

CHATEAU MONT CONDOMINIUM UNIT OWNERS' ASSOCIATION, INC.

AMENDED BY-LAWS TABLE OF CONTENTS

ARTICLE I	PLAN OF CONDOMINIUM UNIT OWNERSHIP	1
ARTICLE II	MEMBERSHIP, VOTING, MAJORITY OF OWNERS, QUORUM, PROXIES	2
ARTICLE III	ADMINISTRATION	4
ARTICLE IV	BOARD OF DIRECTORS	5
ARTICLE V	OFFICERS	12
ARTICLE VI	AMENDMENT OF BY-LAWS	13
ARTICLE VII	NOTICE OF CONVEYANCE OR ENCUMBRANCE	14
ARTICLE VIII	COMPLIANCE	14
ARTICLE IX	BOOKS AND RECORDS	14
ARTICLE X	ASSOCIATION SEAL	15
ARTICLE XI	MISCELLANEOUS	15
EXHIBIT A	PERCENTAGE OWNERSHIP INTERESTS	16

AMENDED BY-LAWS OF THE CHATEAU MONT CONDOMINIUM
UNIT OWNERS' ASSOCIATION, INC.

ARTICLE I

PLAN OF CONDOMINIUM UNIT OWNERSHIP

SECTION 1. CONDOMINIUM UNIT OWNERSHIP. On October 17, 1989, BRADHILL CORPORATION, a Virginia corporation, as Declarant, executed a Declaration (the "Original Declaration") (to which By-Laws were attached as Exhibit "B") in accordance with the Condominium Act of the Commonwealth of Virginia, creating a Condominium known as Chateau Mont Condominium (hereinafter sometimes referred to as the "Condominium"). On May 1, 2001, the Chateau Mont Condominium Unit Owners' Association, Inc. (the "Association") executed an "AMENDED DECLARATION" which superseded the Original Declaration. Any further references herein to the Declaration shall hereby refer to the Amended Declaration, and any references to Exhibits and Schedules herein shall refer to, and hereby incorporate by reference as if set forth herein, those of the Original Declaration. These By-Laws replace and supersede the original By-laws.

SECTION 2. BY-LAWS APPLICABILITY. These Amended By-Laws are adopted by the Association, which represents and is composed of 24 Unit Owners of Chateau Mont Condominium, as the governing By-Laws of the Chateau Mont Condominium Unit Owners' Association, Inc. (hereinafter the "Association"). The Amended By-Laws supercede the By-Laws and all subsequent amendments thereto, executed by Bradhill Corporation on October 17, 1989 (the "Original By-Laws"), and any further references herein to By-Laws shall refer to these Amended By-Laws.

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SECTION 3. PERSONAL APPLICATION. All present or future owners, and their tenants or employees, or any other person using the facilities of the Condominium in any manner, are subject to the provisions of the Declaration and these By-Laws.

ARTICLE II

MEMBERSHIP, VOTING, MAJORITY OF OWNERS, QUORUM, PROXIES

SECTION 1. MEMBERSHIP. Every person who is the record owner of a fee interest in any Unit which is a part of the Condominium and which is, or may become, subject to the Declaration or any amendments thereto, shall be a member of the Association. The foregoing is not intended to include persons who hold an interest merely as security for the performance of an obligation. No Unit Owner, whether one or more persons, shall have more than one membership per Unit. Membership shall be appurtenant to and may not be separated from ownership of a Unit. Ownership of a Unit shall be the sole qualification for membership.

SECTION 2. VOTING RIGHTS. The Association shall have one class of voting membership which shall consist of all Unit Owners. Votes are hereby allocated to Units proportionate to the undivided interest in the Common Elements appertaining to each such Unit (the "Percentage Interest"), as set forth in Exhibit A attached hereto. If more than one person holds a membership interest in any Unit, the vote for such Unit shall be exercised as they among themselves determine. If they are not able to agree, the vote for such Unit shall be on a pro rata basis. In no event shall more than the allotted votes be cast with respect to any Unit.

