

**BYLAWS
OF
FOXCREEK OWNERS ASSOCIATION, INC.**

TABLE OF CONTENTS

	Page
ARTICLE 1	
PLAN OF OWNERSHIP	1
Section 1.1	
Applicability.....	1
Section 1.2	
Compliance	1
Section 1.3	
Office	1
Section 1.4	
Composition; Performance of Responsibilities.....	1
ARTICLE 2	
MEETINGS OF ASSOCIATION.....	1
Section 2.1	
Annual Meetings	1
Section 2.2	
Place of Meetings	1
Section 2.3	
Special Meetings	1
Section 2.4	
Notice of Meetings	2
Section 2.5	
Adjournment of Meetings.....	2
Section 2.6	
Voting	2
Section 2.7	
Proxies.....	3
Section 2.8	
Quorum	3
Section 2.9	
Conduct of Meetings.....	3
ARTICLE 3	
BOARD OF DIRECTORS	3
Section 3.1	
Number	3
Section 3.2	
Nomination of Directors	3
Section 3.3	
Election of Directors.....	3
Section 3.4	
Removal of Directors.....	3
Section 3.5	
Powers and Duties	4
Section 3.6	
Managing Agent	6
Section 3.7	
Vacancies	6
Section 3.8	
Organizational Meeting	6
Section 3.9	
Regular Meetings.....	7
Section 3.10	
Special Meetings	7
Section 3.11	
Waiver of Notice	7
Section 3.12	
Quorum of Board of Directors	7

TABLE OF CONTENTS
(continued)

		Page
Section 3.13	Compensation	7
Section 3.14	Conduct of Meetings.....	7
Section 3.15	Action Without Meeting	7
ARTICLE 4	OFFICERS.....	8
Section 4.1	Designation	8
Section 4.2	Election of Officers.....	8
Section 4.3	Removal of Officers	8
Section 4.4	President.....	8
Section 4.5	Vice President.....	8
Section 4.6	Secretary.....	8
Section 4.7	Treasurer	8
Section 4.8	Compensation of Officers	9
ARTICLE 5	OPERATION OF THE PROPERTY	9
Section 5.1	Fiscal Year	9
Section 5.2	Preparation and Approval of Budget	9
Section 5.3	Establishment and Payment of Assessments.....	9
Section 5.4	Collection of Assessments	9
Section 5.5	Statement of Assessments and Access to Records	9
Section 5.6	Disclosure Packets	10
Section 5.7	Maintenance, Repair, Replacement and Other Expenses	10
ARTICLE 6	INSURANCE.....	10
Section 6.1	General Requirements.....	10
Section 6.2	Physical Damage Insurance	11
Section 6.3	Liability Insurance.....	12
Section 6.4	Flood Insurance	12
Section 6.5	Other Insurance	12
Section 6.6	Separate Insurance by Owners	13
Section 6.7	Board of Directors as Agent.....	13
Section 6.8	Insured.....	13

TABLE OF CONTENTS
(continued)

	Page
ARTICLE 7 MORTGAGES.....	13
Section 7.1 Meetings; Books and Records.....	13
Section 7.2 Audited Statements.....	14
Section 7.3 Limitations; Certain Actions of the Association	14
ARTICLE 8 MISCELLANEOUS.....	14
Section 8.1 Notices	14
Section 8.2 Captions	15
Section 8.3 Gender, Etc.....	15
Section 8.4 Construction	15
Section 8.5 Amendments.....	15

ARTICLE 1
PLAN OF OWNERSHIP

Section 1.1 Applicability. These Bylaws provide for the governance of FoxCreek Owners Association, Inc., a Virginia nonstock corporation (the "Association"). Capitalized terms used herein without definition shall have the meanings specified for such terms in the Declaration of Covenants, Restrictions, Rights, Affirmative Obligations and Conditions dated for identification purposes as of _____, 2005, made by FoxCreek Development, Inc., recorded or to be recorded in the Clerk's Office of the Circuit Court of Chesterfield County, Virginia, as the same may have been or may hereafter be amended or supplemented from time to time (the "Declaration"), or in the Articles.

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

Section 1.3 Office. The principal office of the Association shall be located at the Properties or at such other place as may be designated from time to time by the Board of Directors.

