
CREATION OF CONDOMINIUM

1.1 Submission of Property. Declarant, owner in fee simple of the land, and improvements thereon, located in the Town of Blacksburg, County of Montgomery, Virginia, described in Exhibit A attached hereto (the "Land"), submits the Land, together with all easements, rights and appurtenances thereunto belonging, to the provisions of the Condominium Act and creates with respect thereto a condominium known as Cascades Pointe Condominiums (the "Condominium").

1.2 Defined Terms. Unless a term is otherwise expressly defined in the Condominium Instruments, it shall have the meaning specified in the Condominium Act.

1.2.1 The "Association" is a nonprofit organization known as Cascades Pointe Condominium Association, which shall function as the Unit Owners Association for the Condominium.

1.2.2 The "Board of Directors" is the board of directors of the Association.

1.2.3 The "Bylaws" are the Bylaws of the Association. A copy of the Bylaws is attached as Exhibit E hereto.

1.2.4 The "Condominium Instruments" refer to this Declaration, the Articles of Incorporation of the Association and the Bylaws.

1.2.5 "Convertible Land" is a portion of the Common Elements of the Condominium more particularly described on Exhibit A-2 hereto, within which additional Units and/or Limited Common Elements may be created in accordance with the provisions of the Condominium Act and Article VI of this Declaration.

1.2.6 A "Mortgage" is any first deed of trust or mortgage encumbering a Unit or part thereof.

1.2.7 A "Mortgagee" is the holder of a note secured by a Mortgage who has given written notice to the Association stating its name, address and Unit subject to its Mortgage.

1.2.8 The "Plats and Plans" are the plats and plans included in Exhibits B and C, respectively, attached hereto.

1.2.9 The "Size" of each Unit is the total number of square feet contained therein determined by reference to the dimensions shown on the Plat and Plans (exclusive of interior partitions).

## ARTICLE II UNITS

2.1 Location. The Condominium is located at, 1776 Liberty Lane, Town of Blacksburg, County of Montgomery, Virginia.

2.2 Building. The location and dimensions of the building on the Land is depicted on the plats and plans attached hereto as Exhibits B and C, respectively.

2.3 Units. The location of the Units are shown on the Plans attached as Exhibit C hereto. Each Unit is given an identifying number as set out on Exhibit C.

2.4 Unit Boundaries.

2.4.1 The upper boundary of each Unit is the unfinished interior surface of the ceiling. The lower boundary of each Unit is the top surface of the unfinished subflooring. The vertical or perimeter boundaries are the vertical planes of the undecorated interior surface of the perimeter walls which bound the Unit extended to intersections with each other and with the upper and lower boundaries. The planes formed by such boundaries shall be projected, if

necessary, by reason of structural divisions such as interior walls and partitions, to constitute complete enclosures of space and all improvements within that space.

2.4.2 Without limiting the foregoing, each Unit shall include the following:

- a. the decorated surfaces, including paint, wall covering, tile, finished flooring and other finishing material, applied to floors, ceilings and interior and perimeter walls, carpeting, if any, and also the floors and ceilings themselves and all, lath, drywall, plasterboard, plaster, paneling and other finishing wall material;
- b. entrance doors, windows (including frames, sashes, jambs and hardware) and screens; and
- c. any portion of any electrical, plumbing, heating, air-conditioning, gas, ventilation duct work or other utility system, which serves only that Unit (even if located outside the boundaries of the Unit).

2.4.3 A Unit shall not include the following items, whether or not located within the boundaries of that Unit:

- a. any supporting element of the building contained within the interior walls; and
- b. all plumbing, electric, heating, cooling and other utility or service lines, pipes, sump pumps and accessories thereto, wires, ducts and conduits which serve the Unit and any other Units.

2.4.4 Except as expressly set forth in this Section, this description of the Unit boundaries shall be governed by the provisions of Section 55-79.50 of the Condominium Act.

2.5 Relocation of Unit Boundaries and Subdivision of Units. Relocation of boundaries between Units and subdivision of Units are permitted subject to compliance with the provisions therefor in Sections 6.6 and 9.7 of the Bylaws and in sections 55-79.69 and 55-79.70 of the Condominium Act.

### ARTICLE III COMMON AND LIMITED COMMON ELEMENTS

3.1 Common Elements. The Common Elements consist of all of the property in the Condominium that is not included within or as part of a Unit.

3.2 Limited Common Elements. The portion of the Land and improvements, if any, designated on the plats and plans as "Limited Common Element" identified as appertaining to each Unit and other items designated by Section 55-79.50(e) of the Condominium Act and not otherwise included in the description of a Unit shall be Limited Common Elements and shall

appertain exclusively to the designated Unit or Units to which such Limited Common Element is appurtenant. Limited Common Elements shall be reserved for the exclusive use of the owner of the Unit or Units located within the area designated as "Limited Common Element."

3.3. Common Elements which may be Assigned as Limited Common Elements.

a. The Declarant hereby reserves the right to assign or reassign Common Elements as Limited Common Elements, except for Limited Common Elements previously assigned pursuant to Section 3.2 above. The Declarant may assign Common Elements as Limited Common Elements to individual Units by the preparation, execution and recordation of an amendment to the Declaration for such purpose as provided in Section 55-79.57C of the Condominium Act. Such amendment need only be executed by the Declarant. The Declarant's right to assign Common Elements as Limited Common Elements shall survive the expiration of the Declarant Control Period (defined in the Bylaws).

b. The Declarant may, at any time, by the preparation, execution and recordation of an amendment to this Declaration, relinquish to the Association its right to assign Common Elements as Limited Common Elements. Thereafter, the Association may assign Common Elements as Limited Common Elements in the same manner as provided above for the Declarant.

c. Any Limited Common Element may be converted to a Common Element as provided by Section 55-79.57 of the Condominium Act.

3.4 Maintenance, Repair and Replacement. Except as provided in the Bylaws, any expense of maintenance, repair or replacement relating to the Common Elements and Limited Common Elements shall be treated as a Common Expense and shall be assessed equally against the Units by the Association. The provisions of the Bylaws shall further govern the division of maintenance, repair and replacement responsibilities between the Unit Owner and the Association.

3.5 Alterations of Common Elements by Declarant. Declarant reserves the right to modify, alter, remove or improve defective, obsolete or nonfunctional portions of the Common Elements, including, without limitation, any equipment, fixtures and appurtenances, when in Declarant's sole discretion it is necessary or desirable to do so, until the expiration of the applicable warranty period.

3.6 Structural Integrity. Nothing shall be done to any Unit, or in, on or to the Common or Limited Elements, which may impair the structural integrity of any improvement.

ARTICLE IV  
PERCENTAGE INTEREST

Allocation of Undivided Interest in Common Elements. Pursuant to the provisions of Section 55-79.55 of the Condominium Act, an undivided ownership interest in the Common



Elements is allocated to each Unit in the Condominium based on the relative Size of each Unit. The Size and Percentage Interest allocated to each Unit is as shown on Exhibit D hereto. Therefore, if the Convertible Land in the Condominium is converted to create additional Units, each additional Unit shall be allocated a Percentage Interest in the Common Elements in accordance with the Size of the Unit.

## ARTICLE V EASEMENTS

In addition to the easements for encroachments created respectively by Section 55-79.60 of the Condominium Act, the following easements are granted or reserved as the case may be:

5.1 Easement to Facilitate Sales. The Declarant reserves an easement to facilitate sales pursuant to the provisions of Section 55-79.66 of the Condominium Act. All Units are subject to this easement. Declarant reserves the right to use any Units owned by Declarant as models, management offices or sales offices until such time as Declarant conveys title thereto to Unit Owners. Declarant reserves the right to relocate such model, management office or sales office from time to time within the Condominium. Unless expressly agreed to by Declarant, neither the Association nor Unit Owners may use such facilities without obtaining the written permission of Declarant. Declarant further reserves the right to maintain advertising signs in compliance with applicable governmental regulations. Such signs may be placed in any location within the Condominium and may be relocated or removed, at the sole discretion of Declarant.

5.2 Easement for Ingress and Egress Through Common Elements, Access to Units and Support.

5.2.1 Declarant reserves an easement, and each Unit Owner is granted an easement in common with each other Unit Owner for ingress and egress through all Common Elements, subject to such reasonable rules, regulations and restrictions as may be imposed by the Association. Each Unit is burdened with and subject to an easement for ingress and egress through all Common Elements by persons lawfully using or entitled to the same.

5.2.2 Declarant reserves in favor of Declarant and the Association, and the authorized agents of each, the right of access to any Unit as provided in Section 55-79.79 of the Condominium Act and the Bylaws. In case of emergency, such entry may be immediate, regardless of whether the Unit Owner is present.

5.2.3 Each Unit and Common Element shall have an easement for lateral and subjacent support from every other Unit and Common Element.

5.3 Easements for Operations. Easements to the Association shall exist upon, over and under all of the Condominium for ingress and egress from, and the installation, replacing, repairing and maintaining of, all utilities, including, but not limited to water, sewer, gas, telephone, electricity, security systems, master television antennas and cable television, and walkways, and for all other purposes necessary for the proper operation of the Condominium.

By these easements, it shall be expressly permissible for the Association to grant to the appropriate public authorities and/or private companies and contractors permission to construct and maintain the necessary appurtenances and improvements on, above, across and under the Condominium, provided that such appurtenances and improvements do not unreasonably interfere with the use and enjoyment of the Condominium. Should any public authority or other company furnishing a service request a specific easement, permit, or license, the Board shall have the right to grant such easement, permit, or license without conflicting with the terms hereof. In addition, in the event the Board determines that the grant of easement rights to others is in the best interest of the Association, the Association shall have the right to grant the same, provided that use of the same would not, in the sole judgment of the Board, unreasonably interfere with the use and enjoyment of the Condominium by the Unit Owners.

5.4 Easements Not for Public Use; Easements for Services. Nothing contained in this Declaration shall be deemed to grant any easements to the public or for the public's use. Nonexclusive easements are hereby granted to all police, firemen, ambulance operators, postal services, delivery persons, and trash removal personnel to enter the Common Elements in the performance of their duties, subject to such reasonable rules and regulations as the Board may establish from time to time.

5.5. Additional Easements. Declarant reserves unto itself, or its designee, the unequivocal right to create additional easements over, upon or through the Condominium, at any time, so long as Declarant owns a Unit in the Condominium for any purpose, without the joinder of the Association or any Unit Owners whomsoever; provided, however, that said easements so created shall not cause a taking of part of the actual building. If requested, the Association and the Unit Owners shall join in the creation thereof.

## ARTICLE VI CONVERTIBLE LAND

6.1. Reservation. Declarant reserves an option (the "Conversion Option"), exercisable until the seventh anniversary of the recordation of this Declaration, to convert Convertible Land in the Condominium from time to time in compliance with Sections 55-79.54(b) and 55-79.61 of the Condominium Act, without the consent of any Unit Owner or any mortgagee of the Declarant, of any Unit Owner or of any other person or entity being required prior to such anniversary. Such conversion may only be effected by the recordation in the Clerk's Office, Circuit Court, County of Montgomery, Virginia (the "Clerk's Office") by the Declarant of an amendment to this Declaration. The Convertible Land, or any portion thereof, may be added to the Condominium at any time, at different times, in any order, without limitation; provided, however, that the Convertible Land shall not exceed the area described on **Exhibit A-2** hereto. There are no other limitations on the option to convert the Convertible Land. Declarant expressly reserves the right, exercisable without limitation, in Declarant's sole discretion, to terminate the Conversion Option at any time by amending this instrument (or any amendment to this instrument) in accordance with the Condominium Act.

6.2. Assurances. Declarant makes no assurances as to the location of improvements on the Convertible Land. The maximum number of Units within the Convertible Land will not exceed 36. All Units created on the Additional Land shall be restricted to residential use and will be substantially identical to the Units on other portions of the Submitted Land. The Declarant makes no assurances as to what improvements may be constructed on the Convertible Land but such improvements will be reasonably compatible in quality of construction, materials and architectural style with the other construction on the Land. Other improvements that may be made on the Convertible Land include Common Element parking or other amenities for the use of Condominium Owners, all as may be required by the Montgomery County planning department in connection with approval of the construction of Units on the Convertible Land. The Percentage Interest allocated to the Units may be adjusted at the time any portion of the Convertible Land is converted into Units so that the sum of the Percentage Interests allocated to all of the Units total 100%. The Declarant reserves the right to create Limited Common Elements on the Convertible Land and the right to designate Common Elements therein which may be subsequently assigned as Limited Common Elements. The Declarant makes no assurances as to type, size or maximum number of such Common Elements or Limited Common Elements. The allocation of Percentage Interests in the Convertible Land shall be made as required by Section 55-79.56(b) of the Condominium Act on the basis set forth in Article IV of this Declaration.

6.3 Implications of Conversion. Each time that Declarant exercises the Conversion Option, the Condominium, as so expanded, shall be subject to all provisions of this Declaration and each Unit Owner in the Condominium, as so expanded, shall be a member of the Association.

## ARTICLE VII USE RESTRICTIONS

7.1 Residential Use. All Units shall be used for private residential purposes exclusively, except such temporary nonresidential uses as may be permitted by the board of directors of the Association (the "Board of Directors") from time to time. Nothing in this Declaration shall be construed to prohibit the Declarant from (a) using any Unit which Declarant owns for sales or management offices or for promotional, marketing or display purposes as "model units", or (b) leasing any Unit or Units which Declarant owns. Any Unit Owner that is a corporation, trust or partnership shall annually notify the Association in writing of the name or names of those persons entitled to use the Unit.

7.2 Leasing. No Unit shall be rented for transient or hotel purposes or for any period less than six (6) months, without the prior written approval of the Board of Directors. Furthermore, no portion of a Unit less than an entire Unit shall be rented. No Unit Owner shall lease a Unit other than on a written form of lease: (i) requiring the lessee to comply with the Condominium Instruments and such rules and regulations as are promulgated by the Board of Directors from time to time; (ii) providing that failure to so comply constitutes a default under the lease; and (iii) providing that the Board of Directors shall have the power to terminate the lease or bring summary proceedings to evict the lessee in the name of the Unit Owner/lessor

upon any such default which is not cured by either the lessee or the Unit Owner/lessor within thirty (30) days after the delivery of written notice of such default to each of them. The Board of Directors may require a standard form lease for use by Unit Owners. Each Unit Owner shall, promptly following the execution of a lease of a Unit, forward a copy thereof to the Board of Directors certified by the Unit Owner as true, correct and complete. The provisions of this Section shall not apply to the Declarant or to any Mortgagee who comes into possession of the Unit by reason of any remedies provided by law or in any Mortgage, or as a result of foreclosure or judicial sale, or as a result of any proceeding, arrangement, or deed in lieu of foreclosure.

7.3 Prohibited Uses and Nuisances.

Section 6.9 of the Bylaws contains certain restrictions on and prohibitions against various uses and activities. Those restrictions and prohibitions are covenants running with the land and shall be binding upon every Unit Owner upon purchase of a Unit, enforceable in accordance with the provisions of the Condominium Instruments and the Condominium Act.

ARTICLE VIII  
CONDEMNATION

The provisions of Section 55-79.44 of the Condominium Act shall prevail and govern upon the taking of a Unit or Common Elements or portions thereof in condemnation or by eminent domain.

ARTICLE IX  
DECLARANT RIGHTS

8.1 Right to Lease or Sell Units. Declarant shall own each Condominium Unit not sold to any purchaser or otherwise transferred in fee simple. Declarant retains the right to enter into leases with any third parties for the occupancy of any of the Units owned by Declarant.

8.2 Special Declarant Rights. "Special Declarant Rights" are those rights reserved for the benefit of a declarant as provided for in the Condominium Act and the Condominium Instruments, including without limitation the following rights: (a) to maintain sales offices, management offices, signs advertising the Condominium and models; (b) to appoint or remove any officer of the Association or Board of Directors during the period of Declarant control pursuant to Section 55-79.74A of the Condominium Act; (c) to convert Convertible Land; (d) to make technical amendments to this Declaration; and (e) to exercise any power or responsibility otherwise assigned by any Condominium Instrument or by the Condominium Act to the Association, any officer or the Board of Directors. All Special Declarant Rights are reserved by, and are vested in, the Declarant. Special Declarant Rights may be transferred pursuant to Section 55-79.74:3 of the Condominium Act.

ARTICLE X  
ADMINISTRATION OF THE CONDOMINIUM  
BY THE UNIT OWNERS ASSOCIATION

A nonprofit organization, known as Cascades Pointe Condominium Association, will function as the Unit Owners Association. The organization may be, but is not required to be, incorporated. The Association will administer the operation and management of the Condominium and shall have the power to perform all acts and duties incident to such administration in accordance with the terms of its Articles of Incorporation and the Bylaws, which are attached to this Declaration as Exhibits D and E, respectively, as well as in accordance with the terms of the Condominium Act. All Unit Owners shall automatically become members of the Association and such membership shall automatically terminate upon divestiture of such ownership regardless of how such ownership is divested. No person, firm or corporation holding any lien, deed of trust or other encumbrance upon any Unit or upon the Condominium as a whole shall be entitled by virtue of such lien, deed of trust or other encumbrance to membership in the Association or to any of the rights or privileges of such membership. The Association shall have and is granted the authority to enforce the provisions of this Declaration, the Articles of Incorporation and Bylaws and to enforce such rules and regulations governing the use of the Units and all other property of the Condominium as the Board of Directors may determine.

The Board of Directors of the Association shall have, and is hereby granted, the authority and duty to levy and enforce the collection of general and special assessments for the common expenses. Assessments against any Unit, with interest, costs and reasonable attorney's fees, shall become a lien upon such Unit if not paid when due in accordance with the Condominium Act and the Bylaws. Each assessment against a Unit shall also be the personal obligation of the Unit Owner at the time the assessment falls due. Such personal obligations shall not pass to successors in title unless assumed by them or required by the Condominium Act. Adequate remedies for failure to pay assessments shall be set forth in the Bylaws.

ARTICLE XI  
GENERAL PROVISIONS

11.1 Amendments. This Declaration may be amended upon (i) the consent of owners of Units to which seventy-five percent (75%) or more of the votes allocated to all of the Units appertain, (ii) compliance with Section 12.4(b) of the Bylaws, and (iii) the recording of an instrument setting forth such amendment in the Clerk's Office of the Circuit Court of County of Montgomery, Virginia. Notwithstanding the foregoing, (i) technical amendments which do not materially alter the substantive rights of Unit Owners, (ii) amendments to conform this Declaration to the requirements and guidelines, as modified from time to time, of the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, or the United States Veterans Administration and (iii) amendments to conform this Declaration to the Fair Housing Amendments Act, and/or any similar state or local laws need only have the consent of a majority of the Board of Directors and, during the Period of Declarant Control, the Declarant. In addition, the Declarant shall have the unilateral right to amend this Declaration to effect the conversion of Convertible Land in the Condominium. Each Unit Owner shall be given written

notice of any amendment effected only by the Declarant within thirty (30) days after the date such amendment is recorded. No amendment to this Declaration shall diminish or impair the rights of the Declarant without the written consent of the Declarant. Additionally, no amendment may modify this Section or the rights of any person hereunder.

11.2 No Obligations. Nothing contained in the Condominium Instruments shall be deemed to impose upon the Declarant any obligations of any nature to build, construct or provide any buildings or other improvements except to the extent required by the Condominium Act.

11.3 Mortgagee Approval. Without the prior written approval of at least two-thirds (2/3) of the Mortgagees (based on one vote for each mortgaged Unit):

11.3.1 no portion of the Condominium shall be abandoned or terminated except as provided by Code of Virginia Section 55-79.44 or other law in the case of a taking by condemnation or eminent domain;

11.3.2 no material amendment shall be made to the Declaration or Bylaws, including (without limitation) any amendment which would change the allocation of interests in Common Elements (except such changes resulting from the conversion of Convertible Land) or voting rights allocated to each Unit;

11.3.3 no Unit shall be partitioned or subdivided;

11.3.4 the Common Elements shall not be, whether by act or omission, partitioned, subdivided, encumbered, sold or transferred, except that the granting of easements for public utilities or other public purposes consistent with the intended use of the Common Elements by the Condominium shall not be deemed a transfer within the meaning of this provision;

11.3.5 hazard insurance proceeds for losses to any of the Common Elements or Units shall not be used for any purpose other than the repair, replacement or reconstruction of such damaged property.

11.4 No Revocation or Partition. The Common Elements shall remain undivided and no Unit Owner or any other person shall bring any action for partition or division of the Common Elements, nor shall the Common Elements be abandoned by act or omission, unless the Condominium that is terminated an affirmative vote of the Unit Owners to which at least four-fifths of the votes allocated to all Units in the Condominium appertain.

*[Signature Page to Follow]*

IN WITNESS WHEREOF, the Declarant has executed this Declaration on this \_\_\_\_ day  
of \_\_\_\_\_, 2006.

CASCADES POINTE OF BLACKSBURG, LLC  
a Virginia limited liability company

By: VENTURE INVESTMENT PROPERTIES  
GROUP, INC., a Virginia corporation,  
Manager

By: \_\_\_\_\_  
Title: \_\_\_\_\_

COMMONWEALTH OF VIRGINIA  
AT LARGE, to-wit:

I, the undersigned, a Notary Public in and for the jurisdiction aforesaid, do hereby certify  
that \_\_\_\_\_ of Venture Investment Properties  
Group, Inc., a Virginia corporation, Manager of Cascades Pointe of Blacksburg, LLC, a Virginia  
limited liability company, whose name as such is signed to the foregoing instrument, has  
acknowledged the same before me in the \_\_\_\_\_ of \_\_\_\_\_, Virginia, on  
behalf of the limited liability company.

GIVEN under my hand and seal this \_\_\_\_ day of \_\_\_\_\_, 2006.

\_\_\_\_\_  
Notary Public

My commission expires: \_\_\_\_\_

1234681v2

**EXHIBIT A-1**  
**TO**  
**DECLARATION**

**CASCADES POINTE CONDOMINIUMS**

**DESCRIPTION OF SUBMITTED LAND**



EXHIBIT A-1

(SUBMITTED LAND)

CASCADE POINTE CONDOMINIUMS

ALL that certain lot, piece or parcel of land, with all improvements thereon and appurtenances thereunto belonging, lying, being and situated in the Town of Blacksburg, Montgomery County, Virginia containing 6.854 acres, and more particularly described by reference to a certain condominium plat (the "Plat") dated October 10, 2005, most recently revised April 7, 2006, prepared by Blazer and Associates, Inc. styled "Exhibit B – Condominium Plat of Cascades Pointe Condominiums, Mt. Tabor District, Town of Blacksburg, Montgomery County, Virginia" as follows::

BEGINNING at a point on the southern right of way line of Fairfax Road (50' R/W) approximately 200 feet east of the intersection of the eastern right of way line of Ellett Road (40' R/W) and the southern right of way line of Fairfax Road (50' R/W), thence North 59°59'05" East a distance of 244.01 feet to a point; thence along a curve to the right having a radius of 335.70 feet and an arc length of 471.13 feet to a point; thence South 67°30'27" West a distance of 160.13 feet to a point; thence South 22°29'33" East a distance of 384.94 feet to a point; thence South 70°24'23" West a distance of 365.61 feet to a point; thence South 70°51'24" West a distance of 45.19 feet to a point; thence North 19°08'36" West a distance of 145.20 feet to a point; thence South 70°53'48" West a distance of 239.71 feet to a point the eastern right of way line of Ellett Road (40' R/W); thence in a northerly direction along the eastern right of way line of Ellett Road (40' R/W) along a curve to the right having a radius of 408.29 feet and an arc length of 81.09 feet to a point; thence along a curve to the left having a radius of 592.96 feet and an arc length of 110.21 feet to a point; thence North 59°59'05" East a distance of 200.13 feet to a point; thence North 30°00'55" West a distance of 150.00 feet to a point, marking the point and place of beginning.