SECTION 3. SUSPENSION OF MEMBERSHIP AND VOTING RIGHTS. During any period in which a Unit Owner shall be in default in the payment of any regular or special assessment levied by the Association, the voting rights of such Unit Owner and the right to use of the recreational facilities, if any, may be suspended by the Board of Directors until such

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assessment has been paid. Such rights of a Unit Owner may also be suspended for a period not to exceed 30 days for violation of any rules and regulations established by the Board of Directors governing the use of the Common Elements.

SECTION 4. MAJORITY OF UNIT OWNERS. As used in these By-Laws, the term "majority of Unit Owners" shall mean those Unit Owners having more than fifty percent of the votes in the Condominium.

SECTION 5. QUORUM. Except as otherwise provided in these By-Laws, the presence in person or by proxy of a "majority of Unit Owners" shall constitute a quorum. However, if a quorum is not present, the meeting may be adjourned and a subsequent meeting called not less than two nor more than 30 days after the time of the originally scheduled meeting. At such subsequent meeting a quorum shall consist of the presence in person or by proxy, of Unit Owners having more than 25 percent of the votes in the Condominium.

SECTION 6. PROXIES. Votes may be cast in person or by proxy. Proxies must be filed with the Secretary before the appointed time of each meeting. No such proxy shall be revocable except by actual notice by the Unit Owner to the person presiding over the meeting that it has been revoked. Any proxy shall be void if it is not dated, if it purports to be revocable other than by the method set forth in this Section, if the signatures of those executing the proxy have not been witnessed by a person who shall sign his full name and address, or if such proxy has not been signed by a person having authority, at the time of the execution of the proxy, to execute deeds on behalf of the Unit Owner or if a Unit is owned by more than one person on behalf of such persons. Any proxy shall terminate automatically upon the adjournment of the first meeting held on or after the date of that proxy.

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ARTICLE III

ADMINISTRATION

SECTION 1. ASSOCIATION RESPONSIBILITIES. The Unit Owners will constitute the Association which shall have the responsibility of administering the Condominium, approving the annual budget, establishing and collecting monthly assessments and arranging for the management of the Condominium. Except as otherwise provided herein, decisions and resolutions of the Association shall require approval by a majority of Unit Owners.

SECTION 2. ANNUAL MEETINGS. The Association shall meet once each year. The Board of Directors shall establish the date, place and time of all annual meetings. At such meetings, there shall be elected by ballot of the Unit Owners a Board of Directors in accordance with the requirements of Sections 1 and 4 of Article IV of these By-Laws. The Unit Owners may also transact such other business of the Association as may properly come before them.

SECTION 3. SPECIAL MEETINGS. It shall be the duty of the President to call a special meeting of the Unit Owners as directed by resolution of the Board of Directors or upon a petition signed by a "majority of the Unit Owners." The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

SECTION 4. NOTICE OF MEETINGS. It shall be the duty of the Secretary to mail or deliver a notice of each annual or special meeting of the Association stating the purpose thereof, as well as the time and place where it is to be held, to each Unit Owner of record, at least ten, but not more than 60, days prior to the meeting. Such notice shall be sent by United States mail, return receipt requested, to all Unit Owners of record at the address of their respective Units and to such other addresses as any of them may have designated; or such notice may be hand

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delivered, provided that the Secretary certifies in writing that such notice was delivered to the person of the Unit Owner.

SECTION 5. ADJOURNED MEETINGS. If any meeting of the Association cannot be organized because a quorum is not in attendance, the Unit Owners who are present, either in person or by proxy, may adjourn the meeting to a time not less than two days nor more than 30 days after the time the original meeting was called.

SECTION 6. ORDER OF BUSINESS. The order of business at all annual meetings of the Association shall be as follows:

- (a) Roll call.
- (b) Proof of notice of meeting or waiver of notice.
- (c) Reading of minutes of preceding meeting.
- (d) Report of officers.
- (e) Report of committees.
- (f) Election of directors.
- (g) Unfinished business.
- (h) New business.