Section 1.4 Composition; Performance of Responsibilities. The Association shall consist of all of the Members acting as a group in accordance with the Governing Documents. Except as to those matters which the Governing Documents or applicable law specifically require to be decided by the vote of the Association, the responsibilities of the Association shall be performed by the Board of Directors or the Managing Agent as more particularly set forth in Article III of these Bylaws.

ARTICLE 2
MEETINGS OF ASSOCIATION

Section 2.1 Annual Meetings. The annual meeting of the Members of the Association shall be held during the month of April of each year.

Section 2.2 Place of Meetings. Meetings of the Association shall be held at the principal office of the Association or at such other suitable place as may be designated by the Board of Directors.

Section 2.3 Special Meetings.

(a) The President shall 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 Owners holding not less than thirty-five percent of the Class A membership votes. The Declarant may also call a special meeting of the Association during the Period of Declarant Control. The notice of any special meeting shall state the time, place and purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

(b) Upon the expiration of the Period of Declarant Control, notice shall be given of a special meeting of the Members of the Association at which all of the directors

appointed by Declarant shall resign, and the Members shall thereupon elect successor members of the Board of Directors except for the one director which Declarant may appoint under the Articles.

Section 2.4 Notice of Meetings. The Secretary shall mail to each Member a notice of each annual or regularly scheduled meeting of the Association at least ten but not more than 60 days prior to such meeting, stating the time and place thereof. Notice of any other meeting shall be sent at least ten but not more than 60 days prior to such meeting, stating the time, place and purpose thereof. Notwithstanding the foregoing, notice of any meeting at which there shall be voted upon any amendment to the Articles, a plan of merger, a proposed sale of assets pursuant to Section 13.1-900 of the Virginia Code or the dissolution of the Association shall be given as required by Section 13.1-842 of the Virginia Code. The mailing of a notice of meeting in the manner provided in these Bylaws shall be considered service of notice. The Secretary may, but is not required to (except as may be required by law), mail notices to other Owners; and the Association may post notice of meetings on the Common Areas and at other locations within the Properties.

Section 2.5 Adjournment of Meetings. If at any meeting of the Association a quorum is not present, Owners holding a majority of the votes who are present at such meeting in person or by proxy may adjourn the meeting to a time not less than forty-eight hours after the time the original meeting was called.

Section 2.6 Voting. Voting at all meetings of the Association shall be on the basis set forth in the Articles. Where the ownership of a Lot is in more than one person, the person who shall be entitled to cast the vote appurtenant to such Lot shall be the person named in a certificate executed by all of the Owners of such Lot and filed with the Secretary or, in the absence of such person from the meeting, the person entitled to cast the vote appurtenant to such Lot shall be the person owning such Lot who is present. If more than one person owning such Lot is present, then such vote shall be cast only in accordance with their unanimous agreement. Such certificate shall be valid until revoked by a subsequent certificate similarly executed. Wherever the approval or disapproval of an Owner is required by any of the Governing Documents, such approval or disapproval shall be made only by the person who would be entitled to cast the vote of such Lot at any meeting of the Association. Except where a greater number is required by law or the Governing Documents, the Class B Member (during the Period of Declarant Control) and Owners holding more than one-half of the aggregate Class A membership votes present in person or by proxy at a Duly Called Meeting ("Majority of Owners") are required to adopt decisions (on those issues on which Members vote) at any meeting of the Association. If Declarant owns or holds title to one or more Lots, except as otherwise expressly provided in the Governing Documents, Declarant shall have the right at any meeting of the Association to cast the Class A membership votes to which such Lots are entitled. Declarant shall also have the right to cast the Class B membership vote during the Period of Declarant Control. Declarant, as a Member of the Association, shall not be required to disqualify itself in any vote which may come before the Association upon any management contract or other agreement, lease or matter between Declarant or any individual, partnership or corporation having an identity of interest with Declarant or the Association.

Section 2.7 Proxies. A vote may be cast in person or by proxy. Proxies shall be duly executed in writing by one with authority to execute deeds pursuant to the requirements of Section 13.1-847 of the Virginia Code and must be filed with the Secretary before or at the appointed time of the meeting. Such proxy shall be deemed revoked only upon actual receipt of notice of revocation by the person presiding over the meeting from any of the persons with respect to which the vote is cast. Except with respect to proxies in favor of a Mortgagee, no proxy shall in any event be valid for a period in excess of eleven months after the execution thereof and, in any event, any proxy (other than those in favor of a Mortgagee) shall terminate automatically upon the adjournment of the first meeting held on or after the date of the proxy.