**EXHIBIT A-2**  
**TO**  
**DECLARATION**

**CASCADES POINTE CONDOMINIUMS**

**DESCRIPTION OF CONVERTIBLE LAND**

EXHIBIT A-2

(CONVERTIBLE LAND)

CASCADE POINTE CONDOMINIUMS

Convertible Land "A"

ALL that certain lot, piece or parcel of land, with all improvements thereon and appurtenances thereunto belonging, lying, being and situated in the Town of Blacksburg, Montgomery County, Virginia containing 0.704 acres, and more particularly described by reference to a certain condominium plat (the "Plat") dated October 10, 2005, most recently revised April 7, 2006, prepared by Blazer and Associates, Inc. styled "Exhibit B – Condominium Plat of Cascades Pointe Condominiums, Mt. Tabor District, Town of Blacksburg, Montgomery County, Virginia" as follows:

TO ESTABLISH a place of beginning, begin at a point on the southern right of way line of Fairfax Road (50' R/W) approximately 200 feet east of the intersection of the eastern right of way line of Ellett Road (40' R/W) and the southern right of way line of Fairfax Road (50' R/W), thence North 59°59'05" East a distance of 244.01 feet to a point; thence along a curve to the right having a radius of 355.70 feet and an arc length of 142.57 feet to a point, marking the point and place of beginning. Having thus established the place of beginning, thence along a curve to the right having a radius of 355.70 feet and an arc length of 328.56 feet to a point; South 67°30'27" West a distance of 160.13 feet to a point; thence North 22°29'33" West a distance of 41.50 feet to a point; South 67°30'27" West a distance of 63.63 feet to a point; thence North 22°29'33" West a distance of 181.08 feet to a point, marking the point and place of beginning.

Convertible Land "B"

ALL that certain lot, piece or parcel of land, with all improvements thereon and appurtenances thereunto belonging, lying, being and situated in the Town of Blacksburg, Montgomery County, Virginia containing 0.556 acres, and more particularly described on the Plat as follows:

TO ESTABLISH a place of beginning, begin at a point on the southern right of way line of Fairfax Road (50' R/W) approximately 200 feet east of the intersection of the eastern right of way line of Ellett Road (40' R/W) and the southern right of way line of Fairfax Road (50' R/W), thence North 59°59'05" East a distance of 244.01 feet to a point; thence along a curve to the right having a radius of 355.70 feet and an arc length of 471.13 feet to a point; thence South 67°30'27" West a distance of 160.13 feet to a point; thence South 22°29'33" East a distance of 50.45 feet to a point marking the point and place of beginning. Having thus established the place of beginning, thence South 22°29'33" East a distance of 144.75 feet to a point; South 67°30'27" West a distance of 170.44 feet to a point; thence North 22°29'33" West a distance of 144.75 feet to a point; North 67°30'27" East a distance of 170.44 feet to a point, marking the point and place of beginning.

Convertible Land "C"

ALL that certain lot, piece or parcel of land, with all improvements thereon and appurtenances thereunto belonging, lying, being and situated in the Town of Blacksburg, Montgomery County, Virginia containing 0.069 acres, and more particularly described on the Plat as follows:

TO ESTABLISH a place of beginning, begin at a point on the southern right of way line of Fairfax Road (50' R/W) approximately 200 feet east of the intersection of the eastern right of way line of Ellett Road (40' R/W) and the southern right of way line of Fairfax Road (50' R/W), thence South  $30^{\circ}00'55''$  East a distance of 150.00 feet to a point; thence South  $59^{\circ}59'05''$  West a distance of 200.13 feet to a point; thence in a southerly direction along the eastern right of way line of Ellett Road (40' R/W) along a curve to the right having a radius of 592.96 feet and an arc length of 110.21 feet to a point; thence continuing along the eastern right of way line of Ellett Road (40' R/W) along a curve to the left having a radius of 408.29 feet and an arc length of 81.09 feet to a point; thence North  $70^{\circ}53'48''$  East a distance of 122.99 feet to a point marking the point and place of beginning. Having thus established the place of beginning, thence North  $19^{\circ}06'12''$  East a distance of 39.08 feet to a point; thence North  $70^{\circ}53'48''$  East a distance of 76.42 feet to a point; thence South  $19^{\circ}06'12''$  West a distance of 39.08 feet to a point; thence South  $70^{\circ}53'48''$  West a distance of 76.42 feet to a point, marking the point and place of beginning.

**EXHIBIT B**  
**TO**  
**DECLARATION**

**CASCADES POINTE CONDOMINIUMS**

**PLAT**

EXHIBIT B

CONDOMINIUM PLAT

CASCADES POINTE CONDOMINIUMS

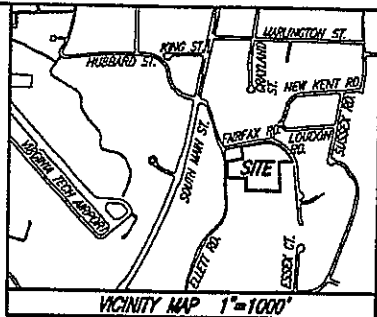
Condominium Plat dated October 10, 2005, most recently revised April 7, 2006, prepared by Blazer and Associates, Inc. styled "Exhibit B – Condominium Plat of Cascades Pointe Condominiums, Mt. Tabor District, Town of Blacksburg, Montgomery County, Virginia"



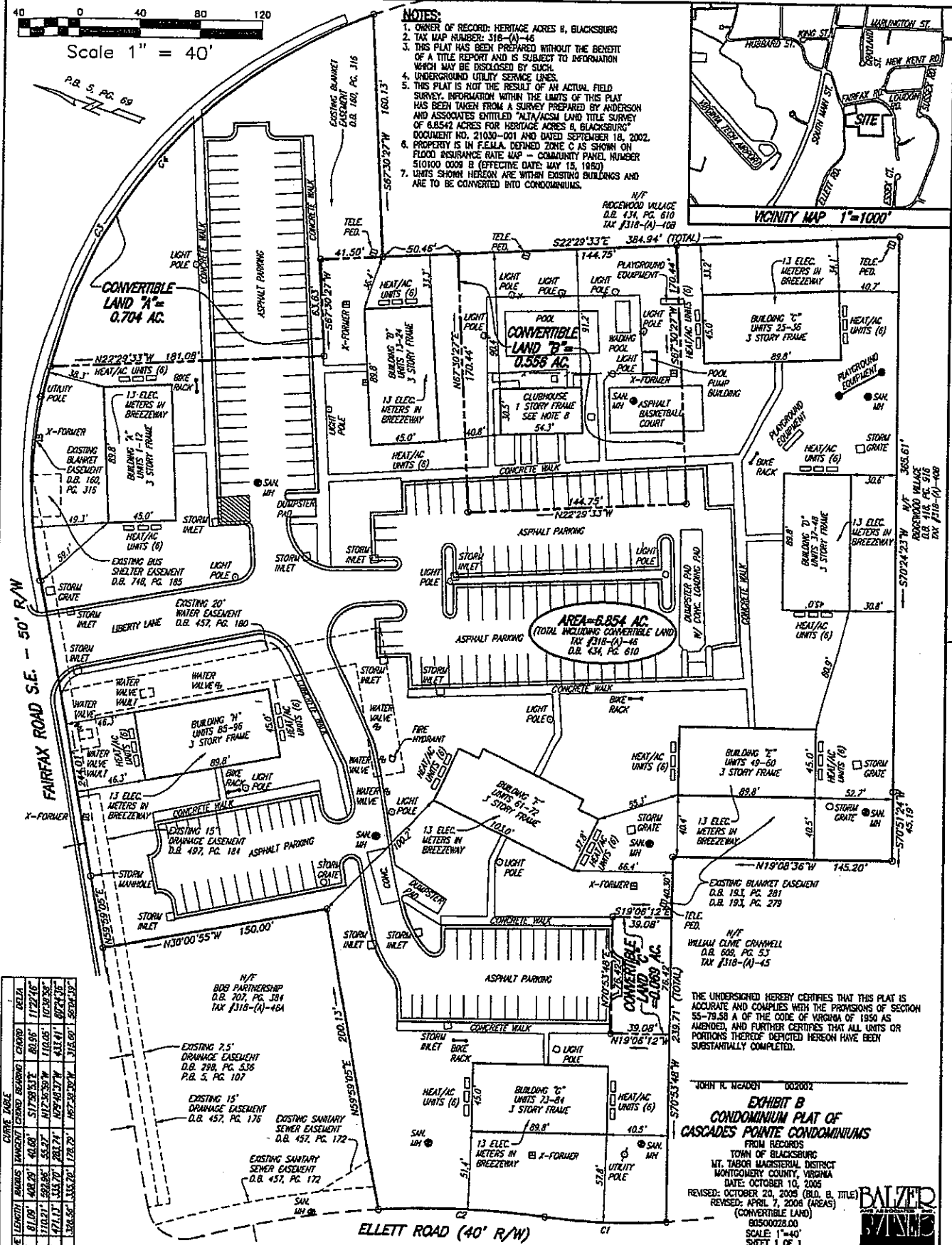
Scale 1" = 40'

NOTES:

1. ORDER OF RECORD: HERITAGE ACRES II, BLACKSBURG
2. THIS MAP NUMBER: 318-(A)-46
3. THIS PLAN HAS BEEN PREPARED WITHOUT THE BENEFIT OF A TITLE REPORT AND IS SUBJECT TO INFORMATION WHICH MAY BE DISCLOSED BY SUCH.
4. UNDERGROUND UTILITY SERVICE LINES.
5. THIS PLAN IS NOT THE RESULT OF AN ACTUAL FIELD SURVEY. INFORMATION WITHIN THE LIMITS OF THIS PLAN HAS BEEN TAKEN FROM A SURVEY PREPARED BY ANDERSON AND ASSOCIATES ENTITLED "ALTA/ACSM LAND TITLE SURVEY OF 6.8542 ACRES FOR HERITAGE ACRES II, BLACKSBURG" DOCUMENT NO. 21030-001 AND DATED SEPTEMBER 18, 2002.
6. PROPERTY IS IN F.E.M.A. DEFINED ZONE C AS SHOWN ON FLOOD INSURANCE RATE MAP - COMMUNITY PANEL NUMBER 510100 0008 B (EFFECTIVE DATE: MAY 15, 1980)
7. UNITS SHOWN HEREON ARE WITHIN EXISTING BUILDINGS AND ARE TO BE CONVERTED INTO CONDOMINIUMS.



VICINITY MAP 1"=1000'



CURVE	LENGTH	BEARING	CHORD	DELTA
C1	81.00'	40.29°	40.00'	80.95°
C2	110.21'	89.66°	55.27'	110.06°
C3	421.17'	138.70°	281.74'	431.41°
C4	368.65'	135.02°	238.72'	416.07°

THE UNDERSIGNED HEREBY CERTIFIES THAT THIS PLAN IS ACCURATE AND COMPLIES WITH THE PROVISIONS OF SECTION 55-79.58 A OF THE CODE OF VIRGINIA OF 1950 AS AMENDED, AND FURTHER CERTIFIES THAT ALL UNITS OR PORTIONS THEREOF DESIGNATED HEREON HAVE BEEN SUBSTANTIALLY COMPLETED.

EXHIBIT B  
CONDOMINIUM PLAT OF  
CASCADES POINTE CONDOMINIUMS

FROM RECORDS  
TOWN OF BLACKSBURG  
MT. TABOR MAGISTERIAL DISTRICT  
MONTGOMERY COUNTY, VIRGINIA  
DATE: OCTOBER 10, 2005  
REMOVED: OCTOBER 20, 2005 (BLD. B, TITLE)  
REMOVED: APRIL 7, 2006 (AREAS)  
(CONVERTIBLE LAND)  
80500028.00  
SCALE: 1"=40'  
SHEET 1 OF 1

**EXHIBIT C**  
**TO**  
**DECLARATION**

**CASCADES POINTE CONDOMINIUMS**

**PLANS**



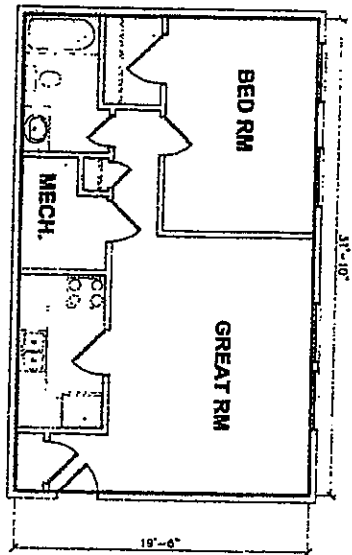
EXHIBIT C

CONDOMINIUM PLANS

CASCADES POINTE CONDOMINIUMS

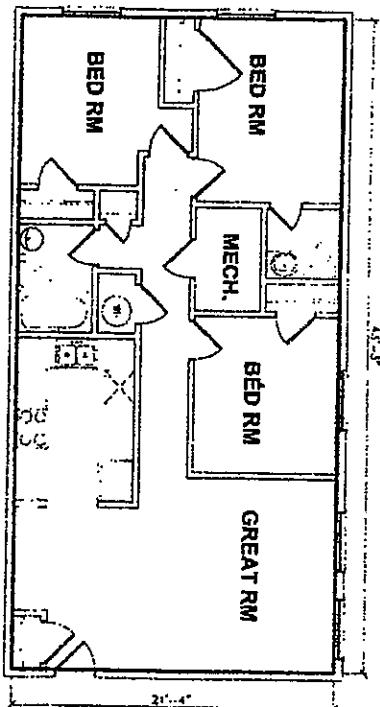
Condominium Plans dated January 4, 2006 prepared by Balzer and Associates, Inc., Planners-Architects-Engineers-Surveyors, styled "Condominium Plans for Cascades Pointe Condominiums, 1776 Liberty Lane, Blacksburg, Virginia" consisting of Sheets T1.1, A1.1, A2.1, A2.2, A2.3, A2.3, A2.4, A2.5, A2.6, A2.7, A2.8 and A3.1.

1776 LIBERTY LANE  
BLACKSBURG, VIRGINIA



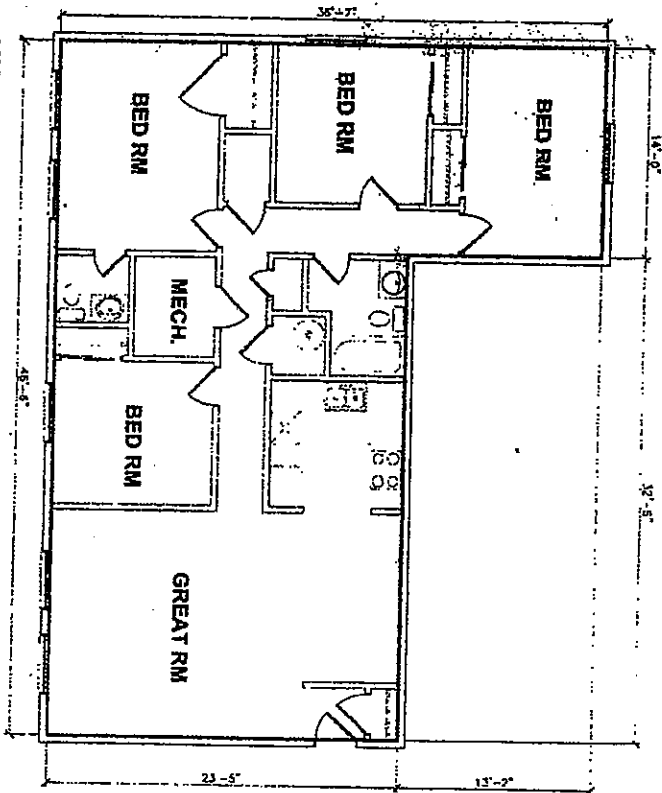
**UNIT TYPE "A"**

FINISHED - 620 S.F.  
8'-0" FLOOR TO CEILING HEIGHT.  
TYP. OF ALL UNITS.



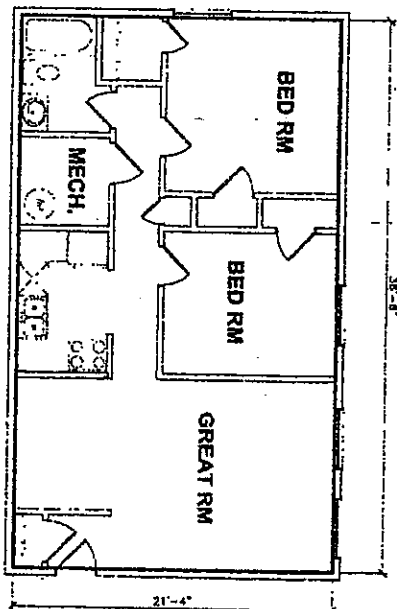
**UNIT TYPE "B"**

FINISHED - 920 S.F.  
8'-0" FLOOR TO CEILING HEIGHT.  
TYP. OF ALL UNITS.



**UNIT TYPE "C"**

FINISHED - 1,275 S.F.  
8'-0" FLOOR TO CEILING HEIGHT.  
TYP. OF ALL UNITS.



**UNIT TYPE "D"**

FINISHED - 780 S.F.  
8'-0" FLOOR TO CEILING HEIGHT.  
TYP. OF ALL UNITS.

ARCHITECT'S CERTIFICATE  
I, BRAD D. JUSTY, A REGISTERED ARCHITECT IN THE COMMONWEALTH OF VIRGINIA, HEREBY CERTIFY THAT THIS PLAN ACCURATELY SHOWS THE APPLICABLE REQUIREMENTS OF THE VIRGINIA CONDOMINIUM ACT AND THE PROVISIONS OF SECTION 55-79.20 (b) OF THE VIRGINIA CONDOMINIUM ACT. I FURTHER CERTIFY THAT I HAVE BEEN SUBSTANTIALLY COMPLETED.  
GIVEN UNDER MY HAND THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2006.  
REGISTERED ARCHITECT

**BAITZ**  
ARCHITECTS  
102 HUNTERS LANE  
DALLAS, TEXAS 75243  
PHONE 972.382.1000  
WWW.BAITZARCHITECTS.COM

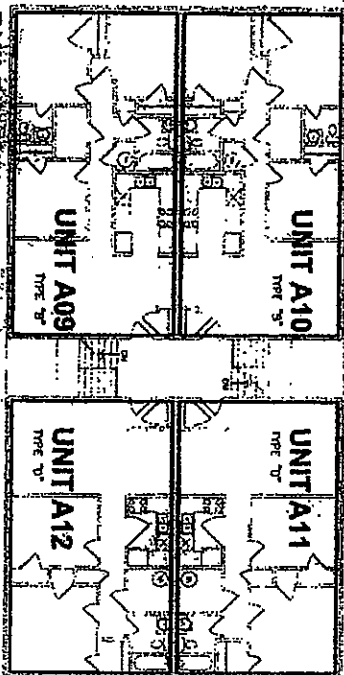
**CASCADES  
POINTE  
CONDOMINIUMS**

1776 LIBERTY LN  
BLACKSBURG  
VIRGINIA

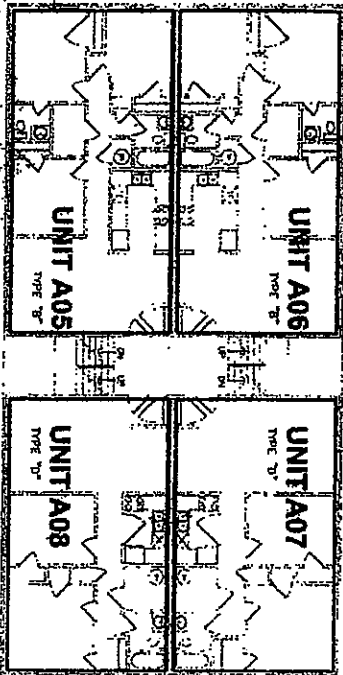
DRAWN BY: BDL  
DESIGNED BY: BDL  
CHECKED BY: BDL  
DATE: 08.09.2006  
REVISIONS:

**A1.1**

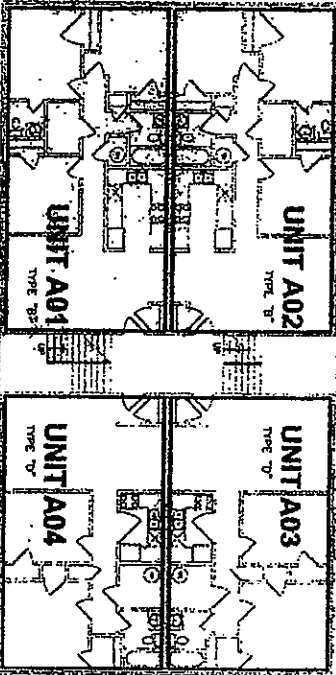
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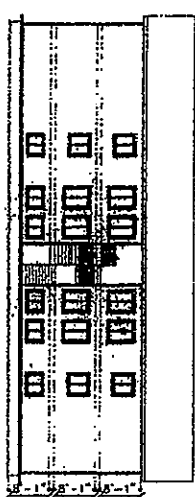
**BUILDING "A" - THIRD LEVEL**  
SCALE: 1/32" = 1'-0"



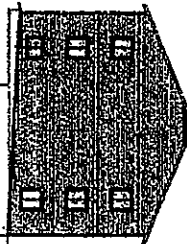
**BUILDING "A" - SECOND LEVEL**  
SCALE: 1/32" = 1'-0"



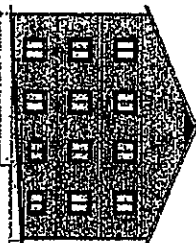
**BUILDING "A" - FIRST LEVEL**  
SCALE: 1/32" = 1'-0"



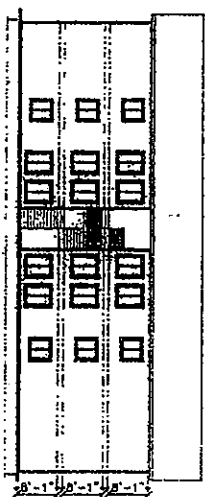
**1 FRONT ELEVATION**  
SCALE: 1/16" = 1'-0"



**2 RIGHT ELEVATION**  
SCALE: 1/16" = 1'-0"



**4 LEFT ELEVATION**  
SCALE: 1/16" = 1'-0"



**3 REAR ELEVATION**  
SCALE: 1/16" = 1'-0"

ARCHITECT'S CERTIFICATE  
I, BRIAN D. LUSKY, A REGISTERED ARCHITECT IN THE COMMONWEALTH OF VIRGINIA, HEREBY CERTIFY THAT THIS PLAN ACCURATELY SHOWS THE UNITS DELINEATED AND IN ALL RESPECTS COMPLIES WITH THE PROVISIONS OF SECTION 55-78.2B (b) OF THE VIRGINIA CONDOMINIUM ACT. I FURTHER CERTIFY THAT UNLESS NOTED OTHERWISE, ALL UNITS DESCRIBED HEREON WITHIN THE CASCADES POINTE CONDOMINIUM, HAVE BEEN GIVEN UNDER MY HAND THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2006.