ARTICLE IV

BOARD OF DIRECTORS

SECTION 1. NUMBER AND QUALIFICATION. The affairs of the Association shall be governed by a Board of Directors, hereinafter referred to as the "Board", composed of three persons. All Boards of Directors shall be elected by the Unit Owners.

SECTION 2. POWERS AND DUTIES. The Board shall have the powers and duties necessary for the administration of the affairs of the Association and may do all such acts and

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things, as are not by law or by these By-Laws or by the Declaration prohibited or directed to be exercised and done by the Unit Owners. Except as otherwise provided by law, these By-Laws, or the Declaration, the Board may act by a majority vote. The powers of the Board of Directors shall include the following powers:

(a) To adopt and publish rules and regulations governing the use of the Common Elements and the personal conduct of the Unit Owners, and their guests thereon, and to establish penalties for the infraction thereof;

(b) To exercise for the Association all powers, duties and authority vested in or delegated to the Association not reserved to the membership by other provisions of these By-Laws or the Declaration;

(c) To declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three consecutive regular meetings of the Board of Directors; and

(d) To enter into management agreements with third parties to provide for the administration of the Condominium, the maintenance, repair, replacement and operation of the Common Elements, the roof surfaces and exterior building surfaces of the Units, and the receipt and disbursement of funds as may be authorized by the Board of Directors; provided terms of such management agreements shall be as determined by the Board of Directors to be in the best interests of the Association, shall be subject in all respects to the By-Laws and the Declaration, and must permit cancellation by the Association upon 90 days notice.

It shall be the further duty of the Board of Directors:

(a) To cause to be kept a complete record of all its acts and affairs and to present a statement thereof to the members at the annual meeting of the members or at any

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special meeting, when such statement is requested in writing by at least a majority of the Unit Owners;

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

(c) As more fully provided in the Declaration:

(1) to submit for approval by the Association the amount of the annual assessments against each Unit at least 30 days in advance of each annual assessment period based upon an annual budget prepared and adopted by the Board; and

(2) to deliver written notice of each assessment to each Unit Owner or send written notice of each assessment to every Unit subject thereto at least 30 days in advance of each annual assessment period;

(d) To issue, or to cause its duly authorized agent or an appropriate officer to issue, upon demand by a Unit Owner, at any time, a certificate setting forth whether the assessments on such Unit Owner's Unit has been paid and other matters as required by the Condominium Act, which shall be conclusive evidence of payment of any assessment therein stated to have been paid, and for which reasonable charge may be made by the Board for the issuance of these certificates.

(e) To procure and maintain insurance and to perform all functions related thereto as provided for and in accordance with the terms of the Declaration.

(f) To cause all officers or employees having fiscal responsibilities to be bonded. Such fidelity bond shall protect the Association against dishonest acts on the parts of officers, directors, trustees, and employees of the Association and all others who handle or are responsible for handling funds of the Association. Such fidelity bonds shall: (1) name the

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Association as an obligee, (2) be written in an amount equal to at least 150 percent of the estimated annual operating expenses of the Condominium, including reserves, (3) contain waivers of any defense based upon exclusion of persons who serve without compensation from any definition of employee or similar expression, and (4) provide that they may not be cancelled or substantially modified (including cancellation for nonpayment of premium) without at least 30 days prior written notice to the Association and Secured Parties (as such term is defined in the Declaration).

(g) To cause the Common Elements to be maintained.

SECTION 3. ELECTION AND TERM OF OFFICE. At the first annual meeting of the Association, the term of office of one Director was fixed for three years, the term of office of one Director was fixed at two years, and the term of office of one Director was fixed at one year. At each successive meetings and at the expiration of the initial term of office of each respective Director, a successor was elected to serve a term of three years. Election of Directors shall continue in this manner such that the Directors shall hold office until their successors have been elected and qualify.

SECTION 4. VACANCIES. Vacancies in the Board caused by any reason other than the removal of a Director by a vote of the Association shall be filled by vote of the majority of the remaining Directors, even though they may constitute less than a quorum; and each person so elected shall be a Director until a successor is elected at the next annual meeting of the Association. If the remaining Directors shall be unable to fill said vacancy within sixty (60) days, the remaining Directors shall call a special meeting of the Association for the purpose of filling such vacancy.