Section 2.8 Quorum. Except as otherwise provided in these Bylaws or in the other Governing Documents, the presence in person or by proxy of the Class B Member (during the Period of Declarant Control) and Owners holding ten percent of the aggregate Class A membership votes shall constitute a quorum at all meetings of the Association.

Section 2.9 Conduct of Meetings. The President shall preside over all meetings of the Association, and the Secretary shall keep the minutes of the meeting and record in a minute book all resolutions adopted at the meeting as well as a record of all transactions occurring thereat. The President may appoint a person to serve as parliamentarian at any meeting of the Association. The then current edition of Robert's Rules of Order shall govern the conduct of all meetings of the Association when not in conflict with the Governing Documents or applicable law.

ARTICLE 3 BOARD OF DIRECTORS

Section 3.1 Number. The affairs of the Association shall be managed under the direction of its Board of Directors. The number of persons comprising the Board of Directors shall initially be and shall be increased as set forth in the Articles; however, the number of directors comprising the Board of Directors may otherwise be increased or decreased (but not below three directors) by amendment to these Bylaws.

Section 3.2 Nomination of Directors. Except with respect to the directors appointed by Declarant, nominations for election to the Board of Directors shall be made by a nominating committee of Class A Members established by the Board of Directors. Directors to be elected by the Class A Members may also be nominated from the floor provided the written consent of the nominee is obtained and presented to the Secretary prior to the nomination.

Section 3.3 Election of Directors. Directors shall be elected or appointed in the manner provided in the Articles. Except as otherwise provided in the Articles, upon the expiration of the Period of Declarant Control directors shall be elected at each annual meeting of the Association. The candidate(s) for directors receiving the most votes shall be elected. Directors shall serve until the next annual meeting following their elections. Elections for director shall be by ballot of the Members.

Section 3.4 Removal of Directors. Elected directors may be removed in the manner provided in the Articles. A director whose removal has been proposed shall be given at least

seven (7) days' notice of the time, place and purpose of the meeting and shall be given an opportunity to be heard at the meeting at which a vote is to be taken on his removal. Directors appointed by Declarant may be removed at any time, with or without cause, by Declarant.

Section 3.5 Powers and Duties. The Board of Directors shall have all of the powers and duties necessary for the administration of the affairs of the Association and may do all such acts and things as are by applicable law or the Governing Documents required to be exercised and done by the Association. If applicable, the Board of Directors may from time to time elect to have the Association treated as a "homeowner's association" within the meaning of Section 528 of the Internal Revenue Code of 1986, as amended. The Board of Directors shall have the power to designate those officers authorized to provide statements and waivers to Owners as may be desirable or required pursuant to the Governing Documents or by law. The Board of Directors may delegate to one of its members or to a person employed for such purpose the authority to act on behalf of the Board of Directors on such matters relating to the duties of the Managing Agent (as defined in Section 3.6), if any, which may arise between meetings of the Board of Directors as the Board of Directors deems appropriate. In addition to the duties imposed by these Bylaws or by any resolution of the Association that may hereafter be adopted, the Board of Directors shall on behalf of the Association:

(i) Prepare an annual budget in which there shall be established the regular and, if adopted by the Association, any neighborhood assessments.

(ii) Make assessments to defray the costs and expenses of the Association including reserves, establish the means and methods of collecting such assessments from the Owners and establish the period of the installment payments of the assessments. Unless otherwise determined by the Board of Directors and except as may be set forth in the Declaration (or in any Supplemental Declaration in the case of a neighborhood assessment), the regular and, if adopted, any applicable neighborhood assessments against each Lot shall be payable in equal monthly installments, each such installment to be due and payable in advance on the first day of each calendar month.

(iii) Provide for the operation, care, upkeep, maintenance and servicing of the Common Areas and for such other real estate (not a Common Area) which the Board of Directors and the Class B Member (during the Period of Declarant Control) determine to be in the best interests of the Association to maintain (such as, for example but without limitation, landscaping of and additional snow removal on public rights of way).

(iv) Designate, hire and dismiss the personnel necessary for the management, maintenance, operation, repair and replacement of the Common Areas and other real estate described in clause (iii) above 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.