REGISTERED ARCHITECT

DAY OF

CASCADES  
POINTE  
CONDOMINIUMS

CONDOMINIUM  
PLANS  
FOR

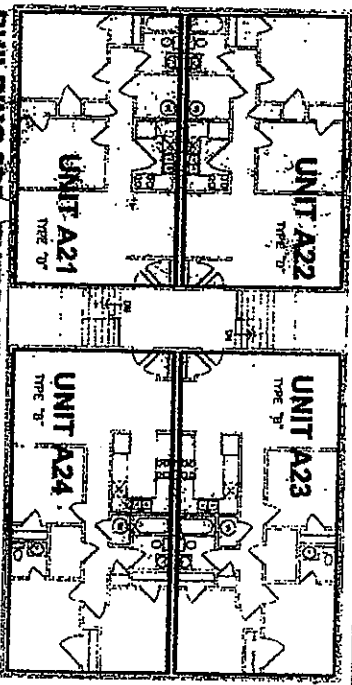
**BALZER**  
ARCHITECTS  
P.C.  
100 HARRISON STREET  
FALLS CHURCH, VIRGINIA 22044  
TEL: 703.271.8800  
FAX: 703.271.8801  
WWW.BALZER-ARCHITECTS.COM

1770 LIBERTY LN  
BLACKSBURG  
VIRGINIA

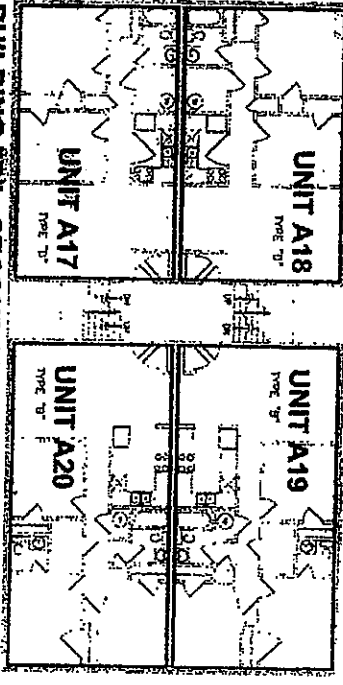
DRAWN BY: GUL  
DESIGNED BY: GUL  
CHECKED BY: BDL  
DATE: JAN. 04, 2006  
REVISIONS

SCALE: AS NOTED  
SHEET NO. **A2.1**

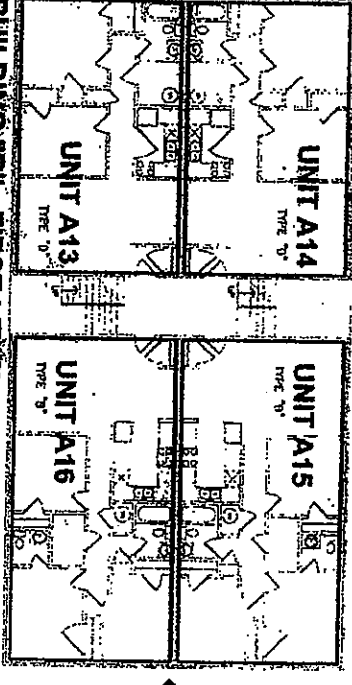
BUILDING PLANS & ELEVATIONS  
JOB NO. B0500028.00



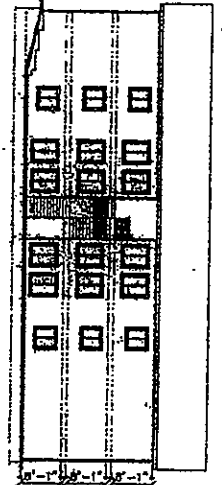
**BUILDING "B" - THIRD LEVEL**  
SCALE: 3/32" = 1'-0"



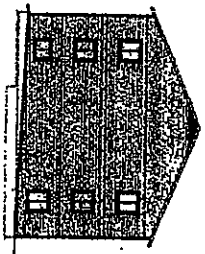
**BUILDING "B" - SECOND LEVEL**  
SCALE: 3/32" = 1'-0"



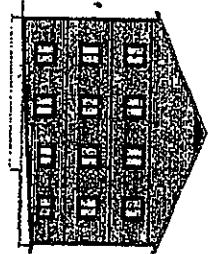
**BUILDING "B" - FIRST LEVEL**  
SCALE: 3/32" = 1'-0"



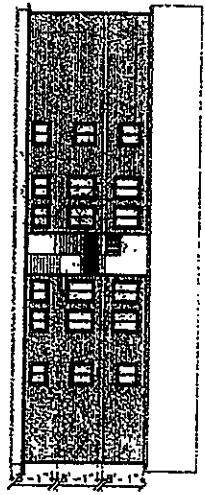
**FRONT ELEVATION**  
SCALE: 1/16" = 1'-0"



**LEFT ELEVATION**  
SCALE: 1/16" = 1'-0"



**RIGHT ELEVATION**  
SCALE: 1/16" = 1'-0"



**REAR ELEVATION**  
SCALE: 1/16" = 1'-0"

**REGISTERED ARCHITECT**  
I, BRAD D. LARSEN, A REGISTERED ARCHITECT IN THE COMMONWEALTH OF VIRGINIA, HEREBY CERTIFY THAT THIS PLAN ACCURATELY SHOWS THE UNITS DELINEATED THEREIN IN ACCORDANCE WITH THE PROVISIONS OF SECTION 55-75.23 (4) OF THE VIRGINIA CONDOMINIUM ACT. I FURTHER CERTIFY THAT UNLESS NOTED OTHERWISE, ALL UNITS AND COMMON AREAS WITHIN THE CASCADES POINTE CONDOMINIUMS, HAVE BEEN DESIGNED IN ACCORDANCE WITH THE VIRGINIA CONDOMINIUM ACT. ALL UNITS UNDER MY HAND THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2005.

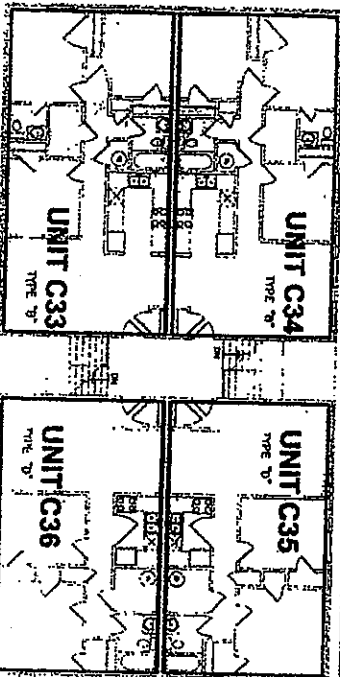
REGISTERED ARCHITECT

**CASCADES  
POINTE  
CONDOMINIUMS,**

**BALTIMORE**  
ARCHITECTS  
100 BALTIMORE STREET, SUITE 200  
BALTIMORE, MD 21201  
TEL: 410.524.1234  
FAX: 410.524.1235  
WWW.BALTIMOREARCHITECTS.COM

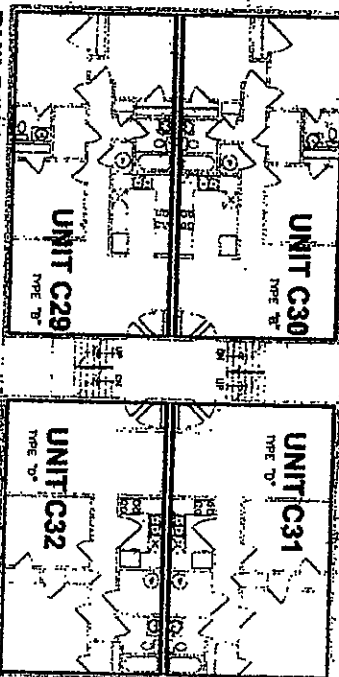
1776 LIBERTY LN  
BALTIMORE, MD 21201  
DRAWN BY: [redacted]  
DESIGNED BY: [redacted]  
CHECKED BY: [redacted]  
DATE: MAY 04, 2005  
REVISIONS:

SCALE: AS NOTED  
SHEET NO: **A2.2**  
BUILDING & ELEVATIONS  
JOB NO. 80500028.00



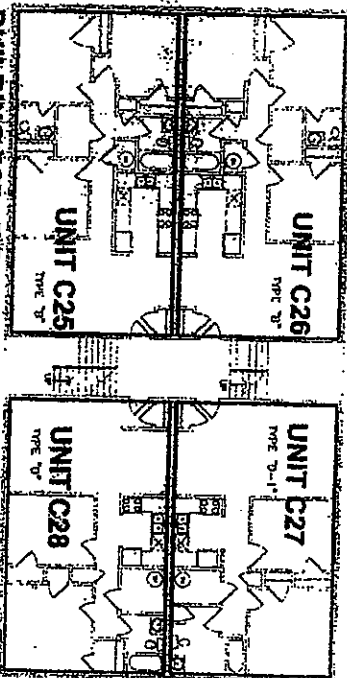
**BUILDING "C" - THIRD LEVEL**

SCALE: 1/32" = 1'-0"



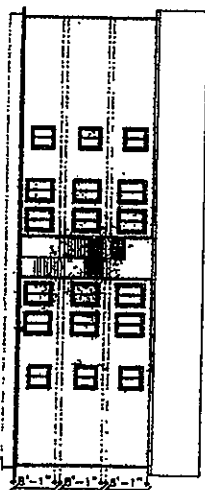
**BUILDING "C" - SECOND LEVEL**

SCALE: 1/32" = 1'-0"



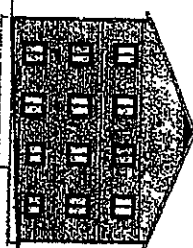
**BUILDING "C" - FIRST LEVEL**

SCALE: 1/32" = 1'-0"



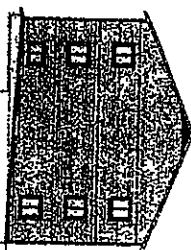
**FRONT ELEVATION**

SCALE: 1/16" = 1'-0"



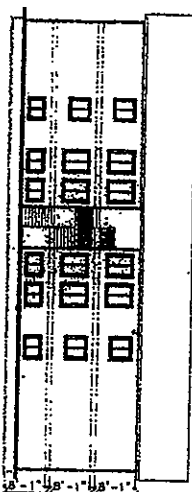
**LEFT ELEVATION**

SCALE: 1/16" = 1'-0"



**RIGHT ELEVATION**

SCALE: 1/16" = 1'-0"



**REAR ELEVATION**

SCALE: 1/16" = 1'-0"

**ARCHITECT'S GENERAL NOTE**

1. BRAN D. MASTIK, A REGISTERED ARCHITECT IN THE COMMONWEALTH OF VIRGINIA, HEREBY CERTIFY THAT THIS PLAN ACCURATELY SHOWS THE UNITS, COMMON AREAS AND ALL RESPECTS COMPLY WITH THE PROVISIONS OF SECTION 55-72.48 (D) OF THE VIRGINIA CONDOMINIUM ACT. I FURTHER CERTIFY THAT UNLESS NOTED OTHERWISE, ALL UNITS AND COMMON AREAS, WITHIN THE CASCADES POINTE CONDOMINIUMS, HAVE BEEN SUBSTANTIALLY COMPLETED.

GIVEN UNDER MY HAND THIS 2006.

DAY OF

REGISTERED ARCHITECT

**BALZEB**

101 HILBAND STREET  
BLACKSBURG, VIRGINIA 22610  
PHONE: 540-939-1000  
FAX: 540-939-1002

CONDOMINIUM  
PLANS  
FOR

CASCADES  
POINTE  
CONDOMINIUMS

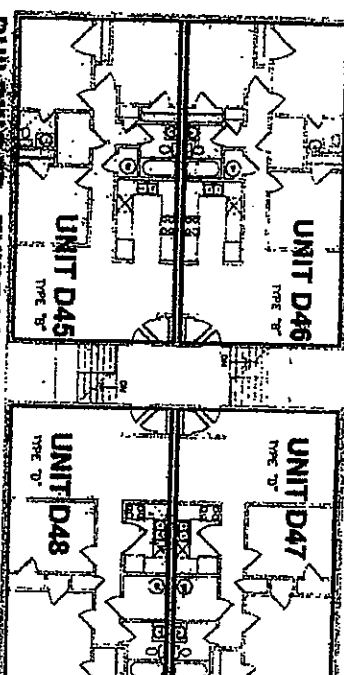
1776 LIBERTY LN  
BLACKSBURG  
VIRGINIA

DESIGNED BY: BDM  
CHECKED BY: BDM  
DATE: 04.04.2006

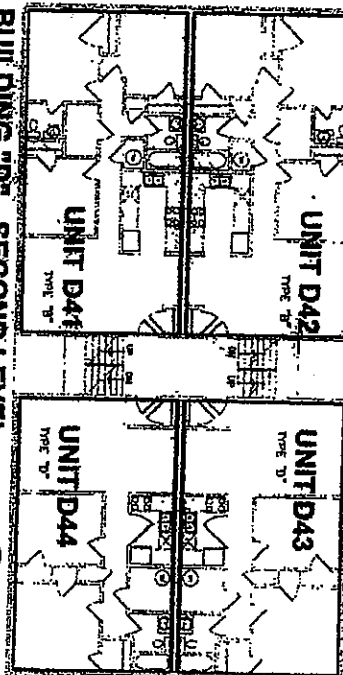
REVISIONS

**A2.3**

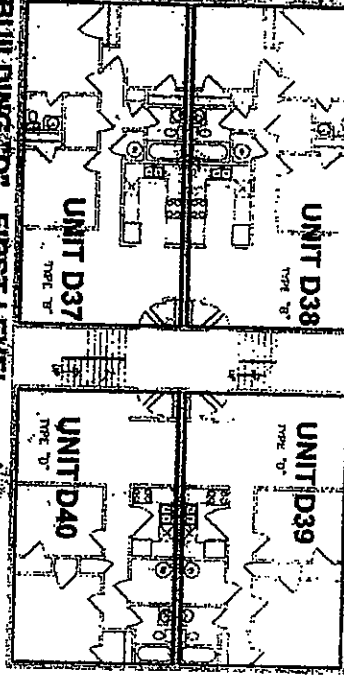
SCALE: AS NOTED  
SHEET NO.  
BUILDING & ELEVATIONS  
PLANS & ELEVATIONS  
JOB NO.  
B05000028.00



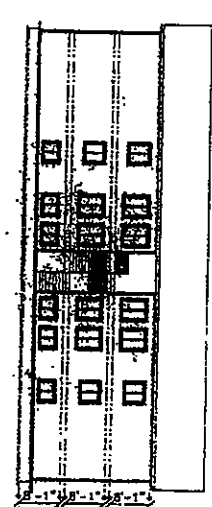
**BUILDING "D" - THIRD LEVEL**  
SCALE: 3/32" = 1'-0"



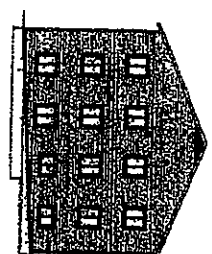
**BUILDING "D" - SECOND LEVEL**  
SCALE: 3/32" = 1'-0"



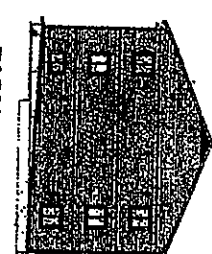
**BUILDING "D" - FIRST LEVEL**  
SCALE: 3/32" = 1'-0"



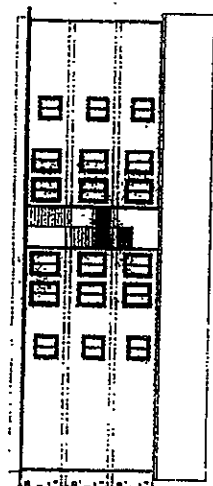
**1 FRONT ELEVATION**  
SCALE: 1/16" = 1'-0"



**4 LEFT ELEVATION**  
SCALE: 1/16" = 1'-0"



**2 RIGHT ELEVATION**  
SCALE: 1/16" = 1'-0"



**3 REAR ELEVATION**  
SCALE: 1/16" = 1'-0"

**ARCHITECT'S CERTIFICATE**  
I, BRIAN D. LARSEN, A REGISTERED ARCHITECT IN THE COMMONWEALTH OF VIRGINIA, HEREBY CERTIFY THAT THIS PLAN ACCURATELY SHOWS THE EXISTING AND PROPOSED CONSTRUCTION OF THE ABOVE DESCRIBED BUILDING IN ACCORDANCE WITH THE VIRGINIA CONDOMINIUM ACT, I FURTHER CERTIFY THAT UNLESS NOTED OTHERWISE, ALL DIMENSIONS, FINISHES, MATERIALS, AND CONSTRUCTION DETAILS SHOWN ON THESE PLANS WERE REVIEWED, WITHIN THE CASCADES POINT CONDOMINIUMS, HAVE BEEN GIVEN UNDER MY HAND THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2008.

REGISTERED ARCHITECT \_\_\_\_\_

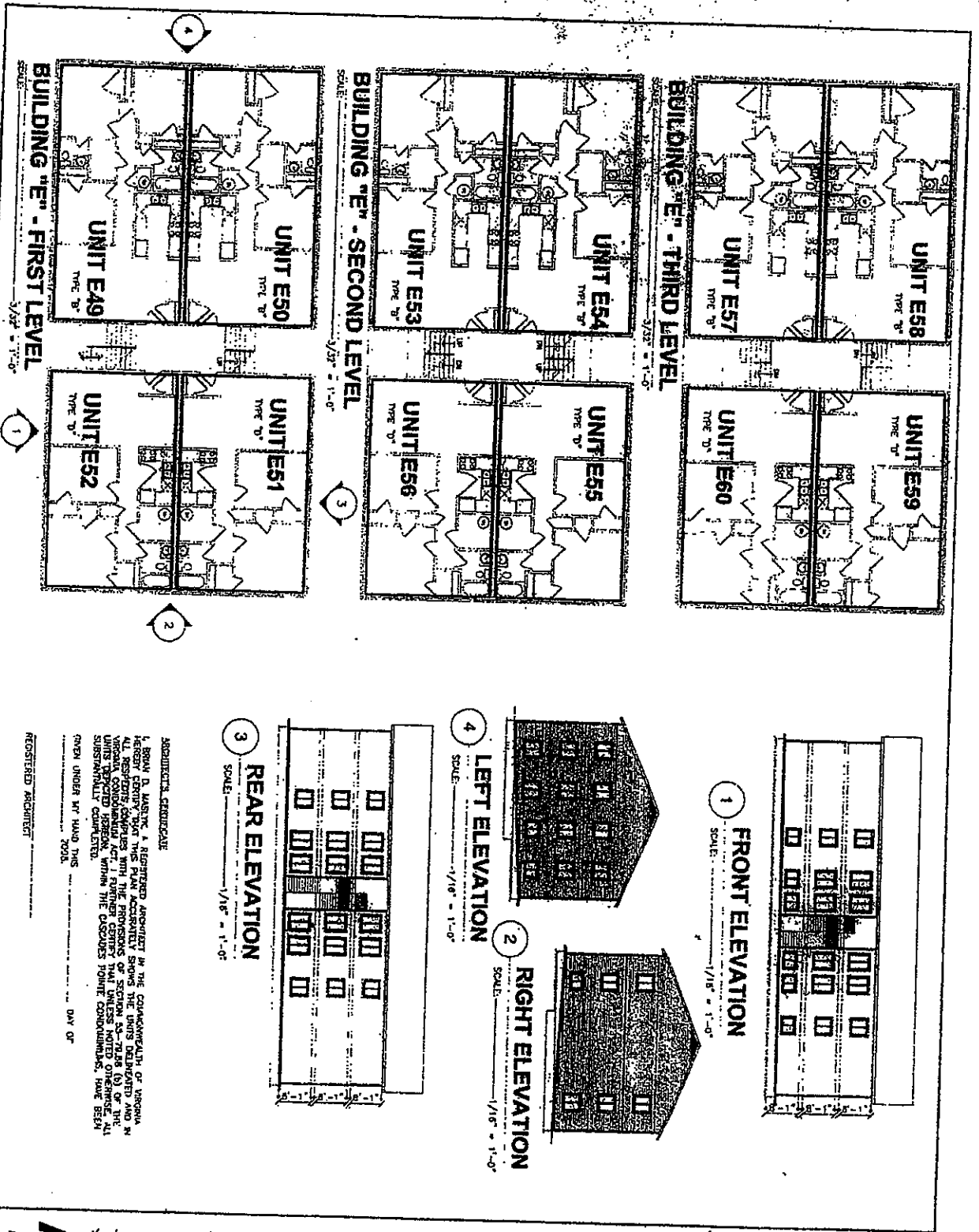
**BAITZ/D**  
188 HENRIKSON STREET  
ARLINGTON, VA 22204  
TEL: 703.261.1111  
FAX: 703.261.1112  
WWW.BAITZD.COM  
ARCHITECTS  
PLANNERS • DESIGNERS  
FOR  
COMMERCIAL  
PLANS

**CASCADES  
POINTE  
CONDOMINIUMS**

1776 LIBERTY LN  
BLACKSBURG  
VIRGINIA

DRAWN BY: BDL  
DESIGNED BY: BDL  
CHECKED BY: BDL  
DATE: JAN. 04, 2004  
REVISIONS:

SCALE: AS NOTED  
SHEET NO. **A2.4**  
BUILDING D  
PLANS & ELEVATIONS  
JOB NO. B0500028.00



**ADMINISTRATIVE CERTIFICATE**

I, BRAD D. MARINE, a Registered Architect in the Commonwealth of Virginia, hereby certify that this plan accurately represents the work described and in accordance with the provisions of Section 54-2-3 of the Code of Virginia, and that I am a duly Licensed Architect in the Commonwealth of Virginia.

GIVEN UNDER MY HAND THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2008.