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SECTION 5. REMOVAL OF DIRECTORS. At any regular or special meeting duly called, any one or more of the Directors may be removed with or without cause by a majority of the Unit Owners and a successor may then and there be elected to fill the vacancy thus created. Any Director whose removal has been proposed by the Unit Owners shall be given an opportunity to be heard at the meeting.

SECTION 6. ORGANIZATIONAL MEETING. The first meeting of a newly elected Board shall be held within ten days of the election at such place as shall be fixed by the Directors.

SECTION 7. REGULAR MEETINGS. Regular meetings of the Board may be held at such time and place as shall be determined, from time to time, by a majority of the Directors, but at least two such meetings shall be held during each fiscal year. Notice of regular meetings of the Board shall be given to each Director, personally or by mail, at least 15 days but not more than 50 days prior to the date named for such meeting.

SECTION 8. SPECIAL MEETINGS. Special meetings of the Board may be called by the President on two days written notice to each Director, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board shall be called by the President or Secretary in like manner and on like notice on the written request of any Director.

SECTION 9. WAIVER OF NOTICE. Before or at any meeting of the Board, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board shall be a waiver of notice by him of the time and place of the meeting.

SECTION 10. BOARD OF DIRECTORS' QUORUM. At all meetings of the Board, a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of

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the majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board. If any meeting of the Board cannot be organized because a quorum is not in attendance, the Board members who are present may adjourn the meeting to a time not less than 48 hours from the time the original meeting was called. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

SECTION 11. COMPENSATION OF DIRECTORS. No Director shall receive any compensation from the Condominium for acting as such.

SECTION 12. LIABILITY OF THE BOARD OF DIRECTORS, OFFICERS, UNIT OWNERS AND UNIT OWNERS' ASSOCIATION.

(a) The Officers and members of the Board of Directors shall not be liable to the Unit Owners' Association or any Unit Owner for any mistake of judgment, negligence or otherwise, except for their own individual willful misconduct or bad faith. The Unit Owners' Association shall indemnify and hold harmless each of the Officers and Directors from and against all contractual liability to others arising out of contracts made by the Officers or the Board of Directors on behalf of the Unit Owners' Association unless any such contract shall have been made in bad faith or contrary to the provisions of the Condominium Act, the Declaration or these By-Laws except to the extent that such liability is satisfied by Directors and officers liability insurance. Officers and members of the Board of Directors shall have no personal liability with respect to any contract approved by the Board of Directors on behalf of the Unit Owners' Association. The liability of any Unit Owner arising out of any contract made by the Officers or Board of Directors, or out of the aforesaid indemnity in favor of the members of the Board of Directors or Officers, or for damages as a result of injuries arising in connection with

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the Common Elements solely by virtue of his ownership of a Percentage Interest therein or for liabilities incurred by the Unit Owners' Association, shall be limited to the total liability multiplied by his Percentage Interest. Every agreement made by the officers, the Board of Directors or the Managing Agent on behalf of the Unit Owners' Association shall, if obtainable, provide that the officers, the members of the Board of Directors or the Managing Agent, as the case may be, are acting only as agents for the Unit Owners' Association and shall have no personal liability thereunder (except as Unit Owners), and that each Unit Owner's liability thereunder shall be limited to the total liability thereunder multiplied by his Percentage Interest. The Unit Owners' Association shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, by reason of the fact that he is or was a Director or Officer of the Unit Owners' Association, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement incurred by him in such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in, or not opposed to, the best interest of the Condominium.

(b) The Unit Owners' Association shall not be liable for any failure of any service to be obtained by the Unit Owners' Association or paid for as a common expense, or for injury or damage to person or property caused by the elements or by the Unit Owner of any Condominium Unit, or any other person, or resulting from electricity, water, snow, or ice which may leak or flow from or over any portion of the Common Elements or from any pipe, drain, conduit, appliance or equipment. The Unit Owners Association shall not be liable to any Unit owner for loss or damage, by theft or otherwise, of articles which may be stored upon any of the Common Elements. No diminution or abatement of any assessments, as herein elsewhere provided, shall be claimed or allowed for inconvenience or discomfort arising from the making

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of repairs or improvements to the Common Elements or from any action taken by the Unit Owners' Association to comply with any law, ordinance or with the order or directive of any municipal or other governmental authority.