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

(vi) Enact and amend rules and regulations from time to time for the use of the Common Areas and, to the extent not inconsistent with the applicable Zoning Ordinance, establish fees for the use of recreational Common Areas; provided however, that no such rules and regulations so adopted shall be in conflict with the Governing Documents and provided further that such rules and regulations shall not be construed so as to impair in any manner the lien of any Mortgage. All rules and regulations promulgated by the Board of Directors shall be published and distributed to each Member of the Association at least thirty (30) days prior to their effective date.

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

(viii) Make, or contract for the making of, repairs, additions and improvements to or alterations of the Common Areas in accordance with the Governing Documents.

(ix) When deemed prudent by the Board of Directors, enforce by legal means the provisions of the Governing Documents and the rules and regulations promulgated pursuant thereto. Without limiting the generality of the foregoing, the Board of Directors may assess charges against any Member for any violation of the Governing Documents or rules and regulations, subject to the limitations provided in Section 55-513B of the Virginia Code.

(x) Except to the extent the same is the responsibility of a Neighborhood Association, obtain and carry insurance as provided in the Governing Documents and in Article VI of these Bylaws, the cost of which shall be covered by assessments.

(xi) Pay the cost of all authorized services rendered to the Association and not billed to Owners or otherwise provided for.

(xii) Keep books with detailed accounts of the receipts and expenditures affecting the Association and the administration of the Common Areas, specifying the expenses of maintenance and repair of the Common Areas and any other expenses incurred. All books and records shall be kept in an accurate and organized manner.

(xiii) Acquire, hold and dispose of Lots and Common Areas.

(xiv) Do such other things and acts not inconsistent with the Governing Documents which the Board of Directors may be permitted to do under applicable law.

(xv) Subject to Section 7.3 of these Bylaws, grant permits, licenses and easements under, through and over the Common Areas for drainage, utilities, roads and access and other purposes which are reasonably necessary to the ongoing development and operation of the Properties.

(xvi) When it is authorized to do so as set forth in the Declaration, appoint members of the Architectural Board.

(xvii) Enter into shared use and/or maintenance agreements.

(xviii) Establish such committees with such powers and authority (consistent with the Governing Documents) as it shall from time to time deem appropriate.

(xix) Make charitable contributions.

Section 3.6 Managing Agent.

(a) Employment of Management Agent. The Board of Directors may employ for the Association a “Managing Agent” at a compensation to be established by the Board of Directors. Any agreement with a Managing Agent shall by its terms provide that it is terminable for cause (default) if not cured within a maximum of 30 days. Any Managing Agent who handles funds for the Association shall be covered by a fidelity bond providing the fidelity coverage required by clause (i) of Section 6.5 of these Bylaws and naming the Association as an obligee.

(b) Duties. The Managing Agent shall perform such duties and services as the Board of Directors shall authorize, which may include but are not limited to the duties listed in clauses (i), (iii), (iv), (v), (viii), (ix), (x), (xi), (xii) and (xiv) of Section 3.5 of these Bylaws and furnishing disclosure packets to purchasers of Lots pursuant to Section 55-512 of the Virginia Code. The Board of Directors may delegate to the Managing Agent all of the powers granted to the Board of Directors by these Bylaws other than the powers set forth in clauses (ii), (vi), (vii), (xiii), (xv), (xvi), (xvii), (xviii) and (xix) of Section 3.5 of these Bylaws.

(c) Standards. The Board of Directors may impose appropriate standards of performance upon the Managing Agent.

Section 3.7 Vacancies. Vacancies in the Board of Directors shall be filled in the manner specified by the Articles.

Section 3.8 Organizational Meeting. The first meeting of the Board of Directors following the annual meeting of the Association shall be held within thirty days thereafter at such time and place as shall be fixed by the Association at the meeting at which such Board of Directors shall have been elected, and no notice shall be necessary to the newly elected members of the Board of Directors in order to legally constitute such meeting, provided a quorum of the Board of Directors shall be present.

Section 3.9 Regular Meetings. Regular meetings of the Board of Directors may be held at such time and in such place and manner as shall be determined from time to time by a majority of the directors. Such meetings shall be open to members of record to the extent required by Section 55-510 of the Virginia Code. Notice of regular meetings of the Board of Directors shall be given to each director, by mail or telegraph or telefacsimile, at least three business days before the day named for such meeting, and to Members as required by Section 55-510.1B of the Virginia Code.