REGISTERED ARCHITECT \_\_\_\_\_

**BAZIER**

100 HILLCREST STREET  
 Alexandria, Virginia 22304  
 Phone: 703.836.1234  
 Fax: 703.836.1235  
 E-mail: info@bazier.com

**CONDOMINIUM**  
 PLANS

**CASCADES**  
 POINT  
 CONDOMINIUMS

1778 LIBERTY LN  
 BLACKSBURG  
 VIRGINIA

DRAWN BY: BDL  
 DESIGNED BY: BDL  
 CHECKED BY: BDL  
 DATE: JAN 04, 2008

REVISIONS

**A2.5**

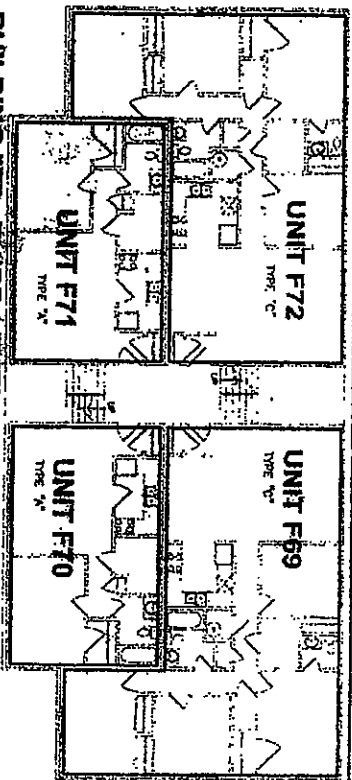
BUILDING  
 PLANS & ELEVATIONS

JOB NO. BOB000028.00

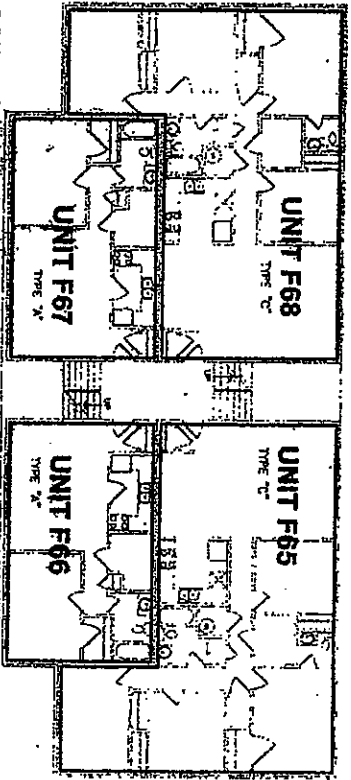
SHEET NO. 15

NOTED

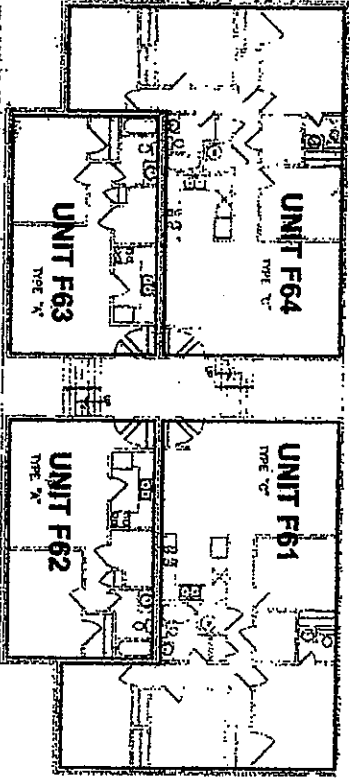




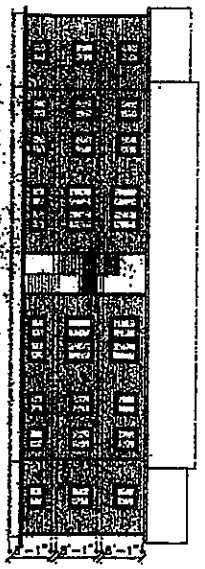
**BUILDING "F" - THIRD LEVEL**  
SCALE: 1/32" = 1'-0"



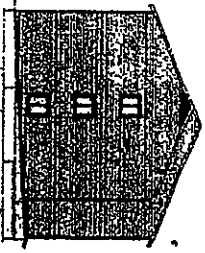
**BUILDING "F" - SECOND LEVEL**  
SCALE: 1/32" = 1'-0"



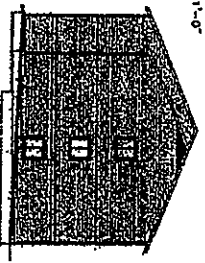
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SCALE: 1/32" = 1'-0"



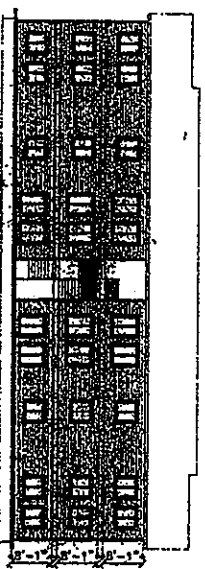
**1 FRONT ELEVATION**  
SCALE: 1/16" = 1'-0"



**4 LEFT ELEVATION**  
SCALE: 1/16" = 1'-0"



**2 RIGHT ELEVATION**  
SCALE: 1/16" = 1'-0"



**3 REAR ELEVATION**  
SCALE: 1/16" = 1'-0"

**ARCHITECT'S CERTIFICATE**  
I, BRAD D. WATKIN, A REGISTERED ARCHITECT IN THE COMMONWEALTH OF VIRGINIA, HEREBY CERTIFY THAT THIS PLAN ACCURATELY SHOWS THE UNITS DELINEATED AND IN ALL RESPECTS CONFORMS WITH THE PROVISIONS OF SECTION 54-72.34 (b) OF THE VIRGINIA CONDOMINIUM ACT, I FURTHER CERTIFY THAT UNLESS NOTED OTHERWISE, ALL DIMENSIONS AND FINISHES SHOWN ON THIS DRAWING ARE THE DESIGNER'S INTENT, HAVE BEEN SUBSTANTIALLY COMPLETED, AND ARE TO BE CONSIDERED THE BASIS FOR THE CONSTRUCTION OF THE PROJECT UNDER MY HAND THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2006.

REGISTERED ARCHITECT

CASCADES  
POINTS  
CONDOMINIUMS

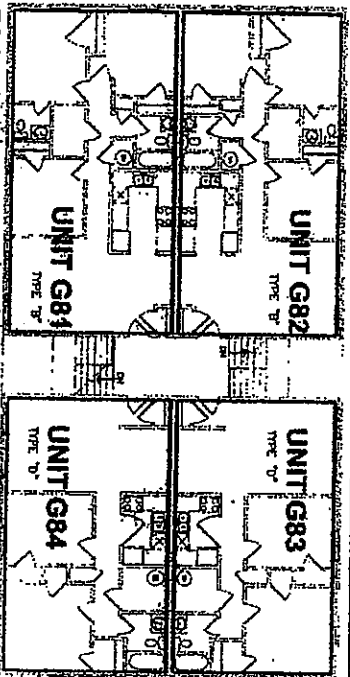
1776 LIBERTY LN  
BLACKSBURG  
VIRGINIA

DRAWN BY: BDA  
DESIGNED BY: BDA  
CHECKED BY: BDA  
DATE: JAN. 04, 2006

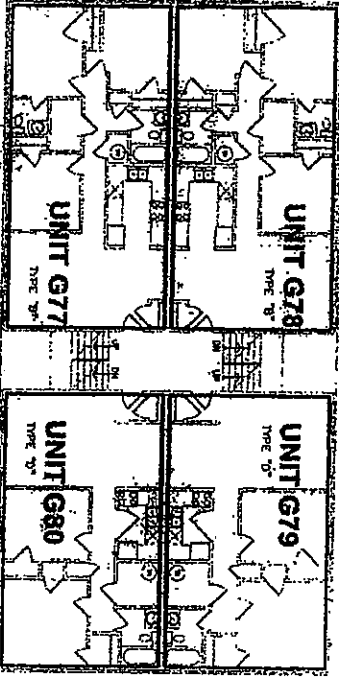
REVISIONS

SCALE: 1/4" = 1'-0"  
SHEET NO. 42.0  
BUILDING F  
PLANS & ELEVATIONS  
A2.0

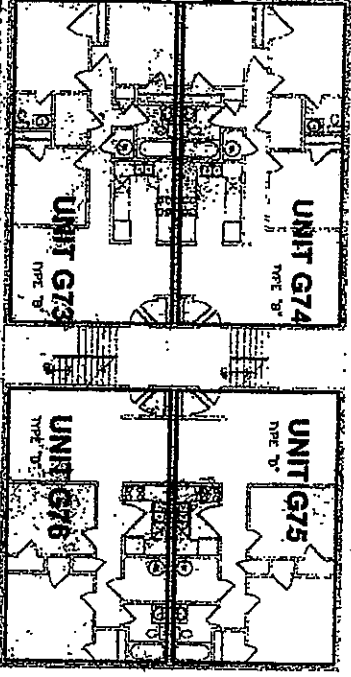
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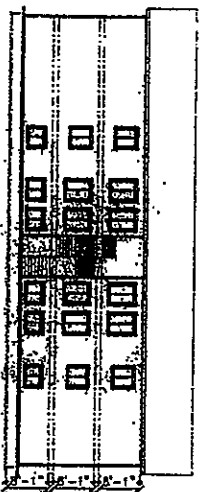
**BUILDING "G" - THIRD LEVEL**  
SCALE: 3/32" = 1'-0"



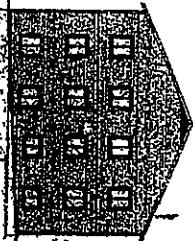
**BUILDING "G" - SECOND LEVEL**  
SCALE: 3/32" = 1'-0"



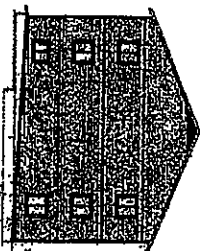
**BUILDING "G" - FIRST LEVEL**  
SCALE: 3/32" = 1'-0"



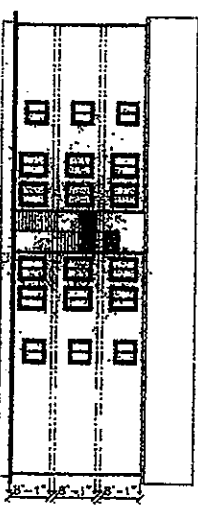
**1 FRONT ELEVATION**  
SCALE: 1/16" = 1'-0"



**4 LEFT ELEVATION**  
SCALE: 1/16" = 1'-0"



**2 RIGHT ELEVATION**  
SCALE: 1/16" = 1'-0"



**3 REAR ELEVATION**  
SCALE: 1/16" = 1'-0"

**ARCHITECT'S CERTIFICATE**  
I, **BRAD D. WATKIN**, A REGISTERED ARCHITECT IN THE COMMONWEALTH OF MASSACHUSETTS, HEREBY CERTIFY THAT THE PLANS, SPECIFICATIONS, AND ELEVATIONS SHOWN ON THESE SHEETS WERE PREPARED BY ME OR UNDER MY CLOSE PERSONAL SUPERVISION AND TO THE BEST OF MY KNOWLEDGE AND BELIEF THEY COMPLY WITH ALL CITY, STATE, AND FEDERAL REQUIREMENTS, AND I AM NOT PROVIDING ANY DESIGN OR CONSTRUCTION SERVICES TO ANY OTHER PARTY. I AM NOT PROVIDING ANY DESIGN OR CONSTRUCTION SERVICES TO ANY OTHER PARTY. I AM NOT PROVIDING ANY DESIGN OR CONSTRUCTION SERVICES TO ANY OTHER PARTY.

REGISTERED ARCHITECT

DAY OF

2006.

**CASCADES  
POINTE  
CONDOMINIUMS**

**CONDOMINIUM  
PLANS  
FOR**

**7700 LIBERTY LN  
BOSTON, MA 02110**

**DRAWN BY: BDM**

**DESIGNED BY: BDM**

**CHECKED BY: BDM**

**DATE: JUL 04, 2006**

**REVISIONS**

**A2.7**

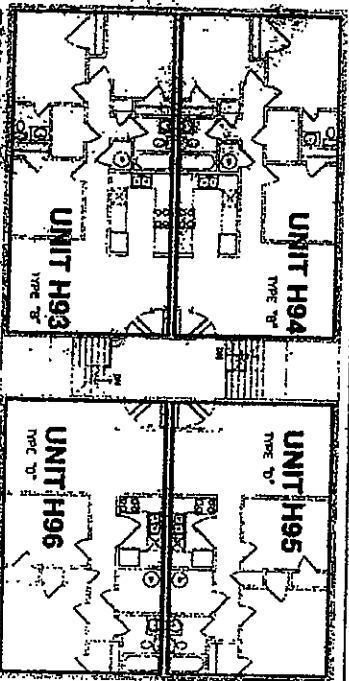
**SCALE: AS NOTED**

**SHEET NO.**

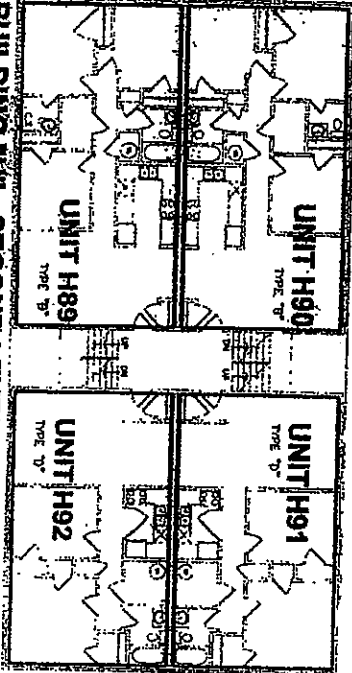
**PLANS & ELEVATIONS**

**JOB NO.**

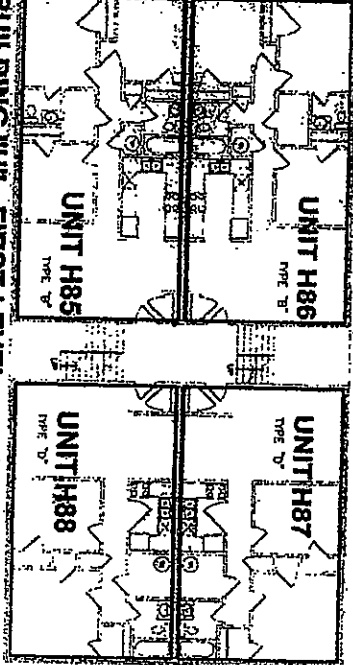
**B0500028.00**



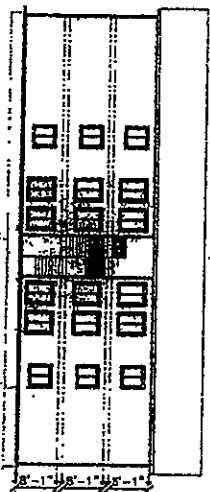
**BUILDING "H" - THIRD LEVEL**  
SCALE: 1/32" = 1'-0"



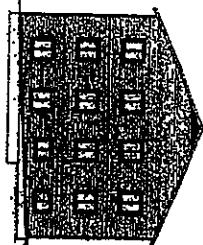
**BUILDING "H" - SECOND LEVEL**  
SCALE: 1/32" = 1'-0"



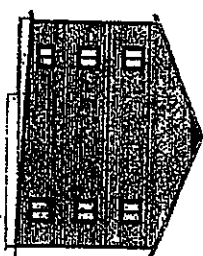
**BUILDING "H" - FIRST LEVEL**  
SCALE: 1/32" = 1'-0"



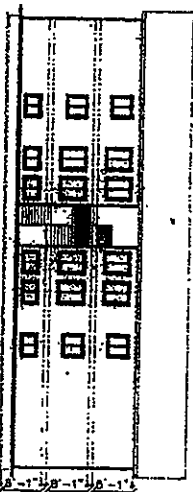
**1 FRONT ELEVATION**  
SCALE: 1/16" = 1'-0"



**4 LEFT ELEVATION**  
SCALE: 1/16" = 1'-0"



**2 RIGHT ELEVATION**  
SCALE: 1/16" = 1'-0"



**3 REAR ELEVATION**  
SCALE: 1/16" = 1'-0"

ARCHITECT'S CERTIFICATE  
I, BRIAN D. KASNYK, A REGISTERED ARCHITECT IN THE COMMONWEALTH OF VIRGINIA, HEREBY CERTIFY THAT THIS PLAN ACCURATELY SHOWS THE UNITS DELINEATED AND IN THE PROVISIONS OF SECTION 53-70.26 (2) OF THE VIRGINIA CONDOMINIUM ACT, AS AMENDED, AND THAT THE UNITS DEPICTED HEREON, WITHIN THE CASCADES POINTE CONDOMINIUM, HAVE BEEN CHECKED UNDER MY HAND AND SEAL OF OFFICE ON 06/06/2006.

REGISTERED ARCHITECT \_\_\_\_\_ DAY OF \_\_\_\_\_ 2006.

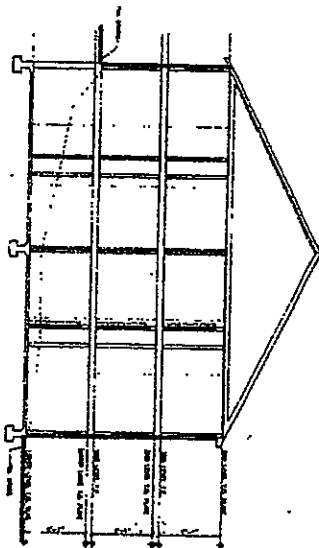
**BALTIMORE**  
PLANNING  
1778 LIBERTY LN  
BLOOMSBURG  
MD 20610  
TEL: 410-336-1111  
FAX: 410-336-1112  
WWW.BALTIMOREPLANNING.COM

CASCADES  
POINTE  
CONDOMINIUMS

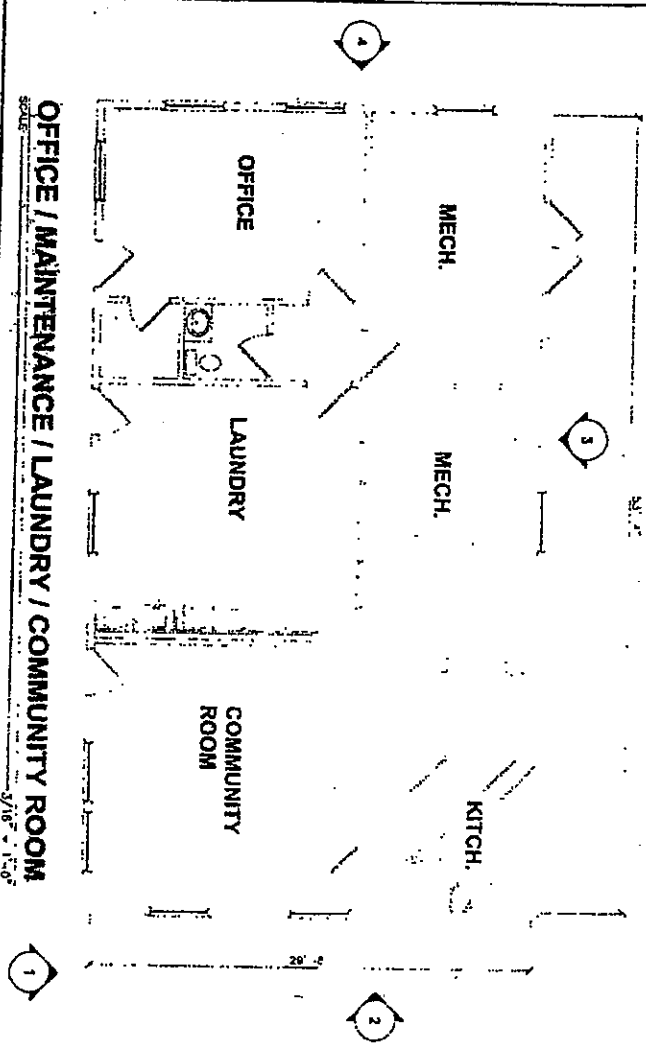
DRAWN BY: BDK  
DESIGNED BY: BDK  
CHECKED BY: BDK  
DATE: JUL 06, 2006  
REVISIONS:

SCALE: AS NOTED  
SHEET NO. 2  
**A2.8**

PLANS & ELEVATIONS  
JOB NO. B0500028.00



**TYPICAL BUILDING CROSS SECTION**  
 SCALE: 3/32" = 1'-0"



**OFFICE / MAINTENANCE / LAUNDRY / COMMUNITY ROOM**  
 SCALE: 3/16" = 1'-0"

**BAZEP**

**BAZEP**

103 MILLER STREET  
 SEASIDE, CA 94063  
 PHONE: (415) 435-1234  
 FAX: (415) 435-1234  
 WWW.BAZEP.COM

**CONDOMINIUM  
 PLANS  
 FOR**

**CASCADES  
 POINTE  
 CONDOMINIUMS**

1770 LIBERTY LN  
 BLACKSBURG  
 VIRGINIA

DRAWN BY: BGL  
 DESIGNED BY: BGL  
 CHECKED BY: BGL  
 DATE: APR. 04, 2008

REVISIONS

SCALE: AS NOTED  
 SHEET NO.  
**A3.1**

OFFICE &  
 BUILDING SECTIONS  
 JOB NO.  
 B0500028.00

**EXHIBIT D**  
**TO**  
**DECLARATION**

**CASCADES POINTE CONDOMINIUMS**

**PERCENTAGE INTEREST**

**EXHIBIT D**  
**PERCENTAGE INTERESTS**  
**CASCADES POINTE CONDOMINIUMS**

<b>Unit Number</b>	<b>Size (Square Feet)<sup>1</sup></b>	<b>Percentage Interest<sup>2</sup></b>
A01	920	1.11
A02	920	1.11
A03	780	0.94
A04	780	0.94
A05	920	1.11
A06	920	1.11
A07	780	0.94
A08	780	0.94
A09	920	1.11
A10	920	1.11
A11	780	0.94
A12	780	0.94
B13	780	0.94
B14	780	0.94
B15	920	1.11
B16	920	1.11
B17	780	0.94
B18	780	0.94
B19	920	1.11
B20	920	1.11
B21	780	0.94
B22	780	0.94
B23	920	1.11
B24	920	1.11
C25	920	1.11
C26	920	1.11
C27	780	0.94
C28	780	0.94
C29	920	1.11
C30	920	1.11
C31	780	0.94
C32	780	0.94
C33	920	1.11
C34	920	1.11

<sup>1</sup> The 629 square foot unit is a one (1) bedroom, the 780 square foot unit is a two (2) bedroom, the 920 square foot unit is a three (3) bedroom, and the 1,275 square foot unit is a three (3) bedroom.

<sup>2</sup> Total percentage may not be 100% due to rounding.