ARTICLE V
OFFICERS

SECTION 1. DESIGNATION. The principal officers of the Association shall be a President, a Secretary, and a Treasurer, all of whom shall be elected by the Board. The President shall be elected from the Board. The Board shall appoint such other officers as in its judgment may be necessary.

SECTION 2. ELECTION OF OFFICERS. The officers of the Association shall be elected annually by the Board at the organizational meeting of each new Board and shall hold office at the pleasure of the Board.

SECTION 3. REMOVAL OF OFFICER. Any officer may be removed, either with or without cause, upon an affirmative vote by a majority of the members of the Board, and his successor elected at any regular meeting of the Board, or at any special meeting of the Board, called for such purpose.

SECTION 4. PRESIDENT. The President shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and of the Board. He shall have the responsibility of carrying out the directives of the Board and administering the affairs of the Association, including, but not limited to, the power to appoint committees from among the Unit Owners from time to time as he, in his discretion, may decide is appropriate to assist in the conduct of the affairs of the Association.

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SECTION 5. VICE PRESIDENT. The Vice President, if any, shall take the place of the President and perform his 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 shall appoint some other member of the Board to act 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.

SECTION 6. SECRETARY. The Secretary shall keep the minutes of all meetings of the Board and the minutes of all meetings of the Association. The Secretary shall have charge of such books and papers as the Board may direct. The Secretary shall, in general, perform all the duties incident to the office of Secretary.

SECTION 7. TREASURER. The Treasurer shall be responsible for Association funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. The Treasurer shall be responsible for the deposit of all monies and other valuable effects in the name and to the credit of the Association in such depositories as may from time to time be designated by the Board.

ARTICLE VI

AMENDMENT OF BY-LAWS

These By-Laws may be amended by the affirmative vote of Unit Owners representing two-thirds or more of the votes of all Unit Owners, at a meeting of the Association called for that purpose. No amendments to the By-Laws shall become effective until a copy thereof, or an Amended Declaration containing the same as an exhibit, is recorded among the land records of Roanoke County, Virginia.

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ARTICLE VII

NOTICE OF CONVEYANCE OR ENCUMBRANCE

SECTION 1. NOTICE TO ASSOCIATION. A Unit Owner who conveys a Unit in fee or as security for an indebtedness shall within 30 days of such conveyance, give written notice to the Association through the Management Agent, if any, or the President of the Association in the event there is no Management Agent, giving the name and mailing address of the new Unit Owner or party secured, and the Association shall maintain such information in books entitled "Unit Owners" and "Secured Parties."

SECTION 2. NOTICE OF UNPAID ASSESSMENTS. The Association shall, at the request of a party secured by a Deed of Trust or Mortgage on a Unit, report any unpaid assessments due from the Unit Owner of that Unit.

ARTICLE VIII

COMPLIANCE

The By-Laws are set forth to comply with the requirements of the Condominium Act. In case any of these By-Laws conflict with the provisions of the Condominium Act, it is hereby agreed and accepted that the Condominium Act will control.

ARTICLE IX

BOOKS AND RECORDS

The Declaration, By-Laws, books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any Unit Owner or Secured Party.

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ARTICLE X

ASSOCIATION SEAL

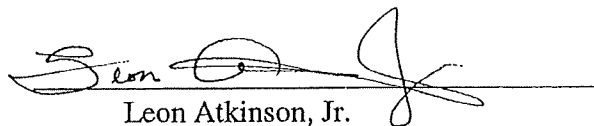
The Association shall have a seal in circular form having within its circumference the words: "Chateau Mont Condominium Unit Owners' Association, Inc."