Section 3.10 Special Meetings. Special meetings of the Board of Directors may be called by the Declarant (during the Period of Declarant Control) or by the President on three business days notice to each director, given by mail or telegraph, which notice shall state the time, place and purpose of the meeting, and notice, reasonable under the circumstances, shall be provided to Members as required by Section 55-510.1B of the Virginia Code. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and with like notice on the written request of at least a majority of the directors.

Section 3.11 Waiver of Notice. Any director may at any time, in writing signed by such director, waive notice of any meeting of the Board of Directors; and such waiver shall be deemed equivalent to the giving of such notice. Except in the circumstances described in Section 13.1-867B of the Virginia Code, attendance by a director at any meeting of the Board of Directors shall constitute a waiver of notice by him of the time, place and purpose 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 Quorum of Board of Directors. At all meetings of the Board of Directors, a majority of the directors shall constitute a quorum for the transaction of business; and the vote of a majority of the directors present at a meeting at which a quorum is present shall constitute the decision of the Board of Directors. If at any meeting of the Board of Directors there shall be less than a quorum present, those present may adjourn the meeting from time to time. At any such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

Section 3.13 Compensation. No director shall receive any compensation from the Association for acting as such; however, any director may be reimbursed for actual expenses incurred.

Section 3.14 Conduct of Meetings. The President shall preside over all meetings of the Board of Directors; and the Secretary shall keep a minute book of the Board of Directors, recording therein all resolutions adopted by the Board of Directors, and a record of all transactions and proceedings occurring at such meetings. Meetings shall be conducted in accordance with the requirements of Section 55-510.1 of the Virginia Code.

Section 3.15 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. Any such written consent shall be filed with the minutes of the proceedings of the Board of Directors.

ARTICLE 4 OFFICERS

Section 4.1 Designation. The principal officers of the Association shall be the President, the Vice President, the Secretary and the Treasurer, all of whom shall be elected by the Board of Directors. The Board of Directors may appoint an assistant treasurer, an assistant secretary and such other officers as in its judgment may be necessary. The President shall be a member of the Board of Directors. Any other officers may, but need not, be members of the Board of Directors.

Section 4.2 Election of Officers. The officers of the Association shall be elected annually by the Board of Directors at the organizational meeting of each new Board of Directors and shall hold office at the pleasure of the Board of Directors.

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

Section 4.4 President. The President shall be the chief executive officer of the Association, preside at all meetings of the Association and of the Board of Directors and have all of the general powers and duties which are incident to the office of president of a corporation organized under the Virginia Nonstock Corporation Act.

Section 4.5 Vice President. The Vice President shall take the place of the President and perform the duties of the President 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 some other 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; have charge of such books and papers as the Board of Directors may direct; maintain a register setting forth the place to which all notices to Owners and Mortgagees requesting notices shall be delivered; upon request by a conveying Owner, deliver statements of all unpaid assessments applicable to the Lot to be conveyed; execute notices of delinquent assessment in accordance with the Governing Documents; execute notices of and releases of the lien for delinquent assessments as described in the Governing Documents; and perform the duties described elsewhere in these Bylaws and, in general, perform all of the duties incident to the office of secretary of a corporation organized under the Virginia Nonstock Corporation Act.

Section 4.7 Treasurer. The Treasurer shall have the responsibility for the Association's 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 for the deposit of all monies and other valuables in the name of the Association in such depositories as may from time to time be designated by the Board of

Directors and, in general, perform all the duties incident to the office of treasurer of a corporation organized under the Virginia Nonstock Corporation Act.

Section 4.8 Compensation of Officers. No officer shall receive any compensation from the Association for acting as such; however, any officer may be reimbursed for actual expenses incurred as such officer.

ARTICLE 5 OPERATION OF THE PROPERTY

Section 5.1 Fiscal Year. The fiscal year of the Association shall be the calendar year unless otherwise determined by the Board of Directors.