Unit Number	Size (Square Feet)	Percentage Interest
C35	780	0.94
C36	780	0.94
D37	920	1.11
D38	920	1.11
D39	780	0.94
D40	780	0.94
D41	920	1.11
D42	920	1.11
D43	780	0.94
D44	780	0.94
D45	920	1.11
D46	920	1.11
D47	780	0.94
D48	780	0.94
E49	920	1.11
E50	920	1.11
E51	780	0.94
E52	780	0.94
E53	920	1.11
E54	920	1.11
E55	780	0.94
E56	780	0.94
E57	920	1.11
E58	920	1.11
E59	780	0.94
E60	780	0.94
F61	1,275	1.55
F62	620	0.75
F63	620	0.75
F64	1,275	1.55
F65	1,275	1.55
F66	620	0.75
F67	620	0.75
F68	1,275	1.55
F69	1,275	1.55
F70	620	0.75
F71	620	0.75
F72	1,275	1.55
G73	920	1.11
G74	920	1.11
G75	780	0.94
G76	780	0.94
G77	920	1.11
G78	920	1.11

Unit Number	Size (Square Feet)	Percentage Interest
G79	780	0.94
G80	780	0.94
G81	920	1.11
G82	920	1.11
G83	780	0.94
G84	780	0.94
H85	920	1.11
H86	920	1.11
H87	780	0.94
H88	780	0.94
H89	920	1.11
H90	920	1.11
H91	780	0.94
H92	780	0.94
H93	920	1.11
H94	920	1.11
H95	780	0.94
H96	780	0.94
<b>TOTAL</b>	<b>82,770</b>	<b>100.00</b>



**EXHIBIT E**  
**TO**  
**DECLARATION OF**

**CASCADES POINTE CONDOMINIUMS**

**ARTICLES OF INCORPORATION OF THE ASSOCIATION**

ARTICLES OF INCORPORATION  
OF  
CASCADES POINTE CONDOMINIUM ASSOCIATION  
(A non-stock corporation)

ARTICLE I.  
NAME

The name of the Association shall be Cascades Pointe Condominium Association (the "Association").

ARTICLE II.  
PURPOSE; DEFINITIONS

The purpose for which the Association is formed is to become a condominium unit owners' association in accordance with Chapter 4.2 of Title 55 of the 1950 Code of Virginia, as amended, known as the Condominium Act, for the management, maintenance and care of Common Elements in a condominium located on 1776 Liberty Lane, Blacksburg, Virginia, as more particularly described in Exhibit A attached to and made a part of the Declaration for The Cascades Condominiums (the "Declaration") which is recorded in the Clerk's Office, Circuit Court of County of Montgomery, Virginia prior to the recording of these Articles. It is intended that this Association shall be a non-stock corporation which shall manage, maintain and care for certain property such that the Association will be a condominium management association as that term is defined in Section 528(c)(2) of the Internal Revenue Code of 1954, as amended. Reference is hereby made to Article I of the Declaration for the meaning of certain initially capitalized terms used herein. The Association will operate in conformity with the Condominium Instruments.

ARTICLE III.  
MEMBERS

The members of the Association shall consist of all of the Owners of record of Units in the Condominium; and after termination of the Condominium, shall consist of those who were members at the time of such termination and their successors and assigns. The Owner or Owners of each Unit shall have the right to vote as set forth in the Bylaws.

The share of a member in the funds and assets of the Association cannot be assigned, hypothecated or transferred in any manner except as an appurtenance to his Unit.

During any period in which a member shall be in default (as provided in the Bylaws and/or Declaration) in any assessment owing to the Association, such member shall not be eligible to be elected to the Board of Directors of this corporation. Such other rights and privileges as stated in

the Association's Bylaws may also be suspended, after notice and hearing, for such period as may be established by the Board of Directors for violation of any rules and regulations duly established by the Association.

#### ARTICLE IV. DIRECTORS

The number of directors of the Association shall be fixed by the Bylaws and shall not be less than three (3). The members of the Board of Directors shall be designated by the Declarant until deeds conveying Units to which seventy-five percent (75%) or more of the aggregate undivided interests in Common Elements appertain are recorded, until the expiration of the maximum period permitted by the Condominium Act, or until the Declarant voluntarily relinquishes control, whichever first occurs. Election of the successor Board of Directors shall occur upon resignation of the directors designated by the Declarant at the special meeting described in Article 2, Section 2.2 of the Bylaws. One (1) vote shall be taken on the entire slate of nominees and Directors shall be elected in the manner and for the terms set forth in Article 3, Section 3.4 of the Bylaws. Each successor Director 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 by the Unit Owner's Association, unless they die, are removed, resign, or become ineligible to continue serving on the Board.

A majority of directors shall constitute a quorum. The powers of the directors and the method to be used for their replacement shall be as set forth in the Bylaws.

#### ARTICLE V. EARNINGS

No part of the net earnings of the Association shall inure to the benefit of, or be distributable to its directors, officers or other private persons, except that the Association shall be authorized and empowered to pay reasonable compensation for services rendered and to make payment and distribution in furtherance of the purposes as set forth in Article II hereof.

#### ARTICLE VI. REGISTERED AGENT

The address of the initial registered office of the Association shall be in the City/County of \_\_\_\_\_ at the following address: \_\_\_\_\_ and \_\_\_\_\_, who is a resident of Virginia, who is a \_\_\_\_\_ of the corporation and whose business office is identical with the registered office, shall be the initial registered agent of the Association.

ARTICLE VII.  
INDEMNIFICATION

The Association shall indemnify to the fullest extent permitted by law all directors, officers, employees, agents and other persons who may by law be indemnified.

ARTICLE VIII.  
AMENDMENT OF BYLAWS

The power to amend or repeal the Bylaws of the Association shall be reserved to the members of the Association and shall be exercised in the manner set forth in Article 12 of the Bylaws.

DATED: \_\_\_\_\_, 200\_\_

\_\_\_\_\_  
Incorporator

**EXHIBIT F**  
**TO**  
**DECLARATION OF**

**CASCADES POINTE CONDOMINIUMS**

**BYLAWS**

**BYLAWS  
OF  
CASCADES POINTE CONDOMINIUM ASSOCIATION**

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BYLAWS  
OF  
CASCADES POINTE CONDOMINIUM ASSOCIATION

ARTICLE 1

GENERAL

Section 1.1. Applicability. These are the Bylaws of CASCADES POINTE CONDOMINIUM ASSOCIATION (the "Association"), which has been organized for the purpose of operating and managing CASCADES POINTE CONDOMINIUMS, a condominium created in accordance with the laws of the Commonwealth of Virginia (the "Condominium") upon property located at 1776 Liberty Lane, Town of Blacksburg, Montgomery County, Virginia, which is described in Exhibit A attached to the Declaration of Cascades Pointe Condominiums (the "Declaration").

Section 1.2. Defined Terms. Unless otherwise defined herein, certain initially capitalized words and terms used herein shall have the same meanings defined in the Declaration.

Section 1.3. Compliance. Pursuant to the provisions of Section 55-79.53 of the Condominium Act, all Unit Owners, tenants, employees of Unit Owners or any other person that might use the Condominium or any Unit in any manner shall comply with these Bylaws and are subject to the terms and provisions of the Condominium Instruments.

Section 1.4. Provisions of Declaration and Articles of Incorporation to Control. The provisions of these Bylaws are applicable to the Condominium, and the terms and provisions hereof are expressly subject to the terms and provisions contained in the Articles of Incorporation and the Declaration.

Section 1.5. Office. The office of the Association 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.

ARTICLE 2

UNIT OWNERS' ASSOCIATION

Section 2.1. Composition and Powers. All of the Unit Owners, acting as a group in accordance with the Condominium Act, the Declaration, the Articles of Incorporation and these Bylaws, shall constitute the Association. The Association shall act merely as an agent for the Unit Owners as a group. The Association 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 Association by the Condominium Act and the Condominium Instruments. Except for the performance of those matters which either the Condominium Act or the Declaration specifically require to be authorized 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 3 hereof. The Association shall have, in addition to those powers listed in the Articles of Incorporation, all of the powers reasonably necessary to implement and effect the rules and objectives set forth in the Condominium Instruments.

Section 2.2. Declarant Control Period. The "Declarant Control Period" shall commence with the conveyance of the first Unit by the Declarant and shall continue until the Declarant settles the sale of Units to which seventy-five percent (75%) or more of the aggregate undivided interests in Common Elements appertain, but the Declarant Control Period shall not exceed the maximum two (2) year period permitted by the Condominium Act. During the Declarant Control Period, the Declarant shall be entitled to designate the officers and the Board of Directors of the Association. Within sixty (60) days after the expiration of the Declarant Control Period, a special meeting of the Association shall be held. Notice of such meeting shall be given pursuant to Section 55-79.75 of the Condominium Act. At such meeting, the persons designated by the Declarant shall resign as members of the Board of Directors, and all of the Unit Owners, including the Declarant if the Declarant owns any Units, shall elect a new Board of Directors.

Section 2.3. Annual Meetings. During the Declarant Control Period meetings of the Association shall be held at least once a year. The first such meeting shall be held within one (1) year after the date of recordation of the first deed to a Unit Owner. After the termination of the Declarant Control Period, and the new Board of Directors is elected by all the Unit Owners, the annual meetings of the Association shall be held during the second month preceding the beginning of each fiscal year of the Association, at a day, time and place as the Board of Directors may determine. At such annual meetings the Board of Directors shall be elected by a written ballot of the Unit Owners in accordance with the requirements of Section 3.4 of these Bylaws.

Section 2.4. Place of Meetings. Meetings of the 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 2.5. Special Meetings. It shall be the duty of the President of the Association to call a special meeting of the Association if so directed by resolution of the Board of Directors or upon a petition signed and presented to the Secretary by Unit Owners owning not less than twenty-five percent (25%) of the Units in the Condominium. The notice of any special meeting shall state the time, place and purpose of such meeting. No business shall be transacted at a special meeting except as stated in the notice.

Section 2.6. Notice of Meetings. The Secretary shall, at least twenty-one (21) days in advance of any annual or regularly scheduled meeting, and at least seven (7) days in advance of any other meeting of the Association, deliver notice of the time, place, and purpose of such

meeting either personally or by United States mail, to all Unit Owners at the address of their respective Units and to such other addresses as any of them may have designated.

Section 2.7. Order of Business. The order of business at all meetings of the 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) Reports of committees;
- (f) Election or appointment of inspectors of election (when so required);
- (g) Election of members of the Board of Directors (when so required);
- (h) Unfinished business; and lastly
- (i) New business.

Section 2.8. Voting. At every meeting of the Association, each Unit shall be allocated one (1) vote. The votes appertaining to any Unit may be cast pursuant to a proxy or proxies in accordance with Section 55-79.77D of the Condominium Act and approved by the Board of Directors. No proxy shall be revocable except by actual notice to the person presiding over the meeting of the Association, by the Unit Owner (or, if the Unit is owned by more than one person, by any of 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 signature of any of those executing the proxy has not been witnessed by a person who shall sign his full name and address. The proxy of any person shall be void if not signed by a person having authority, at the time of the execution thereof, to execute deeds on behalf of that person. Any proxy shall terminate automatically after the first meeting held on or after the date of that proxy or any recess or adjournment of that meeting held within thirty (30) days thereafter. The proxy shall include a brief explanation of the effect of leaving the proxy uninstructed. Unless greater than a majority vote is otherwise specifically required by the Condominium Act or by the Condominium Instruments, the vote of a majority of the aggregate votes cast in person or by proxy at a duly convened meeting at which a quorum is present is required to adopt decisions made at any meeting of the Association. No Unit Owner may vote at any meeting of the Association, or be elected as a director or officer of the Association, if the Association has perfected a lien against his Unit which is not discharged at the time of the meeting, or there are any assessments against the Unit Owner that are sixty (60) days past due.

Section 2.9. Quorum. A quorum shall be deemed to be present throughout any meeting of the Association until adjourned if persons entitled to cast more than twenty-five percent (25%) of the votes, whether in person or by proxy, are present at the beginning of the meeting. If a quorum is not present at the beginning of the meeting, the meeting shall be adjourned to a time not less than forty-eight (48) hours from the time of adjournment. A quorum shall be deemed to be present throughout such succeeding meeting if persons entitled to cast more than twenty-five percent (25%) of the votes, whether in person or by proxy, are present at the beginning of the meeting.

Section 2.10. Conduct of Meeting. The President shall preside over all meetings of the Association. The Secretary shall keep the minutes of the meeting and record in a minute book all resolutions adopted at the meeting and all other transactions occurring thereat. The President may appoint a person to act as Parliamentarian at the beginning of each meeting. The most current edition of Roberts Rules of Order shall govern the conduct of all meetings of the Association when not in conflict with the Declaration, these Bylaws or the Condominium Act.

Section 2.11. Ownership of Units by the Unit Owners' Association. The Association may acquire, own and transfer title to a Unit, but the vote appertaining to a Unit owned by the Association may not be cast or counted for any purpose.

### ARTICLE 3 BOARD OF DIRECTORS

Section 3.1. Number and Qualification. The affairs of the Condominium shall be governed by a Board of Directors. During the Declarant Control Period, the Declarant shall have the right to designate the members of the Board of Directors. The initial Board of Directors shall be composed of three (3) persons, who may but need not be Unit Owners or officers or, employees of Unit Owners, or Mortgagees (or designees of Mortgagees) of Units. After the Declarant Control Period, the Board of Directors shall consist of five (5) persons, all of whom shall be elected by the Unit Owners.

Section 3.2. Powers and Duties. The Board of Directors shall have all of the powers and duties necessary for the administration of the affairs of the Condominium and may do all such acts and things which are not, by the Condominium Act or by these Bylaws, directed to be exercised and done by the Association. The Board of Directors shall have the power from time to time to adopt any rules and regulations (the "Rules and Regulations") deemed appropriate by it for the governance of the Condominium; provided, however, the Rules and Regulations shall not be in conflict with the Condominium Act or the Declaration, or these Bylaws. In addition to the duties imposed by these Bylaws or by any resolution of the Association that may hereafter be adopted, the Board of Directors shall have the power to, and be responsible for, those duties and functions of the Association set forth in Sections 55-79.79 and 55-79.80 of the Condominium Act. In addition to the duties imposed by these Bylaws or by any resolution of the Association that may hereafter be adopted, the Board shall on behalf of the Association:

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

(b) Adopt an annual budget as prepared in Section 3.2(a) above.

(c) Make assessments against Unit Owners to defray the costs 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.

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

(e) 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.

(f) 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.

(g) Make and amend the Rules and Regulations.

(h) Open bank accounts on behalf of the Association and designate the signatories thereon.

(i) Make, or contract for the making of, repairs, additions and improvements to or alterations of the Condominium property, and repairs to and restoration of the Condominium properly, in accordance with these Bylaws, after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings.

(j) Enforce by legal means the provisions of the Declaration, these Bylaws and the Rules and Regulations, act on behalf of the Unit Owners with respect to all matters arising out of any eminent domain proceeding, and notify the Unit Owners of any litigation against the Association involving a claim in excess of ten percent of the amount of the annual budget.

(k) Obtain and carry insurance against casualties and liabilities, as provided in Article 7 of these Bylaws, pay the premiums therefor and adjust and settle any claims thereunder.

(l) Pay the cost of all authorized services rendered to the Association and not billed to Unit Owners of individual Units or otherwise provided for in Sections 6.1 and 6.2 of these Bylaws.

(m) 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 shall be available for examination by the Unit Owners, their attorneys, accountants, Mortgagees and authorized agents during normal business hours on Business 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 for each year during which the Condominium consists of fifty (50) or more Units, the same shall be audited at least once each year by an independent auditor retained by the Board of Directors who shall not be a resident of the Condominium nor a Unit Owner. The cost of such audit shall be a Common Expense. The audit shall be available within 120 days after the end of the Association's fiscal year. The Board shall also keep available for inspection during normal business hours by Unit Owners, their attorney, accountants, Mortgagees and authorized agents current copies of the Declaration, Bylaws and Rules and Regulations.

(n) Notify a Mortgagee of any default hereunder by the Unit Owner of the Unit subject to such Mortgage, if such default continues for a period exceeding sixty days.

(o) Borrow money on behalf of the Association required in connection with any one instance 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 either in writing or at a meeting duly called and held for such purpose in accordance with the provisions of these Bylaws, shall be required to borrow any sum in excess of ten percent (10%) of that fiscal year's annual budget. If any sum borrowed by the Board of Directors on behalf of the Condominium pursuant to the authority contained in this subsection (o) is not repaid by the Association, a Unit Owner who pays to the creditor a percentage of the total amount due equal to his Percentage Interest, 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, and the Association shall not be entitled to assess his Unit for payment of the remaining amount due such creditor.

(p) Notwithstanding the borrowing limitations set forth in Section 3.2 (o) of these Bylaws, acquire, hold and dispose of Condominium Units and mortgage the same without limitations as to amount if such expenditures and hypothecations are included in the budget adopted by the Board of Directors.

(q) In its sole discretion, from time to time to designate certain Common Elements as Reserved Common Elements and impose such restrictions and conditions on the use thereof as the Board of Directors deems appropriate. However, the Board of Directors shall make no such designation of Reserved Common Elements as would interfere with the Unit Owners' use of Common Elements for ingress and egress or any other function of a Common Element which is necessary to the proper functioning and maintenance of the Condominium and the Units.

(r) 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 substantially in the forth set forth on EXHIBIT A to these Bylaws and designated "Certificate for Resale."

(s) Grant, as attorney-in-fact on behalf of all Unit Owners and their successors in title, easements through the Common Elements and accept easements benefiting the Condominium or any portion thereof.

(t) Do such other things and acts not inconsistent with the Condominium Act or the Condominium Instruments which the Board of Directors may be authorized to do by a resolution of the Association.

Section 3.3. Managing Agent. The Board of Directors may employ a professional Managing Agent for the Condominium at a compensation established by the Board of Directors, to perform such duties and services as the Board of Directors shall authorize. Any contract with a Managing Agent entered into during the Declarant Control Period must provide that such contract may be terminated by either party without cause and without payment of a termination fee or penalty by written notice which (i) states that such contract shall terminate on a date which is more than ninety (90) days after the date of such notice, and (ii) is given not more than sixty (60) days after the termination of the Declarant Control Period. Additionally, any contract with a Managing Agent entered into during the Declarant Control Period shall be for a term not in excess of two (2) years; shall not provide for renewal or extension terms in excess of two (2) years; and shall provide that at the end of any such term, the Board of Directors may terminate any further extension or renewal periods. Any provision of such contract that does not comply with this section shall be deemed to have been modified to conform hereto upon the full execution of the contract.

Section 3.4. Election and Term of Office. At the first meeting of the Association following the end of the Declarant Control Period, the term of office of two (2) members of the Board of Directors shall be fixed at three (3) years, the term of office of two (2) members of the Board of Directors shall be fixed at two (2) years, and the term of office of one (1) member of the Board of Directors shall be fixed at one (1) year. The first Board of Directors shall be elected simultaneously with one ballot or election. The two people receiving the highest number of votes shall be elected for the three (3) year terms. The two people receiving the third and fourth highest number of votes shall be elected for the two (2) year terms. The person receiving the fifth highest number of votes shall be elected for the one (1) year term. In the event of a tie in the balloting, persons shall be designated among the classes of directors by drawing lots. At the expiration of the initial term of office of each respective member of the Board of Directors, that member's successor shall be elected to serve for a term of three (3) years. The members of the Board of Directors shall hold office until their respective successors shall have been elected by the Association.



Section 3.5. Nominations. Nominations for election as members of the Board of Directors at the annual meeting shall occur only as set forth in this section. In order to be nominated, a nomination petition signed by at least three (3) Unit Owners (other than the Unit Owner which is nominated, if a Unit Owner is nominated) shall be submitted to the Board of Directors at least fifteen (15) days before the annual meeting. The petition shall include a statement that the Unit Owner is willing to serve if elected, and a biographical sketch of the nominee. The Board of Directors shall cause the names of all those who are duly nominated, along with a copy of their biographical sketches, to be mailed or hand delivered to every Unit Owner in the Condominium not less than ten (10) days prior to the annual meeting. Nominations may be made from the floor at the annual meeting. The nominee must either be present and consent to the nomination or have indicated in writing his willingness to serve.

Section 3.6. Removal of Members of Board of Directors. Except during the Declarant Control Period, at any duly called regular or special meeting of the Association, any one or more of the members 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. However, 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 shall be given an opportunity to be heard at the meeting.

Section 3.7. Vacancies. Vacancies in the Board of Directors caused by any reason other than the removal of a Director by a vote of the 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 that 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.

Section 3.8. Organizational Meeting. The date of the first meeting of the members of the Board of Directors elected at the annual meeting of the Association shall be determined by the Board of Directors immediately following the 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 following the annual meeting of the Association.

Section 3.9. 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 meetings shall be held at least once every three (3) months during each fiscal or calendar year of the Association. Notice of regular meetings of the Board of Directors shall be given to each Director, by mail, electronic mail, telephone or personally, at least three (3) business days prior to the day designated for such meeting.

Section 3.10. 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 by mail, electronic mail, telephone or personally. The notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Directors may be called by the President or Secretary in like manner and by like notice upon the written request of at least two (2) Directors.

Section 3.11. 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 3.12. Conduct of Meetings. The President shall preside over all meetings of the Board of Directors. The Secretary shall keep the minute book of the Board of Directors and shall record all resolutions adopted by the Board of Directors and all transactions and proceedings occurring at such meetings therein. The most current edition of Roberts Rules of Order shall govern the conduct of the meetings of the Board of Directors when not in conflict with the Declaration, these Bylaws or the Condominium Act.

Section 3.13. Quorum. A quorum of the Board of Directors shall be deemed to be present throughout any meeting of the Association until adjourned if more than fifty percent (50%) of the Directors entitled to vote are present at the beginning of the meeting. A meeting shall not begin and no action shall be taken unless a quorum is present.

Section 3.14. 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 3.15. Compensation. Director's compensation, if any, shall be determined by the members of the Association.

Section 3.16. Fidelity Bonds. The Board of Directors may require adequate fidelity bonds for all Officers and employees of the Condominium handling or responsible for Condominium funds. The premiums on such bonds shall constitute a Common Expense.

## ARTICLE 4

### OFFICERS

Section 4.1. Designation. The principal Officers of the Condominium shall be the President, Vice President, Secretary, and 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, but no other officer, shall be required to be a member of the Board of Directors.

Section 4.2. Election of Officers. The officers of the Condominium shall be elected annually by the Board of Directors and shall hold office until a successor is elected.

Section 4.3. Removal of Officers. Upon the affirmative vote of a majority of the members of the Board of Directors, any officer may be removed, either with or without cause, and his successor may be elected at any regular meeting of the Board of Directors, or at any special meeting of the Board of Directors.

Section 4.4. President. The President shall be the chief executive of the Condominium and a voting member of the Board of Directors. He shall preside at all meetings of the Association and of the Board of Directors. He shall have all of the general powers and duties which are incident to the office of president of a nonstock corporation organized under the Virginia Nonstock Corporation Act, including but not limited to, the power to appoint committees from among the Unit Owners from time to time as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the Condominium.

Section 4.5. Vice President. The Vice President shall take the place of the President and perform the President's duties whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board of Directors shall appoint a member of the Board of Directors to act in the place of the President on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon him by the Board of Directors or by the President.

Section 4.6. Secretary. The Secretary shall keep the minutes of all meetings of the Association and of the Board of Directors, and he shall have charge of such books and papers as the Board of Directors may direct, and shall, in general, perform all the duties incident to the office of the secretary of a nonstock corporation organized under the Virginia Nonstock Corporation Act.