ARTICLE XI

MISCELLANEOUS

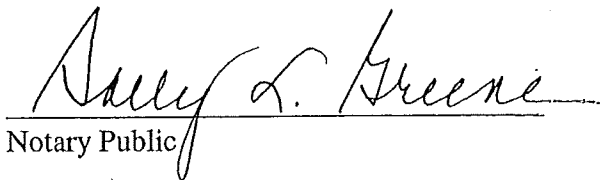
The fiscal year of the Association shall begin on the first day of January and end on the thirty-first day of December every year except that the first fiscal year shall begin on the date on which the Declaration is filed for record among the land records of Roanoke County, Virginia.

IN- WITNESS WHEREOF, CHATEAU MONT OWNERS' ASSOCIATION, INC. has caused these By-Laws to be executed by an officer of the Association duly authorized.


Leon Atkinson, Jr.

COMMONWEALTH OF VIRGINIA
CITY/COUNTY OF ROANOKE, To-wit:

The foregoing Bylaws were acknowledged before me this 11th day of May, 2001, by Leon Atkinson, Jr., on behalf of the Association.


Notary Public

My commission expires:

JAN. 31, 2003

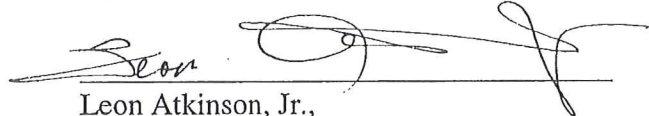
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EXHIBIT A
Percentage Interests

UNIT	SQUARE FEET	PERCENTAGE INTEREST
5002	1,564	3.00088
5004	2,554	4.90042
5006	2,057	3.94681
5008	2,057	3.94681
5022	1,721	3.30212
5024	2,554	4.90042
5026	2,057	3.94681
5028	2,057	3.94681
5042	1,721	3.30212
5044	3,074	5.89815
5046	2,421	4.64523
5048	2,421	4.64523
5018	2,057	3.94681
5016	2,554	4.90042
5014	2,057	3.94681
5012	1,432	2.74761
5038	2,057	3.94681
5036	2,554	4.90042
5034	2,057	3.94681
5032	1,588	3.04693
5058	2,421	4.64523
5056	3,074	5.89815
5054	2,421	4.64523
5052	1,588	3.04693
TOTAL	52,118	100.00

CERTIFICATION

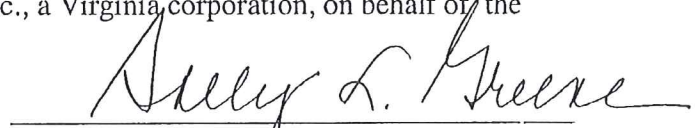
I hereby certify pursuant to Section 55-79.1(d) of the Code of Virginia that the requisite majority of the Unit Owners of Chateau Mont Condominium Unit Owners' Association, Inc. signed the amendments to the Condominium's instruments.



Leon Atkinson, Jr.,
President and Principal Officer
Chateau Mont Condominium
Unit Owners' Association, Inc.

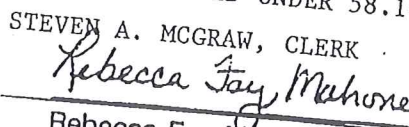
COMMONWEALTH OF VIRGINIA)
CITY/COUNTY OF ROANOKE) TO-WIT:

The foregoing instrument was acknowledged before me this 11th day of May, 2001, by Leon Atkinson, Jr., President and Principal Officer of Chateau Mont Condominium Unit Owners' Association, Inc., a Virginia corporation, on behalf of the corporation.


Notary Public

My Commission Expires: JAN. 31, 2003

IN THE CLERK'S OFFICE OF THE CIRCUIT COURT OF
ROANOKE COUNTY, VIRGINIA, THIS 11 DAY OF
July, 2001, THIS INSTRUMENT WAS PRESENTED
WITH THE CERTIFICATE OF ACKNOWLEDGMENT
ANNEXED AND ADMITTED TO RECORD AT 11:42.
THE TAX IMPOSED UNDER 58.1-802 HAS BEEN PAID.

STEVEN A. MCGRAW, CLERK

Rebecca Fay Mahone, DEPUTY CLERK