Section 5.2 Preparation and Approval of Budget. The Board of Directors shall adopt a budget for each fiscal year (including, without limitation, expenses to be covered by neighborhood assessments unless the same are to be adopted by a Neighborhood Association). In adopting a budget, the Board of Directors shall establish a reserve fund to cover Common Area (including fixtures and building service equipment and personal property owned by the Association) maintenance expenses and other costs and such other reserves as the Board of Directors shall determine (including a reserve for the deductible on physical damage and flood insurance policies). The Declarant and the Board of Directors shall not be personally liable for the inadequacy of any reserve fund. The failure or delay of the Board of Directors to prepare or adopt a budget for any fiscal year after the initial budget is adopted shall not constitute a waiver or release in any manner of an Owner's obligation to pay his assessment as herein provided whenever the same shall be determined and, in the absence of any annual budget or adjusted budget, each Owner liable therefor shall continue to pay each periodic installment at the rate established for the previous fiscal year until notice of the periodic payment which is due more than ten days after such new annual or adjusted budget shall have been delivered.

Section 5.3 Establishment and Payment of Assessments. Assessments shall be established and levied as set forth herein and in the other Governing Documents. Each Owner liable therefor shall pay the assessments established by these Bylaws and the other Governing Documents. No Owner shall be liable for the payment of any part of the assessment against his Lot and due subsequent to the date of recordation of a conveyance by him in fee of such Lot to a successor Owner. Each such assessment, together with interest due thereon and costs of collection (including attorneys' fees), shall be the personal obligation of the Owner at the time the assessment fell due.

Section 5.4 Collection of Assessments. The Association, or the Managing Agent at the request of the Board of Directors, may take action to collect any assessments due from any Owner. Each defaulting Owner shall also pay all costs of collection, including without limitation attorneys' fees, incurred in the collection of any unpaid assessment and shall also pay any expense incurred as a result of a check being returned to the Association without payment.

Section 5.5 Statement of Assessments and Access to Records. In addition to complying with the requirements of Section 5.6 of these Bylaws, the Secretary shall promptly provide any Owner, contract purchaser or Mortgagee so requesting the same in writing with a

copy of the current Governing Documents and rules and regulations and a written statement of the amount of the assessments levied against the Lot and all unpaid assessments due from such Owner. The Association shall make available for inspection and copying by a Member or his authorized agent or any Mortgagee, current copies of the Governing Documents and rules and regulations of the Association and all books, records and financial statements kept by the Association. The right of examination shall exist without reference to the duration of the membership and may be exercised during reasonable business hours or at a mutually convenient time and location and upon five days' written notice. The Association may impose and collect a charge, reflecting the actual cost of materials and labor, before providing copies of any documents, books and records.

Section 5.6 Disclosure Packets. In addition to providing a statement of assessments and making the Association's documents and records available as provided in Section 5.5, the Association shall provide to the Owner of a Lot who has contracted to sell the same, within 14 days of the actual receipt by the Association of a written request therefor and receipt of the appropriate fee, a disclosure packet containing all of the documents and other information required under Section 55-512 of the Virginia Code. The Association may charge a fee for the preparation and issuance of each disclosure packet to reflect the actual cost of the preparation thereof, not to exceed \$25.

Section 5.7 Maintenance, Repair, Replacement and Other Expenses. The Association shall be responsible for such maintenance, repair and replacement of the Common Areas and other property as is set forth in the Governing Documents. Unless otherwise determined by the Board of Directors, all repairs and replacements shall be substantially similar to the original construction and installation and shall be of good quality.

ARTICLE 6 INSURANCE

Section 6.1 General Requirements.

(a) Purchase of Insurance. All insurance policies relating to Common Areas shall be purchased by the Association, and Declarant shall have no obligation to purchase the same. Neither the Declarant, the Board of Directors nor the Managing Agent shall be liable for failure to obtain any coverage required by the Governing Documents or by this Article VI or for any loss or damage resulting from such failure if such failure is due to the unavailability of such coverage from reputable insurance companies or if such coverage is available only at unreasonable cost.

(b) Required Provisions in Policies. Each insurance policy for the Common Areas shall provide that:

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

(ii) Such policy may not be cancelled, not renewed or materially modified (such as a reduction in coverage) without at least thirty (30) days (fifteen days if due to non-payment of premium) prior written notice to the Association, any Managing Agent and Mortgagees who have requested such notification.

(c) Declarant as Beneficiary. Declarant and its Mortgagees, so long as Declarant shall own any Lot, may benefit from all such policies as an Owner.