Section 4.7. Treasurer. The Treasurer shall have the responsibility for Condominium funds and securities and shall be responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements, and for the preparation of all required financial data, and shall be responsible for the deposit of all monies and other valuable effects in the name of the Board of Directors or the Managing Agent, in such depositories as may from time to time be designated by the Board of Directors. An annual audit of the Association's financial records may be conducted at the discretion of the Board of Directors. Upon payment of a fee to the Association in an amount established by the Board of Directors from time to time, but not to exceed that permitted pursuant to the Condominium Act, as amended from time to time, the Treasurer shall issue a Certificate of Resale pursuant to the Condominium Act to any Unit Owner within the period of time required by the Condominium Act. Other forms may be used by the Association provided that they comply with the Condominium Act. Pursuant to Section 55-79.84, upon payment of a \$10.00 fee to the Association, the Treasurer will issue to a Unit Owner a statement setting forth the amount of any unpaid assessments against the Unit Owner.

Section 4.8. Agreements, Contracts, Deeds, Checks, etc. All agreements, contracts, deeds, leases, checks and other instruments of the Association, shall be executed by an officer of the Association or by such other person as may be designated by the Board of Directors.

Section 4.9. Compensation of Officers. Officer's compensation, if any, shall be determined by the members of the Association.

## ARTICLE 5

### LIABILITY AND INDEMNIFICATION OF OFFICERS

### AND DIRECTORS AND UNIT OWNERS' ASSOCIATION

Section 5.1. Liability and Indemnification of Officers and Directors. The Association shall indemnify every officer and director of the Association against any and all expenses, including attorneys' fees, reasonably incurred by or imposed upon any officer or director 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 or director may be made a party by reason of being or having been an officer or director of the Association regardless of whether he is an officer or director at the time such expenses are incurred. The officers and directors of the Association shall not be liable to the Unit Owners for any mistake of judgment, negligence, or otherwise, except for their own individual willful misconduct or bad faith. The officers and directors 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 or directors are Unit Owners) and the Association shall indemnify and forever hold each officer and director 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 or director of the Association, or former officer or director of the Association, may be entitled.

Section 5.2. Common or Interested Directors. The Board of Directors shall exercise its powers and perform its duties in good faith and with a view to the interests of the Association and Condominium. 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 at the meeting of the Board of Directors or any committee thereof which authorizes or approves the contract or transaction, or because such Director's or Directors' votes are counted for such purpose, provided that any of the conditions specified in any of the following subparagraphs exist:

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

(b) The fact of the common directorate or interest is disclosed or known to the Unit Owners, or a majority thereof, and they approve or ratify the contract or transaction in good faith by a vote sufficient for the purpose; or

(c) 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

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

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, and may vote thereat to authorize any contract or transaction as if he were not such a common or interested Director or officer.

Section 5.3. Exculpation of the Association. The Association shall not be liable for any failure of water supply or other services to be obtained by the Association or paid for as a Common Expense, or for injury or damage to any person or property caused by the elements or by the Unit Owner of any Unit, or any other person, or resulting from electricity, water, snow or ice which may leak or flow from any portion of the Common Elements or from any pipe, drain, conduit, appliance or equipment. The Association shall not be liable to any Unit Owner for loss or damage, by theft or otherwise, of articles which maybe stored upon any of the Common Elements. No offset, diminution or abatement of any assessments, as elsewhere provided herein, shall be claimed or allowed for inconvenience or discomfort arising from the making of repairs or improvements to the Common Elements or from any action taken by the Association to comply with any law or ordinance or with the order or directive of any municipal or other governmental authority.

## ARTICLE 6

### OPERATION OF THE CONDOMINIUM

#### Section 6.1. Determination of Common Expenses and Assessments Against Unit Owners.

(a) Fiscal Year. Unless otherwise determined by the Board of Directors, the fiscal year of the Association shall be the calendar year, except that in the initial year of operation of the Association, the fiscal year shall commence with the consummation of the sale of the first Unit and shall end on December 31.

(b) Preparation and Approval of Budget. Each year on or before November 1, the Board of Directors shall adopt a budget for the Association 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 the cost of wages,

materials, insurance premiums, services, supplies and other expenses that may be declared to be Common Expenses by the Condominium Act, the Condominium Instruments, or a resolution of the Board of Directors, and which will be required during the ensuing fiscal year for the administration, operation, maintenance and repair of the Common Elements, including Limited Common Elements, of the Condominium and the rendering to the Unit Owners of all related services. The budget may also include:

(i) The cost of any maintenance, repair and replacement of any Unit if such maintenance, repair or replacement, or 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 or is otherwise in the interest of the general welfare of all Unit Owners. No maintenance, repair or replacement of any Unit shall be undertaken without (1) a resolution by the Board of Directors, and (2) prior to reasonable written notice to the Unit Owner of the Unit proposed to be maintained, repaired or replaced. Unless the Board of Directors determines otherwise after consideration of all relevant factors, the cost of any maintenance, repair or replacement to a Unit shall be assessed against the Unit to which such maintenance, repair or replacement is performed. Once so assessed, a statement for the amount thereof shall be rendered promptly to the Unit Owner at which time the assessment shall become due and payable and shall constitute a continuing lien and obligation of the Unit Owner as provided in these Bylaws and Section 55-79.84 of the Condominium Act.

(ii) Any amount necessary to discharge any lien or encumbrance levied against the Condominium, or any portion thereof, which may, in the opinion of the Board of Directors, constitute a lien against the Common Elements.

(iii) Any reasonable amounts as the Board of Directors considers necessary to provide a working fund for the Association, a general operating reserve, and reserves for contingencies and replacements. The Board of Directors shall send to each Unit Owner a copy of the budget, in 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 budget shall constitute the basis for determining each Unit Owner's contribution towards the Common Expenses of the Association.

(c) Assessment and Payment of Common Expenses. The total amount of the estimated funds required for the operation of the Association set forth in the budget for the fiscal year adopted by the Board of Directors shall be assessed equally against each Unit (except for any Limited Common Element expenses specially assessed to the Unit to which they are assigned), and shall constitute a lien against each Unit as provided in Section 55-79.84 of the Condominium Act. The total annual Common Expense assessment shall be due and payable when such assessment is made, but installment payments of one-twelfth (1/12) of the assessment for such fiscal year may be made monthly, in advance, beginning on or before the first day of the first month of the fiscal year, and continuing on the first day of each of the succeeding eleven (11) months. The obligation to pay annual Common Expense assessments applicable to a Unit shall (i) commence on the earlier of (a) the first day of the first calendar month following the issuance of a certificate permitting occupancy of the Unit, or (b) sixty (60) days after the

conveyance of the first Unit in the Condominium, and (ii) be prorated for any partial year if the date that the obligation to commence paying annual Common Expense assessments is other than the first day of the Association's fiscal year. Such payments shall be made by each Unit Owner to the Board of Directors or the Managing Agent (as determined by the Board of Directors) without offset, reductions or counterclaims. Within sixty (60) days after the end of each fiscal year, the Board of Directors shall supply to all Unit Owners an accounting of the Common Expenses for such fiscal year actually incurred and paid, together with a tabulation of the amounts collected pursuant to the budget adopted by the Board of Directors for such fiscal year, and showing the net amount over or short of the actual expenditures plus reserves. Such information shall be available to Mortgagees upon submission of a written request therefor. In addition, any Mortgagee shall have the right to have an audited financial statement prepared at the Mortgagee's expense. Any amount accumulated in excess of the amount required for actual expenses and reserves may, if the Board of Directors deems it advisable, be credited, equally to each Unit, to the installments due in the succeeding months of that or the following fiscal year.

(d) Reserves. The Board of Directors shall accumulate and maintain reasonable reserves for working capital, operations, contingencies and replacements. Extraordinary expenditures not originally included in the annual budget which may become necessary during the year shall be charged first against reserves allocated thereto. If the reserves are inadequate for any reason, including nonpayment of any Unit Owner's assessment, the Board of Directors may at any time levy a further assessment, which shall be assessed equally against the Units, and which may be payable in a lump sum or in installments as the Board of Directors may determine. The Board of Directors shall give written notice of any such further assessment to all Unit Owners, by mail or hand delivery, stating the amount and reasons therefor, and the further assessment shall, unless otherwise specified in the notice, become effective immediately and payable with the next monthly payment which is due after the delivery or mailing of the 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 full amount of such assessment when due in accordance with this paragraph.

(e) Initial Capital Payment.

(i) Upon taking office, the first Board of Directors elected or designated pursuant to these By-Laws shall determine the budget, as defined in this Section, for the period commencing thirty days after such election and ending on the last day of the fiscal year in which such election occurs. Assessments shall be levied and become a lien against the Unit Owners during such period as provided in paragraph (c) of this Section.

(ii) Declarant, as the agent of the Board of Directors, will collect from each initial purchaser at the time of settlement as "Initial Capital Payment" equivalent to twice the sum of the estimated monthly assessment for Common Expenses for such purchaser's Unit. Declarant will deliver the funds so collected to the Board of Directors. Within thirty days after the expiration of the Period of Declarant Control, Declarant shall pay to the Board of Directors an "Initial Capital Payment" equivalent to twice the sum of the estimated monthly assessments for Common Expenses for all unsold Units. Declarant shall have the right to have the purchaser

of each such unsold Unit reimburse Declarant, at the closing of the sale of that Unit, the amount of the Initial Capital Payment so paid by the Declarant as to that Unit. No Initial Capital Payment shall be deemed an advance payment of assessments otherwise payable under these By-Laws.

(iii) The Board of Directors shall hold all Initial Capital Payments received by it pursuant to Subsections (i) and (ii) of this Section 6.1(e) as a working capital fund in a segregated account for the use and benefit of the Association (the "Working Capital Fund") and shall withdraw monies from such fund only to pay for necessary unforeseen expenditures of, or additional equipment or services for, the Condominium. During the period of Declarant control, the Declarant may not use any of the working capital funds to defray the Declarant's expenses, reserve contributions or construction costs or to make up any budget deficits.

(f) 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 Expense 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 established for the previous fiscal period until the new annual or adjusted budget shall have been delivered.

(g) Accounts. All sums collected by the Board of Directors with respect to assessments against the Unit Owners may be commingled into a single fund, but shall be identified and accounted for as to each Unit Owner.

(h) Association's Units. Should the Association be the Owner of a Unit or Units, any assessment which would be otherwise due and payable to the Association by the owner of such Unit or Units, reduced by the amount of income which might be derived from the leasing of such Unit or Units, shall be apportioned and an assessment therefor levied equally among the Owners of all Units not owned by the Association.

Section 6.2. Payment of Common Expenses, Default. All Unit Owners shall be obligated to pay the Common Expenses assessed by the Board of Directors pursuant to the provisions of Section 6.1 and any assessment not paid within thirty (30) days after it is due shall be in default. Upon default the entire annual assessment attributable to the defaulting Unit Owner shall immediately become due and payable, unless otherwise determined by the Board of Directors. No Unit Owner shall be liable for the payment of any part of the Common Expenses assessed against his Unit subsequent to a sale, transfer or other conveyance by him of such Unit. Upon payment to the Association of a reasonable fee established from time to time by the Board of Directors, any Unit Owner shall be entitled to a statement from the Treasurer setting forth the amount of the unpaid assessments against the Unit Owner pursuant to Section 55-79.84 of the Condominium Act. Notwithstanding any other provision of these Bylaws, the lien for any assessment or other charge levied pursuant to these Bylaws on any Unit shall be subordinate to the rights of a Mortgagee. Any Mortgagee who obtains title to a Unit pursuant to the remedies provided in the Mortgage or other purchaser at the foreclosure of a Mortgage will not be liable



for any assessments or other charges accrued prior to the date the mortgagor is divested of title, and the lien for assessments due and owing prior to such divestment shall terminate upon the sale of a Unit at the foreclosure of a Mortgage.

Section 6.3. Collection of Assessments. The Board of Directors shall take prompt action to collect any assessments for Common Expenses due from any Unit Owner which remain unpaid for more than thirty (30) days from the due date for payment thereof. A late charge and interest in amounts established by the Board of Directors from time to time shall be added to any assessment or installment thereof not paid within ten (10) days after the due date thereof. Such collection shall be pursuant to the provisions of Section 55-79.84 of the Condominium Act.

Section 6.4. Maintenance, Repair, Replacement and Other Common Expenses.

(a) By the Association. The Association shall be responsible for all maintenance, repair and replacement of the Common Elements, specifically including, but not limited to, the Limited Common Elements; provided, however, the Association shall have the right to specially assess common expenses related to the maintenance, repair and replacement of certain Limited Common Elements against the Unit to which such Limited Common Element is assigned. The cost of all such maintenance, repairs and replacements made by the Association to the Common Elements and Limited Common Elements shall be a Common Expense unless (i) in the opinion of not less than two-thirds (2/3) of the Board of Directors, such expense was incurred due to the negligence, misuse or neglect of a Unit Owner, in which event such expense may be charged to the responsible Unit Owner, (ii) the Unit Owner has agreed, by separate agreement with the Association, to pay for such maintenance, repairs and replacements to Limited Common Elements of a special or unique nature or benefit to the Unit Owner or (iii) otherwise specially assessed by the Association.

(b) By the Unit Owner. Each Unit Owner shall:

- (i) keep his Unit and its equipment, appliances and appurtenances in good order, condition and repair and in a clean and sanitary condition;
- (ii) be responsible for all damage to any other Units or to the Common Elements resulting from his negligence, misuse or from failure to make any of the repairs required by this Section;
- (iii) perform his responsibility in a manner which shall not unreasonably disturb or interfere with the other Unit Owners;
- (iv) promptly report to the Board of Directors or the Managing Agent any defect or need for repairs for which the Board of Directors is responsible;
- (v) make all repairs and replacements to his Unit and its equipment;

(vi) be responsible for any insurance deductibles on claims made under policies maintained by the Association pursuant to Article 7 for damage, repair or replacement of Units or other items for which the Unit Owner has responsibility for repair or replacement; and

(vii) be responsible for all damage to any other Units or to the Common Elements resulting from (A) such Unit Owner's failure or negligence to make any of the repairs required by this Section or (B) regardless of fault, the failure of any water heater, plumbing fixtures, refrigerator ice maker lines in his Unit or the failure or rupture of any other appliance, fixture or pipe which is either located within or is part of, his Unit, including, but not limited to, overflows from any such appliance or fixture or a blockage of any air conditioning, condensation drain line.

(c) Manner of Repair and Replacement. All repairs and, replacements shall be of first-class quality and shall comply with all of the building codes applicable in Montgomery County, Virginia and/or the Town of Blacksburg, Virginia, as appropriate. The method of approving payment vouchers for all repairs and replacements which are the responsibility of the Association shall be determined by the Board of Directors. Common Elements shall be restored or repaired to substantially the same condition as existed prior to the damage, allowing for any changes or improvements necessitated by changes in applicable building codes and changes in the availability, quality, durability, and cost of replacement materials.

Section 6.5. Additions, Alterations, or Improvements by Board of Directors. Except during the Declarant Control Period, whenever in the judgment of the Board of Directors, the Common Elements shall require additions, alterations or improvements costing in excess of TEN THOUSAND DOLLARS (\$10,000.00) or ten percent (10%) of the annual budget, whichever is greater, during any period of twelve months, the making of such additions, alterations or improvements shall be approved by a majority vote of the Unit Owners (except that no Unit Owner approval shall be required for additions, alterations or improvements required to comply applicable law or governmental regulation, or to correct any deficiency or defect creating a safety or health hazard to occupants). If, by a majority vote, the Unit Owners grant such approval, the Board of Directors shall proceed with such additions, alterations or improvements and shall assess all Unit Owners for the cost thereof as a Common Expense. Any additions, alterations, or improvements costing TEN THOUSAND DOLLARS (\$10,000.00) or less during any period of twelve (12) consecutive months may be made by the Board of Directors without approval of the Unit Owners and the cost thereof shall constitute part of the Common Expenses. Notwithstanding the foregoing, if it is determined by a majority of the members of the Board of Directors that such additions, alterations or improvements are exclusively for the benefit of the Unit Owner or Unit Owners requesting the same, such assessments may be made against such requesting Unit Owners in such proportion as they jointly approve, or if they are unable to agree thereon, in such proportions as may be determined by the Board of Directors.

Section 6.6. Additions, Alterations or Improvements by Unit Owners. No Unit Owner shall make any alteration in or to his Unit except as provided in Section 55-79.68 of the Condominium Act. No Unit Owner shall make any structural addition, alteration or improvement in or to, the exterior of his Unit without first obtaining the prior written consent of

the Board of Directors, and the approval of the appropriate and necessary authorities of the Montgomery County, Virginia and/or the Town of Blacksburg, Virginia, as appropriate. Unless the foregoing approvals are obtained, no Unit Owner shall install electrical wiring, television or radio antennae or other objects, machines or air conditioning units which may protrude through the walls, roof or windows of the Unit or in any manner alter the appearance of any exterior portion of the Unit. If approval of such plans and specifications is neither granted nor denied by the Board of Directors within thirty (30) days following receipt by the Board of Directors of the Unit Owner's written request for approval, the Unit Owner making such request shall deliver written notice to the Board of Directors of its failure to act, and if approval is neither granted nor denied within fifteen (15) days thereafter, the plans and specifications shall be deemed to be disapproved by the Board of Directors. If any application to any governmental authority for a permit to make any such structural addition, alteration or improvement in or to any Unit requires execution by the Association, and provided consent has been given by the Board of Directors, then the application shall be executed on behalf of the Association by the Board of Directors; without, however, incurring any liability on the part of the Board of Directors or Association to any government, municipality, contractor, subcontractor or materialman on account of such addition, alteration or improvement, or to any person having claim for injury to persons or damage to property arising therefrom. The Unit Owner requesting the improvement shall pay the costs of preparing and filing all applications.

The provisions of this Section 6.6 shall not apply to Units owned by the Declarant until deeds conveying title to such Units shall have been recorded. The Declarant shall have the right to make such improvements or alterations without the consent of the Board of Directors and the Board of Directors shall execute any application by the Declarant to any governmental authority which may be required.

Section 6.7. Use of Common Elements. A Unit Owner shall not place or cause to be placed in any of the common areas or common facilities constituting the Common Elements, other than areas which may be designated as the Limited Common Elements appurtenant to the Unit Owner's Unit, any obstructions, furniture, packages or objects of any kind.

Section 6.8. Utility Charges. Each Unit Owner shall be responsible for all charges or assessments for utilities, including but not limited to water, gas, electricity and sewer charges supplied to each Unit Owner's Unit and separately metered for that Unit. Any Common Expenses paid or incurred in making available the same off-site amenities or paid subscription television service to some or all of the Unit Owners shall be assessed equally against the Units involved. The cost of utilities serving the Condominium which are not individually metered to each Unit shall be a Common Expense.

Section 6.9. Restrictions on Use of Units and Common Elements; Rules and Regulations.

(a) Use. Units shall not be used for other than as a residence for individuals living together as a single housekeeping unit, and uses customarily incidental thereto; provided that no Unit may be used as a rooming house, group home, commercial foster home, fraternity or sorority house, or any similar type of lodging, care or treatment facility.

(b) Leases. Units shall not be leased, unless the lease is subject in all respects to the terms and provisions of the Condominium Instruments and the Condominium Act (see Article VI, Section 6.2 of the Declaration). The Board may adopt regulations requiring the use of a lease form or addendum form approved by the Board for this purpose.

(c) No Boats, Trailers, etc. No boats, trailers, motor homes, campers or commercial vehicles may be parked on the Common Elements in the Condominium except on an overnight basis (no more than 24 hours) for loading, unloading or providing service. No junk or derelict vehicle or other vehicle on which current registration plates are not displayed shall be kept upon any of the Common Elements. Vehicle repairs other than ordinary light maintenance are not permitted on the Common Elements.

(d) No Timesharing, Cooperative, etc. No unit shall be subject to or used for any timesharing, cooperative, licensing or other arrangement that would entail weekly, monthly or any other type of revolving or periodic occupancy by multiple Unit Owners, cooperators, licensees, or timesharing participants.

(e) Declarant's Use. Nothing in these Bylaws shall be construed to prohibit the Declarant from using any Unit owned by Declarant for promotional, marketing, sales, settlement or display purposes or from using any appropriate portion of the Common Elements for such purposes.

(f) Additional Use Restrictions.

(1) Nothing shall be done or kept in or upon any Unit, Limited Common Element or the Common Elements which will increase the rate of insurance for the Condominium without the prior written consent of the Board of Directors. No Unit Owner shall permit anything to be done or kept in his Unit or upon the Common Elements or Limited Common Elements which will result in the cancellation of insurance on the Condominium or any part thereof or which would be in violation of any law, regulation or administrative ruling. No waste will be committed by any Unit Owner in the Common Elements.

(2) No unlawful use shall be made of the Condominium or any part thereof, and all laws, zoning ordinances and regulations of all governmental agencies having jurisdiction thereof shall be observed. All laws, orders, rules, regulations or requirements of any governmental agency requiring any repair or alteration to any portion of the Condominium shall be complied with, by and at the sole expense of the Unit Owner or the Board of Directors, whichever shall have the obligation to maintain or repair such portion of the Condominium. If

the latter, then the cost of such compliance shall be a Common Expense, unless at least two thirds (2/3) of the Board of Directors determine that an alteration is required to satisfy the needs of the particular Unit Owner, in which event the cost of the alteration may be charged to the Unit Owner.

(3) Vehicular parking upon the Common Elements may be regulated or assigned by the Board of Directors. In addition, nothing shall be altered or constructed in or removed from the Common Elements without the prior written consent of the Board of Directors.

(4) Nothing shall be done in any Unit or in or on the Common Elements which might impair the structural integrity, or change the structure or external appearance, of any part of any Unit or Limited Common Element without the prior written consent of the Board of Directors.

(5) No noxious or offensive trade or activity shall be carried on within the Condominium or within any Unit, nor shall anything be done thereon or therein which may be or become an annoyance or nuisance to the neighborhood or the other Unit Owners. The Common Elements and Limited Common Elements shall be used only for the furnishing or the services and facilities for which the same are reasonable suited and which are incident to the use and occupancy of the Units.

(6) Except for such signs as may be posted by the Declarant for promotional or marketing purposes, no signs of any character shall be erected, posted, or displayed upon, in, from or about any Unit or Common Element without the prior written approval of the Board of Directors. The foregoing provisions of this paragraph shall not apply to a Mortgagee in possession of a Unit as a result of foreclosure, judicial sale or a proceeding in lieu of foreclosure.

(g) Rules and Regulations. The Board of Directors is hereby authorized to adopt, modify and rescind from time to time rules and regulations that it determines are (a) reasonably necessary to protect the health, safety and welfare of the Unit Owners or (b) otherwise generally in the best interest of the Unit Owners. The Association shall provide copies of the initial Rules and Regulations to all Unit Owners. Changes to Rules and Regulations shall be conspicuously posted prior to the time when the same shall become effective and copies thereof shall be furnished to each Unit Owner upon request.

## ARTICLE 7

### INSURANCE

#### Section 7.1. Authority to Purchase.

(a) Except as otherwise provided in Section 7.5, all insurance policies relating to the Condominium shall be purchased by or on behalf of the Association. Neither the Association, any officer or director, a Managing Agent, nor the Declarant shall be liable for failure to obtain any coverages required by this Article to be obtained by or on behalf of the Association if such failure is due to the unavailability of such coverages from reputable insurance companies, or if such coverages are available only at demonstrably unreasonable cost. Pursuant to Section 55-79.81B of the Condominium Act, the Secretary shall promptly furnish to each Unit Owner written notice of the procurement, subsequent changes in, and the termination of all insurance coverage obtained on behalf of the Association.

(b) Each policy purchased by or on behalf of the Association shall provide, to the extent reasonably available at reasonable rates, that:

(1) The insurer waives any right of subrogation against the Declarant, the Association, the officers and directors, Managing Agent, the Unit Owners and Mortgagees, and their respective agents, employees and invitees;

(2) The policy shall not be cancelled, invalidated or suspended due to the conduct of any officer or director, Unit Owner, Managing Agent, or any invitee, agent, officer, or employee of any of the foregoing without a prior demand in writing to the Board of Directors or the Managing Agent (whichever is applicable) that the defect be cured, followed by failure to cure the defect within sixty (60) days after such demand; and

(3) The policy shall not be cancelled or substantially modified for any reason (including nonpayment of premium) without at least sixty (60) days' prior written notice to the Board of Directors and the Managing Agent and, in the case of physical damage insurance, to all Mortgagees.

(c) The Declarant shall be protected by all policies obtained by or behalf of the Association as a Unit Owner as long as it owns any Unit.

(d) All policies of insurance obtained by Unit Owners or by or on behalf of the Association shall be written by companies licensed to do business in the Commonwealth of Virginia, and assigned an "A" rating or better by Best's Insurance Reports.

(e) All policies of insurance obtained by or on behalf of the Association shall provide that they are payable to the Insurance Trustee (as defined below).

Section 7.2. Physical Damage Insurance.

(a) The Board of Directors shall obtain and maintain a blanket, "special form" or "broad form" policy of fire insurance with extended coverage, vandalism, malicious mischief, windstorm, debris removal, cost of demolition and water damage endorsements, insuring the entire Property, excluding furniture, wall coverings, furnishings or other personal property supplied or installed by the Unit Owners, together with all of the utility systems, if any, other than improvements such as curbs, gutters, and other items not normally insured, if any. Such insurance shall cover the interests of the Association, the Board of Directors and all Unit Owners and their Mortgagees, as their interests may appear (subject, however, to the loss payment and adjustment provisions in favor of the Board of Directors as Insurance Trustee contained in Sections 7.6 and 7.7 of this Article), and shall be in an amount that would provide for one hundred percent (100%) of the then current replacement cost of the insured portions, if any, of the Property (exclusive of land, excavations, foundations and other items normally excluded from such coverage), without deduction for depreciation. Such amount shall be determined annually by the Board of Directors with the assistance of the Managing Agent, the insurance company affording such coverage, and (if the Board so resolves) a qualified appraiser of real estate.

(b) Such policy shall also provide:

(1) A waiver of any right of the insurer to repair, rebuild or replace any damage or destruction if a decision is made pursuant to Section 8.5 of these Bylaws not to do so, and, in such event, that the insurer shall pay on the basis of the agreed amount endorsement;

(2) The following endorsements (or equivalent): (i) "no control" (to the effect that coverage shall not be prejudiced by any act or neglect of any Unit Owner, occupant, or other person if such act or neglect is not within the control of the insured, nor by any failure of the insured or any other person to comply with any warranty or condition concerning any portion of the Condominium not controlled by the insured); (ii) "contingent liability from operation of building laws or codes"; (iii) "increased cost of construction" or "condominium replacement cost"; and (iv) "agreed amount" or elimination of coinsurance clause;

(3) That any "no other insurance" clause excludes individual Unit Owners' policies from its operation so that the physical damage policy purchased on behalf of the Association shall be deemed primary coverage and any individual Unit Owners' policies shall be deemed excess coverage, and in no event shall the insurance coverage obtained and maintained on behalf of the Association hereunder be brought into contribution with insurance purchased by individual Unit Owners or their Mortgagees unless otherwise required by law; and

(4) That a duplicate original of such policy, all renewals thereof, and any subpolicies or certificates and endorsements issued thereunder, together with proof of payment of premiums, shall be delivered by the insurer to any Mortgagee whose request therefor is received by the insurer at least thirty (30) days prior to expiration of the then current policy.

Section 7.3. Liability Insurance. The Board of Directors shall obtain and maintain comprehensive general liability insurance (including without limitation coverage of all officers and directors against libel, slander, false arrest, invasion of privacy, and errors and omissions) and property damage insurance in such limits as the Board may from time to time determine, insuring the Association, each officer and director, the Managing Agent, each Unit Owner, each Mortgagee, and the Declarant against any liability to the public or members of their households arising out of or incident to the ownership or use of the Common Elements. Such insurance shall be issued on a comprehensive liability basis and shall contain: (i) a cross liability endorsement under which the rights of a named insured shall not be prejudiced with respect to his action against another named insured; (ii) hired and nonowned vehicle coverage; (iii) host liquor liability coverage with respect to events sponsored by the Association; (iv) deletion of the normal products exclusion with respect to events sponsored by the Association; and (v) a "severability of interest" endorsement which shall preclude the insurer from denying liability to a Unit Owner because of negligent acts or omissions of the Association, any officer(s), or any other Unit Owner(s). The Board of Directors shall review such limits once a year, but in no event shall such insurance be less than a combined single limit of One Million Dollars (\$1,000,000) covering all claims for bodily injury or property damage arising out of one occurrence.

Section 7.4. Other Insurance. The Board of Directors may, in its discretion, obtain and maintain:

(a) Adequate fidelity coverage to protect against dishonest acts on the part of officers, agents and employees of the Association and all others who handle or are responsible for handling funds of the Association. The fidelity bonds shall: (i) name the Association as an obligee; (ii) be written in an amount not less than one-half (1/2) of the total annual assessments for Common Expenses for the then current fiscal year; provided, however, the aggregate amount of the bonds shall not be less than the estimated maximum of funds, including reserve funds, in the custody of the Association or the Managing Agent at any given time during the term of the bond, or a sum equal to three (3) months' aggregate assessment on all Units plus reserve funds; and (iii) contain waivers of any defense based upon the exclusion of persons who serve without compensation from any definition of "employee" or similar expression;

(b) Worker's compensation insurance if and to the extent necessary to meet the requirements of law; and

(c) Such other insurance as the Board of Directors may determine is appropriate or as may be required from time to time by resolutions of the Association.

Section 7.5. Unit Physical Damage Insurance.

(a) Policy Requirements. Each Owner shall, at his own expense, obtain and maintain in full force and effect a condominium unit owner's casualty policy insuring such Unit and any improvements to the Unit in an amount that would provide for one hundred percent (100%) of the then current replacement cost thereof (exclusive of Common Elements and foundations and other items normally excluded from coverage), without deduction for



depreciation, including insurance coverage for his personal liability; provided, however, that no Owner shall acquire or maintain insurance coverage so as to decrease the amount which the Association may realize under any insurance policy, or to cause any insurance coverage in favor of the Association to be brought into contribution with insurance coverage obtained by an Owner. All policies obtained by Owners individually shall contain waivers of subrogation if permitted by the insuring company without additional premium.

(b) Specific Requirements. Such policy shall also provide:

(i) The following endorsements (or equivalent): (i) "no control" (to the effect that coverage shall not be prejudiced by any act or neglect of any person if such act or neglect is not within the control of the insured, nor by any failure of the insured or any other person to comply with any warranty or condition concerning any portion of the condominium not controlled by the insured); (ii) "contingent liability from operation of building laws or codes"; (iii) "increased cost of construction" or "condominium replacement cost"; and (iv) "agreed amount" or elimination of coinsurance clause;

(ii) That any "no other insurance" clause excludes policies obtained by or on behalf of the Association from its operation so that the physical damage insurance on Units obtained by Owners shall be deemed primary coverage with respect to the Units and any policy obtained by or on behalf of the Association shall be deemed excess coverage, and in no event shall the insurance coverage obtained by any Owner be brought into contribution with any policy obtained by or on behalf of the Association unless otherwise required by law; and

(iii) That a duplicate original of each policy, all renewals thereof, and any subpolicies, certificates and endorsements issued thereunder, together with proof of payment of premiums, shall be delivered by the insurer to the Association and any mortgagee whose request therefore is received by the insurer at least thirty (30) days prior to expiration of the then current policy.

(c) Association's Right to Procure Unit Insurance. In the event any Owner shall fail to provide a policy of hazard insurance with respect to a Unit as required in this Section, then the Board of Directors may, but shall not be obligated to, obtain such a policy with respect to the Unit, on behalf of such Owner, and all expenses incurred by the Board of Directors in connection with obtaining such policy shall be repaid by such Owner to the Association promptly upon demand by the Board of Directors. Any expenses incurred by the Association pursuant to this Section shall be charged to the responsible Owner, and such expenses shall be secured by the lien for payment of Common Expenses as provided in this Declaration.

Section 7.6. Insurance Trustee. All physical damage insurance policies purchased by or on behalf of the Association shall be for the benefit of the Association, the Unit Owners, and their Mortgagees, as their respective interests may appear, and shall provide that, with respect to any single loss, if the proceeds thereof exceed \$100,000.00, then all such proceeds shall be paid in trust to a financial institution in the Blacksburg, Virginia, area with trust powers as may be designated by the Board of Directors (which trustee is hereinafter referred to as the "Insurance

Trustee"). If such proceeds do not exceed \$100,000.00, then all such proceeds from such insurance shall be paid to the Board of Directors to be applied pursuant to the terms of Article 8 of these By-Laws. The Board of Directors shall enter into an insurance trust agreement with the Insurance Trustee which shall provide that the Insurance Trustee shall not be liable for payment of premiums, the renewal of any insurance policies, the sufficiency of coverage, the form or contents of the policies, the correctness of any amounts received on account of the proceeds of any insurance policies or 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 stated in Article 8 of these Bylaws, for the benefit of the insureds and their beneficiaries thereunder.

Section 7.7. Board of Directors as Agent. The Board of Directors is irrevocably constituted as agent for the Association, each Unit Owner, each Mortgagee, other named insureds and their beneficiaries, and any other holder of a lien or other interest in the Condominium, to adjust and settle all claims arising under insurance policies purchased by the Board of Directors and deliver releases upon the payment of claims. Nothing in this Section shall supersede the rights of any construction lender with a lien on the Condominium.

## ARTICLE 8

### REPAIR AND RECONSTRUCTION AFTER FIRE OR OTHER CASUALTY

Section 8.1. When Repair and Reconstruction are Required. Except as otherwise provided in this Article, upon damage to or destruction of all or any part of the insured Common Elements, as a result of fire or other casualty, the Board of Directors (under the direction of the Insurance Trustee) shall arrange for and supervise the prompt repair and restoration thereof.

#### Section 8.2. Procedure for Reconstruction and Repair.

(a) Cost Estimates. Immediately after a fire or other casualty causing damage to any part of the insured Common Elements, the Board of Directors (under the direction of the Insurance Trustee) shall obtain reliable and detailed estimates of the cost of such repair and restoration to a condition as good as that existing before such casualty or damage. Such costs may also include professional fees and premiums for such bonds as the Insurance Trustee determines necessary.

(b) Assessments. If the proceeds of insurance are not sufficient to defray such estimated costs of reconstruction and repair or if at any time during reconstruction and repair, or upon completion of reconstruction and repair, the funds for the payment of the costs thereof are insufficient, assessments for such deficiency shall be made against all the Unit Owners in proportion to their respective Percentage Interests.

(c) Encroachments. Section 55-79.60 of the Condominium Act (Easement for Encroachments) shall apply if encroachments upon or in favor of Units are created as a result of

such reconstruction or in any event contemplated and set out in Section 55-79.60, and no such encroachment shall give rise to a claim or basis for any action for removal thereof by the Unit Owner upon whose property such encroachment results.

Section 8.3. Plans and Specifications. Any reconstruction or repair of the Units and the Common Elements shall be substantially in accordance with the plans and specifications under which the Condominium was originally constructed, regardless of whether such improvements are insured by a policy carried by the Unit Owner or the Association, but subject to changes in applicable building codes and changes in the availability, quality, durability and cost of replacement materials.

Section 8.4. Disbursements of Construction Funds.

(a) Construction Fund. The net proceeds of insurance collected on account of a casualty and the funds received by the Board of Directors or Insurance Trustee from assessments against Unit Owners on account of such casualty shall constitute a construction fund which shall be disbursed by the Insurance Trustee or the Board of Directors, as the case may be, in payment of the cost of reconstruction and repair in the manner set forth in this Article 8, but subject to the provisions of any Mortgages encumbering Units as provided in Article 9 of these Bylaws:

(b) Method of Disbursements.

(i) If the cost of reconstruction or repair is less than One Hundred Thousand Dollars (\$100,000), then the construction fund shall be disbursed by the Board of Directors in appropriate progress payments, to any contractors, suppliers, and personnel performing the work or supplying materials or services for such repair, restoration or reconstruction.

(ii) If the estimated cost of reconstruction and repair is One Hundred Thousand Dollars (\$100,000) or more, then the construction fund shall if be disbursed in payment of such costs upon approval of an architect qualified to practice in Virginia, approved by the Board of Directors, and employed by the Insurance Trustee to supervise such work, with payment to be made from time to time as the work progresses. The architect shall be required to furnish a certificate giving a brief description of the services and materials furnished by various contractors, subcontractors, materialmen, the architect and other persons who have rendered services or furnished materials in connection with the work and stating that (A) the sums requested by them in payment are justly due and owing and that such sums do not exceed the value of the services and material furnished; (B) there is no other outstanding indebtedness known to the architect for the services and materials described; and (C) the cost as estimated by the architect for the work remaining to be done subsequent to the date of such certificate does not exceed the amount of the construction fund remaining after payment of the sum so requested. When the damage is to Common Elements, Limited Common Elements and Units, the insurance proceeds shall be applied first to the cost of repairing those portions of the Common Elements which enclose and service the Units, then to the cost of repairing the other Common Elements,

then to the cost of repairing the Limited Common Elements and thereafter to the cost of repairing the Units.

(c) Surplus. It shall be presumed that the first monies disbursed in payment for the cost of reconstruction and repair shall be from insurance proceeds; and if there is a balance in a construction fund after the payment of all the costs of the reconstruction and repair for which the fund is established, such balance shall be divided among all Unit Owners in proportion to the Percentage Interests appertaining to their respective Units and disbursed in accordance with the priority of interests at law or in equity in each Unit.

(d) Certificate. The Insurance Trustee shall be entitled but not obligated to rely upon a certificate executed by the President or Vice-President, and the Secretary, of the Association certifying:

(i) The name of the payee and the amount to be paid with respect to disbursements from any construction fund held by it or whether surplus funds to be distributed are less than the assessments paid by the Unit Owners; and

(ii) All other matters concerning the holding and disbursing of any construction fund.

The certificate shall be delivered to the Insurance Trustee promptly after request.

Section 8.5. When Construction is Not Required. If two-thirds (2/3) or more of the Condominium is rendered untenantable and eighty percent (80%) or more of the Owners vote at a special meeting of the Association (to be held for such purpose within thirty (30) days after such casualty) that the Condominium not be repaired and if the insurance policy covering such damage does not require otherwise, and all Mortgagees agree, then any insurance proceeds received on account of such damage along with the net assets of the Condominium, shall be divided by the Board of Directors or the Insurance Trustee, as the case may be, among all Unit Owners in proportion to the Percentage Interests appertaining to their respective Units, after first paying out of the share of each Unit Owner, to the extent sufficient therefor, the amount of any unpaid liens on that Owner's Unit in the order of priority of such liens.

## ARTICLE 9

### MORTGAGEES AND MORTGAGES

Section 9.1. Notice to Board of Directors. A Unit Owner who encumbers his Unit with a Mortgage shall notify the Board of Directors of the name and address of the Mortgagee and shall file a copy of the note and Mortgage with the Board of Directors certified by the Unit Owner to be true, correct and complete.

Section 9.2. Notice of Unpaid Assessments for Common Expenses. The Board of Directors, whenever so requested in writing by a Mortgagee, shall promptly report to the Mortgagee any unpaid assessments for Common Expenses due from, or any other default by, the Unit Owner of the mortgaged Unit.

Section 9.3. Notice of Default, Casualty and Condemnation. The Board of Directors, when giving notice to a Unit Owner of a default in paying an assessment for Common Expenses or any other default, shall simultaneously send a copy of the notice to the Mortgagee of such Unit if requested by the Mortgagee in writing given to the Association with the Mortgagee's address for notice purposes. The Board of Directors shall also notify all Mortgagees of any casualty giving rise to a possible claim under any insurance purchased pursuant to Article 7 of these Bylaws, of all actions taken under Section 8.5, and of any proposed taking in condemnation or by eminent domain and action in response thereto.

Section 9.4. Insurance Proceeds and Condemnation Awards. No provision of the Condominium Instruments shall be construed to give any Unit Owner, the Association, or any other party, priority over the rights of any Mortgagee in the case of any distribution of insurance proceeds or condemnation awards for losses to or a taking of Units or Common Elements.

Section 9.5. Notice of Amendment of Declaration or Bylaws. The Board of Directors shall give notice to all Mortgagees seven (7) days prior to the date on which the Unit Owners materially amend any Condominium Instruments.

Section 9.6. Notice of Change in Managing Agent. The Board, of Directors shall give notice to all Mortgagees thirty (30) days prior to undertaking self-management or changing the Managing Agent.

Section 9.7. Mortgagees' Approvals. (a) Two-Thirds Vote. Unless two-thirds (2/3) or more of all Mortgagees (based upon one (1) vote for each mortgaged Unit) shall have given their prior written approval, neither the Association nor any Unit Owner shall:

- (i) Change the Percentage Interest or obligations of any Unit.
- (ii) Amend the Condominium Instruments in a manner that would materially adversely affect the security of the Mortgagees.
- (iii) Subdivide, partition or relocate the boundaries of the Common Elements.
- (iv) By act or omission, withdraw the submission of the Condominium to the Condominium Act.

(b) Majority Vote. Unless at least fifty-one percent of the Mortgagees and at least sixty-seven percent of the voting interests of the Unit Owners have given their prior written approval, the Association shall not (i) amend the provisions of the Declaration, these Bylaws or any of the other Condominium Instruments governing the following: (1) voting rights; (2)

increases in assessments that raise the previously assessed amount by more than 25%, assessment liens, or the priority of assessment liens; (3) reductions in reserves for maintenance, repair, and replacement of Common Elements; (4) responsibility for maintenance and repairs; (5) reallocation of interests in the general or limited Common Elements, or rights to their use; (6) redefinition of any Unit boundaries; (7) convertibility of Units into Common Elements or vice versa; (8) expansion or contraction of the project, or the addition, annexation, or withdrawal of property to or from the project; (9) hazard or fidelity insurance requirements; (10) imposition of any restrictions on a Unit Owner's right to sell or transfer his or her Unit; or (11) any provision that expressly benefits Mortgage holders, insurers or guarantors; or (ii) take any of the following actions: (1) restoration or repair of the project (after damage or partial condemnation) in a manner other than that specified in the documents; or (2) any termination of the legal status of the Condominium after a substantial destruction or condemnation occurs.

Section 9.8. Other Rights of Mortgagees. All Mortgagees or their representatives shall be entitled to attend meetings of the Association and shall have the right to speak thereat. The Association shall make current copies of the Condominium Instruments as well as the books, records and financial statements of the Condominium available for inspection by all Mortgagees and Unit Owners during reasonable business hours or at a mutually convenient time and location.

## ARTICLE 10

### COMPLIANCE AND DEFAULT

Section 10.1. Relief. As set forth in Section 55-79.53 of the Condominium Act, each Unit Owner shall be governed by, and shall comply with, all of the terms of the Declaration, these Bylaws, the Association's Rules and Regulations, the other Condominium Instruments and any amendments thereof. Default by a Unit Owner shall entitle the Association, acting through its Board of Directors or through the Managing Agent, to the following relief.

(a) Legal Proceedings. Failure to comply with any of the foregoing items set out in this section shall be grounds for relief which may include, without limitation, an action to recover any sums due for money damages, injunctive relief, foreclosure of the lien for payment of all assessments, any other relief provided for in these Bylaws or any combination thereof, and any other relief afforded by a court of competent jurisdiction, all of which relief may be sought by the Association, the Board of Directors, the Managing Agent, or, if appropriate, by any aggrieved Unit Owner.

(b) Additional Liability. Each Unit Owner shall be liable for the expense of all maintenance, repair or replacement to the extent rendered necessary by his act, neglect or carelessness or the act, neglect or carelessness of any member of his family or employees, agents, licensees, invitees or lessees, but only to the extent that such expense is not covered by the proceeds of insurance carried by the Board of Directors. Such liability shall include any increase in fire insurance rates occasioned by use, misuse, occupancy or abandonment of any Unit. Nothing contained herein, however, shall be construed as modifying any waiver by any insurance company of its rights of subrogation.

(c) Costs and Attorneys' Fees. In any proceeding arising out of any alleged default by a Unit Owner, the prevailing party shall be entitled to recover the costs incurred due to the proceeding, and such reasonable attorneys' fees as may be determined by the court or other appropriate forum in which such proceeding is instituted.

(d) No Waiver of Rights. The failure of the Association, the Board of Directors, or of a Unit Owner to enforce any right, provision, covenant, or condition which may be granted by the Declaration or these Bylaws shall not constitute a waiver of the right of the Association, the Board of Directors, or the Unit Owner to enforce such right, provision, covenant, or condition in the future. All rights, remedies and privileges granted to the Association, the Board of Directors, or any Unit Owner pursuant to any term, provision, covenant or condition of the Declaration, these Bylaws or the Rules and Regulations shall be deemed to be cumulative, and the exercise of any one or more thereof shall not be deemed to constitute an election of remedies, nor shall it preclude the party exercising the same from exercising such privileges or rights as may be granted to such party by the Declaration, these Bylaws or the Rules and Regulations, or at law or in equity.

(e) Abatement and Enjoinment of Violations by Unit Owners. The violation of the Rules or Regulations or the breach of any provision of these Bylaws, the Declaration or any of the Condominium Instruments as defined in Section 55-79.41 of the Condominium Act shall give the Board of Directors the right, in addition to any other rights set forth in these Bylaws: (1) to enter, except by force or breach of the peace, the Unit in which, or as to which, such violation or breach exists and summarily to abate and remove, at the expense of the defaulting Unit Owner, any structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions hereof, and the Board of Directors shall not thereby be deemed guilty in any manner of trespass; or (2) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach.