(d) Insurance Companies. All policies of insurance shall be written by reputable companies licensed to do business in the Commonwealth of Virginia and, in the case of property/casualty insurance, holding a rating of B+/VII or better by the A.M. Best Company Insurance Reports or Key Rating Guide.

Section 6.2 Physical Damage Insurance.

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

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

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

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

(iii) That any “no other insurance” clause expressly excludes individual Owners’ policies from its operation so that the physical damage policy purchased by the Association shall be deemed primary coverage and any individual Owners’ policies shall be deemed excess coverage, and in no event shall the insurance coverage obtained and maintained by the Association hereunder provide for or be

brought into contribution with insurance purchased by individual Owners or their Mortgagees, unless otherwise required by law.

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

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

Section 6.3 Liability Insurance. The Association shall obtain and maintain commercial general liability and property damage insurance in such limits as the Board of Directors may from time to time determine (but not less than \$1,000,000 per occurrence for bodily injury and property damage), insuring the Association, each member of the Board of Directors, the Managing Agent, each Owner and Declarant against any liability to the public or to the Owners (and their invitees, agents and employees) arising out of, or incident to the ownership and/or use of the Common Areas, public ways and other areas (if any) under the supervision of the Association (and commercial spaces, if any, owned by the Association) including, to the extent applicable and available: host liquor liability, comprehensive automobile liability, contractual liability, garage keeper's liability, elevator collision liability and bailee's liability. Such insurance shall be issued on a comprehensive liability basis and shall contain a "severability of interest" endorsement which shall preclude the insurer from denying liability to an Owner because of negligent acts of the Association or of another Owner. The Board of Directors shall review such limits once each year. "Umbrella" liability insurance in excess of the primary limits may also be obtained.

Section 6.4 Flood Insurance. The Association shall obtain and maintain flood insurance as to any improvements on the Common Areas which are located in a Special Flood Hazard Area (i.e. those areas designated A, AE, AH, AO, A1-30, A-99, V, VE or V1-30 on a Flood Insurance Rate Map), providing coverage for 100% of the insurable value of such improvements including machinery and equipment owned by the Association (but not in excess of the maximum amount of insurance sold under the National Flood Insurance Administration program for the type of improvements insured). Any deductible shall not exceed the lesser of \$5,000 or 1% of the policy face amount.

Section 6.5 Other Insurance. The Association shall obtain and maintain (if applicable):

(i) fidelity coverage to protect against dishonest acts on the part of officers, directors and employees of the Association and all others who handle, or

are responsible for, funds of the Association. Such fidelity bond shall: (A) name the Association as an obligee; B) be written in an amount to cover the maximum funds that will be in the custody of the Association or its Managing Agent at any one time; and (C) contain waivers of any defense based upon the exclusion of persons who serve without compensation from any definition of “employee” or similar expression;

(ii) Workmen’s compensation and employer’s liability insurance if and to the extent necessary to meet the requirements of law and which, if carried, shall name the Managing Agent as an additional insured; and

(iii) Such other insurance (including directors and officers insurance) as the Board of Directors may determine to obtain.

Section 6.6 Separate Insurance by Owners. Except to the extent the same is the responsibility of the Association or any separate Neighborhood Association pursuant to any Supplemental Declaration, each Owner shall have the right and responsibility, at his own expense, to obtain insurance for his own Lot and improvements thereon and for his own benefit; provided however, that no Owner shall be entitled to exercise his right to obtain such insurance coverage so as to decrease the amount which the Association, on behalf of all Owners, may realize under any insurance policy maintained by the Association or to cause any insurance coverage maintained by the Association to be brought into contribution with insurance coverage obtained by an Owner. All such policies shall contain waivers of subrogation as against the Association and its Board of Directors, the Declarant and any Managing Agent, and their respective agents and employees. No Owner shall obtain separate insurance policies in conflict with this Section.

Section 6.7 Board of Directors as Agent. The Board of Directors is hereby irrevocably appointed the agent and attorney-in-fact for each Owner, each Mortgagee, other named insureds and their beneficiaries and any other holder of a lien or other interest in the Properties to adjust and settle all claims arising under insurance policies purchased by the Association and to execute and deliver releases upon the payment of claims and to pursue and settle all claims arising out of the taking by way of eminent domain of any of the Common Area.