Section 10.2. Lien for Contributions. Any sum assessed by the Association for the share of the Common Expenses chargeable to any Unit and remaining unpaid for a period of thirty (30) days or longer after the Association has delivered written notice of the amount of such assessment shall constitute a lien on such Unit and shall be enforced pursuant to the provisions of Section 55-79.84 of the Condominium Act.

Section 10.3. Subordination and Mortgage Protection. Notwithstanding anything to the contrary herein, the lien of any assessment levied pursuant to these Bylaws upon any Unit (and any penalties, interest on assessments, late charges or the like) shall be subordinate to, and shall in no way affect the rights of the holder of a Mortgage recorded prior to the perfection of the lien for assessments; provided, however, that such subordination shall apply only to assessments which have become due and payable prior to a sale or transfer of such Unit pursuant to foreclosure, or any proceeding in lieu of foreclosure. Such sale or transfer shall not relieve the purchaser of the Unit at such sale from liability for any assessments thereafter becoming due nor from the lien of any such subsequent assessment, which lien shall have the same effect and be enforced in the same manner as provided herein.

## ARTICLE 11

### MISCELLANEOUS

Section 11.1. Notices. All notices, demands, bills, statements or other communications under these Bylaws shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by registered or certified mail, return receipt requested, first-class postage prepaid or otherwise as may be permitted by the Condominium Act:

(a) If to a Unit Owner, at the address which the Unit Owner shall designate in writing and file with the Secretary of the Association, or if no such address is designated, at the address of the Unit of such Unit Owner; or

(b) If to the Association, the Board of Directors, or the Managing Agent, at the principal office of the Managing Agent if there be one and if there is none, at the residence of the President of the Unit Owners Association and the members of the Board of Directors or at such other address as shall be designated by the notice in writing to the Unit Owners pursuant to this section.

Section 11.2. Invalidity. The invalidity of any part of these Bylaws shall not impair or affect in any manner the validity, enforceability or effect of the balance of these Bylaws.

Section 11.3. Captions. The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of these Bylaws, or the intent of any provision thereof.

Section 11.4. Gender. The use of the masculine gender in these Bylaws shall be deemed to include the feminine and neuter genders, and vice versa and the use of the singular shall be deemed to include the plural, and vice versa, whenever the context so requires.

## ARTICLE 12

### AMENDMENTS TO BYLAWS

#### Section 12.1. Amendments.

(a) Except as otherwise provided in this section, these Bylaws may be modified or amended in the manner set forth in, and in compliance with, Section 55-79.71 of the Condominium Act.

(b) In addition to the right of amendment granted to the Declarant in Section 55-79.71F of the Condominium Act, during the Declarant Control Period, these Bylaws may be



modified or amended by the Declarant without any approval of the Unit Owners being required to (i) make technical amendments which do not materially alter the rights of the Unit Owners, and (ii) comply with the requirements, as modified from time to time, of the Federal Home Loan Mortgage Association, the Federal National Mortgage Association, or the Veterans' Administration, including, without limitation, insurance and maintenance requirements with respect to the condominium. Each Unit Owner shall be given written notice of all amendments made pursuant to this subsection within thirty (30) days after the date such amendment is recorded.

Section 12.2. Recording. A modification or amendment of these Bylaws shall become effective only if such modification or amendment is recorded in the Clerk's Office of the Circuit Court of the County of Montgomery, Virginia. A modification or amendment once adopted and recorded shall then constitute part of the official Bylaws of the Condominium, and all Unit Owners shall be bound to abide by such modification or amendment.

Section 12.3. Conflicts. No modification or amendment of these Bylaws may be adopted which shall be inconsistent with the provisions of the Condominium Act.

Section 12.4. Restrictions on Amendments.

(a) Until the expiration of the Declarant Control Period, the following sections of these Bylaws may not be amended without the consent in writing of the Declarant: (i) Section 2.2, (ii) Section 2.8, (iii) Section 3. 1, and (iv) Section 12.4 of this Article. No such amendment shall increase the Declarant Control Period beyond that provided for in Section 55-79.74 of the Condominium Act.

(b) No amendment in the Percentage Interest appertaining to each Unit or amendment that would change unit boundaries or amendment to the basis for sharing Common Expenses and other apportionment of assessments which may be levied by the Association in accordance with the provisions hereof, or amendment to the basis of ownership of any reserve funds (other than such amendments resulting solely from the expansion of the Condominium, which may be made by the Declarant without any other consent required) shall be made without the prior written consent of all the Unit Owners and two-thirds (2/3) or more of all of the Mortgagees (based upon one (1) vote for each mortgaged Unit).

(c) No alteration, amendment or modification of the rights and privileges granted and reserved hereunder in favor of a Mortgagee shall be made without prior written consent of two-thirds (2/3) or more of all of the Mortgagees (based upon one (1) vote for each mortgaged Unit).

(d) During the Declarant Control Period, no alteration, amendment or modification of the rights and privileges granted and reserved hereunder in favor of the Declarant shall be made without the prior written consent of the Declarant.

**EXHIBIT A**  
To the Bylaws

**CASCADES POINTE CONDOMINIUMS  
CERTIFICATE OF RESALE**

TO: \_\_\_\_\_

FROM: Cascades Pointe Condominium Association (the "Association")

RE: Condominium Unit No. \_\_\_\_\_, Cascades Pointe Condominiums, Blacksburg,  
Virginia

Pursuant to Section 55-79.97 of the Condominium Act, as amended, we hereby certify that as of the date hereof, except as herein stated:

A. The status of assessments with respect to the condominium unit is as follows:

Current Assessment Due \_\_\_\_\_ \$ \_\_\_\_\_

Assessment in Arrears \_\_\_\_\_ \$ \_\_\_\_\_

TOTAL DUE \$ \_\_\_\_\_

B. The Condominium Instruments do not create any rights of first refusal or other restraints on free alienability of any of the condominium units.

C. The following, if any, is a list of all expenditures approved by the Unit Owners' Association or its Board of Directors which will require an assessment in addition to the regular assessment during the current or immediately succeeding fiscal year:

(Fill in if Applicable)

D. The current annual assessment for common expenses levied against the captioned unit is \$ \_\_\_\_\_ and is payable in monthly installments of \$ \_\_\_\_\_. There are no assessments, fees or charges currently imposed by the Association associated with the purchase, disposition or maintenance of the condominium unit or the use of the Common Elements except as follows:

(Fill in if Applicable)

E. Upon acquisition of a Unit, you may become liable for the payment of fees or other charges to the following:

(Fill in if Applicable)

F. As of the date of this certificate, there is a balance in the reserve for replacement fund (reserve account) of approximately \$ \_\_\_\_\_. Of that balance, the following, amounts, if any, have been designated by the Board of Directors for the following specific project:

(Fill in if Applicable)

G. Attached to this certificate are both a copy of the Association's current budget (or a summary of the budget) and a copy of the statement of financial condition (balance sheet) of the Association of the year ended \_\_\_\_\_, 20\_\_\_\_, the most recent fiscal year for which such statement is available.

H. There are no unsatisfied judgments against the Association nor any pending suits to which the Association is a party which either could or would have a material impact on the Association or the Unit Owners or which relates to the Unit being purchased except as follows:

(Fill in if Applicable)

I. The Association holds hazard, property damage and liability insurance policies covering the Common Elements and the units as required by the Bylaws. The Association also maintains fidelity coverage. It is suggested that each Unit Owner obtain insurance covering property damage to betterments and improvements installed in the unit and personal property contained therein (which are not covered by the Association policy) as well as insurance covering personal liability. You are urged to consult with your insurance agent.

J. Improvements or alteration, if any, made to the condominium unit or the limited common elements, assigned thereto are not in violation of the Condominium Instruments except as follows:

(Fill in if Applicable)

K. Attached hereto is a copy of the Bylaws of Cascades Pointe Condominium Association, with all amendments thereto and a copy of the Rules and Regulations of Cascades Pointe Condominium Association, with all amendments thereto.

L. The Condominium is not located within a development subject to the Virginia Property Owners' Association Act (Code of Virginia, § 55-508 et seq.).

M. The Association has filed with the Real Estate Board the annual report required by § 55-79.93:1 of the Code of Virginia. The filing number assigned to such report by the Virginia Real Estate Board is \_\_\_\_\_. The effective date of such filing is \_\_\_\_\_.

N. The limit on the number of persons who may occupy a Unit as a dwelling is \_\_\_\_\_.

The information contained in this Certificate for Resale, issued pursuant to Section 55-79.97 of the Condominium Act, as amended, based on the best knowledge and belief of the Association, is current as of the date hereof.

The Association may charge a fee for the preparation of this Certificate for Resale as allowed by law.

Dated this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

CASCADES POINTE CONDOMINIUM  
ASSOCIATION

By: \_\_\_\_\_  
Officer

I hereby acknowledge that I received this Certificate for Resale on the \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Unit Owner

I hereby acknowledge that I have received and read the information contained in this Certificate for Resale on this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Purchaser

\_\_\_\_\_  
Purchaser

**EXHIBIT II**  
**TO**  
**PUBLIC OFFERING STATEMENT**

**CASCADES POINTE CONDOMINIUMS**

**PROJECTED OPERATING BUDGET**

**First Year Budget  
Cascades Pointe Condominiums**

**Funding**

Assessment Income	\$141,448	
<b>Total Funding</b>		<b><u>\$141,448</u></b>

**Expenses and Reserves**

Expenses

Administrative Costs

Insurance	\$9,339	
Other Administrative costs	\$1,285	
Management Fee	<u>\$11,520</u>	
<b>Total Administrative Costs</b>		<b>\$22,144</b>

Land and Building Service Expenses

Cleaning Common Areas	\$4,992	
Maintenance - Grounds	\$10,400	
Maintenance - Buildings	\$6,000	
Maintenance - Driveways	\$1,500	
Maintenance - Non-building	\$2,500	
Pool Operations	\$4,000	
Exterminating	\$2,000	
Snow & Ice Removal	<u>\$2,500</u>	
Miscellaneous	<u>\$1,000</u>	
<b>Total Land and Building Service Expenses</b>		<b>\$34,892</b>

Unit Service Expenses

Water and Sewer	\$48,000	
Utilities - Electricity	\$6,000	
Utilities - Gas	\$1,500	
Trash Collection	<u>\$10,000</u>	
<b>Total Service Expenses</b>		<b>\$65,500</b>

Reserve for Replacement

		<u>\$18,912</u>
<b>Total Expenses and Reserves</b>		<b><u>\$141,448</u></b>

### First Year Assessments by Unit

Percentage Interest Of Unit	Per Unit Fee (Monthly)	Per Unit Fee (Annual)
1.55%	\$182.70	\$2,192.40
1.11%	\$130.84	\$1,570.08
0.94%	\$110.80	\$1,329.60
0.75%	\$88.41	\$1,060.92

**EXHIBIT III**  
**TO**  
**PUBLIC OFFERING STATEMENT**

**CASCADES POINTE CONDOMINIUMS**

**TABLE OF ACTUAL EXPENDITURES**



**CASCADES POINTE CONDOMINIUMS**

**TABLE OF ACTUAL EXPENDITURES**

**Common Expenses (2003-2005)**

	<u>2003</u>	<u>2004</u>	<u>2005*</u>
Services			
Trash Removal	\$6,615	\$8,695	\$10,000
Snow Removal	\$1,520	\$1280	\$2,500
Grounds Maintenance	\$4,336	\$200	\$10,400
Common Area Cleaning	\$3,524	\$85	\$4992
Pool Operation Expenses	\$196	\$1523	\$4,000
Exterminating	\$1,152	\$864	\$2000
Repairs			
Miscellaneous	\$0	\$0	\$1,000
General Maintenance & Repair	\$47,999	\$30,873	\$10,000
Supplies and Materials	\$22,455	\$17,250	\$0
Utilities			
Water and Sewer	\$50,168	\$38,101	\$48,000
Administrative			
Insurance	\$3,833	\$10,633	\$9,339
Management Fee	\$0	\$0	\$11,520
Total	<u>\$141,790</u>	<u>\$109,504</u>	<u>\$113,751</u>

**Individual Unit Expenses (2002-2004)**

	<u>2003</u>	<u>2004</u>	<u>2005*</u>
General Reconditioning	\$4,558	\$3019	\$0
Electricity	\$19,325	\$10,120	\$6,000
Gas	\$872	\$823	\$1,500
Total	<u>\$24,755</u>	<u>\$13,962</u>	<u>\$7,500</u>

### Per Unit Expenditures

	<u>2003</u>	<u>2004</u>	<u>2005*</u>
Expenditures for Units with Percentage			
Interest of 1.55%			
Common Expenses	\$2,198	\$1,697	\$1,763
Unit Expenses	\$384	\$216	\$116
Total	<u>\$2,470</u>	<u>\$1,914</u>	<u>\$1,879</u>

Expenditures for Units with Percentage			
Interest of 1.11%			
Common Expenses	\$1,574	\$1,204	\$1,251
Unit Expenses	\$275	\$154	\$83
Total	<u>\$1,846</u>	<u>\$1,358</u>	<u>\$1,334</u>

Expenditures for Units with Percentage			
Interest of 0.94%			
Common Expenses	\$1,333	\$1,029	\$1,069
Unit Expenses	\$233	\$131	\$71
Total	<u>\$1,556</u>	<u>\$1,161</u>	<u>\$1,140</u>

Expenditures for Units with Percentage			
Interest of 0.75%			
Common Expenses	\$1,063	\$810	\$853
Unit Expenses	\$186	\$103	\$56
Total	<u>\$1,249</u>	<u>\$914</u>	<u>\$909</u>

\* 2005 Expenditures are estimated and will be amended upon final audit.

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**EXHIBIT IV**  
**TO**  
**PUBLIC OFFERING STATEMENT**

**CASCADES POINTE CONDOMINIUMS**

**LIMITED WARRANTY CERTIFICATE**

## LIMITED WARRANTY CERTIFICATE

Cascades Pointe Condominiums  
Cascades Pointe of Blacksburg, LLC - Declarant  
Issued to and Accepted By

Cascades Pointe Condominiums Unit No. \_\_\_\_\_

The Building in which your Unit is located was constructed in 1982 and has been found to be in sound structural condition. Your Unit was, to the best of Declarant's knowledge, constructed in accordance with the local building code in existence at the time of construction; however, the unit may not have been built in compliance with the present code. To market the Unit at the prices being offered, the Unit is being sold "AS IS", subject to the statutory warranty against structural defects and the warranty of habitability mandated by § 55-79.79(b) of the Code of Virginia of 1950, as amended. There are no manufacturers' warranties on items in the Unit that will be delivered or assigned to you. This Limited Warranty Certificate describes Declarant's obligations to make corrections to such warranted items and outlines the methods for you to follow to obtain such corrective action.

### 1. COVERAGE AND DURATION

#### A. Non-Consumer Products

1. Declarant will correct any structural defects, which shall be those defects in components constituting your Unit which reduces the stability or safety of the Unit below accepted standards or which restricts the normal intended use of all or part of the structure and which requires repair, renovation, restoration and replacement, brought to Declarant's attention in writing within two years after conveyance of your Unit to you.
2. Declarant will correct any structural defect in any Common Element, brought to Declarant's attention in writing within two years after (i) the date of recordation of the deed to the first Unit to be conveyed in the Condominium or (ii) completion of the Common Elements, which ever is later.
3. The Declarant also warrants that your Unit is fit for habitation and constructed in a workmanlike manner so as to pass without objection in the trade.

#### B. Consumer Products

1. Declarant gives no warranty on appliances, equipment or fixtures sold with the Unit except as may be required by the statutory warranty.

#### C. Examples

1. The following are examples of non-consumer products: windows, wiring, water closet, bathtub and lavatory.
2. The following appliances and other equipment sold with the Unit are examples of consumer products: refrigerator, range/oven, washer, dryer and dishwasher.

## II. DECLARANT'S RESPONSIBILITY.

In the event of any defect in any item or component thereof covered by Declarant's warranty, the Declarant, at its option, will repair or replace the affected item or component at no cost to the Unit Owner. Replacement items or components will be substantially comparable to those replaced (although identical colors and other features may not necessarily be available). Declarant will correct the warranted defect in such manner as to restore the components to the condition which would have existed had the defect not been present.

## III. EXCLUSIONS

- A. Declarant's warranty does not include cracks, peeling paint, popping nails or other effects of aging, normal settlement or expansion, contraction, shrinkage or warping of materials that may occur in walls, floors, ceilings, doors or any of the components of the Unit, as long as such defect will not prevent the normal intended use of all or part of the Unit.
- B. Declarant's warranty does not include defects or smudges in painted surfaces, chipping and/or cracking of marble, Formica, fiberglass, or tiles, defective or broken glass, or similar defects readily visible to the human eye (e.g., a broken window).
- C. Declarant's warranty does not cover normal maintenance items or conditions resulting from wear and tear and/or misuse or negligence. Declarant's warranty does not apply where use or maintenance was contrary to the Declaration, Bylaws or Rules and Regulations of the Condominium or where any defect resulted from damage by the Unit Owner or by negligence or unreasonable use (including failure to provide reasonable and necessary maintenance).
- D. THE DECLARANT SPECIFICALLY DISCLAIMS ANY LIABILITY FOR INCIDENTAL OR CONSEQUENTIAL (SECONDARY) DAMAGE TO ANY PERSON, THE UNIT, OTHER COMPONENTS OR ANY OTHER REAL OR PERSONAL PROPERTY, RESULTING FROM A DEFECT. Some states do not allow the exclusion or limitation of incidental or consequential damages, so the above limitation or exclusion may not apply to you.\*

## IV. LIMITATION AND DISCLAIMER OF IMPLIED WARRANTIES.

- A. ON CONSUMER PRODUCTS FINALLY DETERMINED BY A COURT TO BE WITHIN THE STATUTORY WARRANTY DESCRIBED ABOVE, ALL IMPLIED WARRANTIES ARE LIMITED IN DURATION TO THE PERIOD OF THIS WRITTEN WARRANTY. This includes without limitation, the implied warranties of merchantability and fitness created by Sections 8.2-314 and 8.2-315 of the Code of Virginia of 1950 as amended and the implied warranty of habitability of recognized in the future in Virginia. Some states do not allow limitations on how long an implied warranty lasts, so the above limitation may not apply to you.\*
- B. On all other consumer products and on all non-consumer products, whether or not warranted by manufacturers, all implied warranties are expressly disclaimed and do not apply including without limitation the implied warranties of merchantability and fitness created by Sections 8.2-314 and 8.2-315 of the Code of Virginia of 1950 as amended and the implied warranty of habitability of recognized in the future in Virginia.

V. WARRANTY PROCEDURES

- A. The following procedures have been established to permit maximum efficiency in administering work under warranty. Each Unit Owner inspected his Unit prior to closing and a list of items needing correction was prepared. If any additional items arise, the procedure to be followed for correcting these items is as follows:
1. If Unit Owner has discovered defects that are covered by this Limited Warranty Certificate, in order to obtain performance of any of the Declarant's warranty obligations, a written statement of all warranty claims listing all defects should be sent to the Declarant at the address given below.
  2. Upon receipt of such written statement, Declarant's representative will respond to the Unit Owner and when necessary, meet Unit Owner, inspect the Unit and lists the warranted defects on a "Warranty Inspection Form" to be signed by both the Unit Owner and Declarant's representative.
- B. This Limited Warranty Certificate MAY be assigned by a Unit Owner to a subsequent owner of the Unit.

VI. INTERPRETATION

Nothing contained herein shall be deemed to be in derogation of the warranty required by Section 55-79.79(b) of the Code of Virginia of 1950, as amended, as of this date. No action taken to correct defects shall extend this warranty. The written warranties set forth herein and the implied warranties limited herein are in lieu of all other warranties which may otherwise be implied. This Limited Warranty Certificate shall be governed by the laws of the Commonwealth of Virginia. This warranty gives you specific legal rights, and you may also have other rights.\*

CASCADES POINTE OF BLACKSBURG, LLC  
1872 Pratt Drive, Suite 1865  
Blacksburg, VA 24060

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Title: \_\_\_\_\_

RECEIVED:

\_\_\_\_\_

Date: \_\_\_\_\_

\_\_\_\_\_

Date: \_\_\_\_\_

\*NOTE: This Limited Warranty Certificate has been prepared to comply with the disclosure requirements of the federal Magnuson-Moss Warranty-Federal Trade Commission Improvement Act (15 U.S.C. § 2301) enacted in 1975; the sentences indicated by asterisks are required by regulations promulgated by the Federal Trade Commission (16 C.F.R., §701.3, December 31, 1975).

**EXHIBIT V**  
**TO**  
**PUBLIC OFFERING STATEMENT**

**CASCADES POINTE CONDOMINIUMS**

**UNIT INSPECTION FORM**

CASCADES POINTE CONDOMINIUMS

UNIT INSPECTION FORM

\_\_\_\_\_  
Purchaser

\_\_\_\_\_  
Unit Number

My Unit is hereby accepted in accordance with the terms and conditions of the Purchase Agreement. Acceptance is subject to correction in a workmanlike manner of the items listed below in accordance with the procedure set forth on the reverse side of this form.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
Date

\_\_\_\_\_  
Purchaser

Declarant agrees to correct in a workmanlike manner, the items listed above.

CASCADES POINTE OF BLACKSBURG,  
LLC  
1872 Pratt Drive, Suite 1865  
Blacksburg, Virginia 24060

\_\_\_\_\_  
Date

By \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
I acknowledge that the above items have been completed in a workmanlike manner.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Purchaser



## UNIT INSPECTION PROCEDURE

The following procedures have been established to efficiently identify and complete incomplete items and correct possible defects existing at time of inspection and acceptance of the Unit.

1. All incomplete items and defects readily visible to the human eye shall be noted for completion or correction upon this Unit Inspection Form.

2. If Purchaser and Declarant's representative fail to agree upon the defects to be noted on the Unit Inspection Form or the workmanlike completion or correction of such defects, Declarant will, within five days after the date of inspection, submit the disagreement to the Project Architect for decision, and such decision shall be final and binding on Declarant and Purchaser. The Project Architect will render his decision based on the plans and specifications for the Unit, the Public Offering Statement, the Condominium Instruments and the Purchase Agreement. The charge by the Project Architect for this service will be paid one-half by Declarant and one-half by Purchaser prior to resolution.

3. The signature of Declarant's representative on the Unit Inspection Form constitutes agreement by Declarant to complete or correct in a workmanlike manner all items noted on such form. Work shall start promptly and be carried on expeditiously by Declarant. All such work shall be completed prior to settlement and occupancy by Purchaser.

4. Upon completion of all work noted on the Unit Inspection Form, Declarant will so notify Purchaser in writing and Purchaser shall acknowledge such completion by signing the second part of the form. If Purchaser and Declarant fail to agree on the satisfactory completion of the work referred to above, Declarant, within five days after notifying Purchaser, will submit the disagreement to the Project Architect and the same provisions established for disagreement concerning the items to be noted on the Unit Inspection Form will govern. Settlement and occupancy of the Unit Purchaser shall be deemed to be acceptance of the Unit and the acknowledgment of the satisfactory completion of all items noted on the Unit Inspection Form.

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