Section 6.8 Insured. Each insurance policy maintained by the Association shall name, as the insured, “FoxCreek Owners Association, Inc., an association of owners of the FoxCreek development for the use and benefit of the individual owners.”

ARTICLE 7 MORTGAGES

In addition to the rights set forth in Section 9.6 of the Declaration, any Mortgagee shall have the following rights:

Section 7.1 Meetings; Books and Records. Upon request, any Mortgagee shall be entitled to receive written notice of meetings of the Association, and all Mortgagees or their designees shall be entitled to attend meetings of the Association and shall have the right to speak

at such meetings. All Mortgagees shall have the right to examine the books and records of the Association.

Section 7.2 Audited Statements. Once the Properties consist of 50 or more Lots, the Association shall make an audited financial statement available for the preceding fiscal year (if the Properties have been established for a full fiscal year) available to any first Mortgagee upon submission of a written request therefor. The audited financial statement shall be available within 120 days of the Association's fiscal year-end. So long as the Properties consist of fewer than 50 Lots and there is no audited statement available, any Mortgagee may have an audited statement prepared at its own expense. The foregoing requirements of this Section 7.2 shall be inapplicable unless and until Mortgages on Lots are approved for purchase or securitization by the Federal National Mortgage Association and Declarant has consented to the implementation of this Section 7.2 (which consent shall be reflected in a Supplemental Declaration executed by Declarant). Upon request, any Mortgagee shall be entitled to receive a copy of any audited financial statement prepared for the Association.

Section 7.3 Limitations; Certain Actions of the Association. Notwithstanding anything herein to the contrary, any action by the Association which could affect an Owner's easement in the Common Area [i.e. a deed of trust, conveyance or dedication of the Common Areas or a merger, consolidation or dissolution of the Association or subjecting real estate to the Declaration (other than the Additional Area described in Section 2.1 of the Declaration, which Declarant may subject to the Declaration pursuant to Sections 2.2 and 2.3 thereof without the approval of any other Owner)] shall require the approval of the Class B Member (during the Period of Declarant Control) and the vote of 67% of the Class A votes (including Declarant as to Class A votes held by Declarant) cast in person or by proxy at a Duly Called Meeting.

ARTICLE 8 MISCELLANEOUS

Section 8.1 Notices. All notices, demands, requests, statements or other communications under these Bylaws shall be in writing and, unless otherwise required by law, shall be either delivered in person or if sent by U.S. first class mail, postage prepaid, (i) if to an Owner at the address which the Owner shall designate in writing and file with the Secretary or, if no such address is designated, at the address of the Lot of such Owner or (ii) if to the Association, c/o FoxCreek Development, Inc., c/o George L. Bryant, 1703 N. Parham Road, Suite 202, Richmond, Virginia 23229, or to such other address as shall be designated either by notice in writing to the Owners pursuant to this Section or by recorded Supplemental Declaration executed only by Declarant and the Association, or (iii) if to a Mortgagee, to the address provided by the Owner or to such other address as the Mortgagee may specify by written notice to the Association. All such notices, demands, requests, statements or other communications shall be deemed to have been given upon the earlier of (i) delivery at the appropriate address above, whether in person, by express courier or by mail, or (ii) three business days after the postmark date of mailing. Rejection or other refusal to accept shall not invalidate the effectiveness of any notice, demand, request, statement or other communication.

Section 8.2 Captions. The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of these Bylaws or the intent of any provision thereof.

Section 8.3 Gender, Etc. The use of the masculine gender in these Bylaws shall be deemed to include the feminine and neuter genders and the use of the singular shall be deemed to include the plural, and vice versa, whenever the context so requires.

Section 8.4 Construction. These Bylaws are intended to comply with applicable laws and shall be so interpreted and applied. In the event of conflict between the other Governing Documents and these Bylaws, the other Governing Documents shall control.

Section 8.5 Amendments. Subject to Sections 7.2, 7.3 and 8.1 above and Sections 2.2 and 2.3 and 9.4 of the Declaration and except as otherwise expressly provided in the Governing Documents, these Bylaws may be amended (i) during the period of Declarant Control by the Board of Directors only and (ii) after the Period of Declarant Control by the vote of more than 50% of the Class A votes (including Declarant as to Class A votes held by Declarant) cast in person or by proxy at a Duly Called Meeting.