

THE WESTIN

VIRGINIA BEACH

TOWN CENTER

Residences

PURCHASER SHOULD READ THIS DOCUMENT FOR HIS OWN PROTECTION

PUBLIC OFFERING STATEMENT

NAME OF CONDOMINIUM: Town Center Residential
Condominium 7

LOCATION OF CONDOMINIUM: N. Independence Blvd. and
Columbus Street
Virginia Beach, VA 23462

NAME OF DECLARANT: TCA Block 7 Residential, L.L.C.

ADDRESS OF DECLARANT: 222 Central Park Avenue
Suite 2100
Virginia Beach, VA 23462

EFFECTIVE DATE OF PUBLIC OFFERING STATEMENT:

This Public Offering Statement presents information regarding Condominium Units being offered for sale by the Declarant. Virginia Law requires that a Public Offering Statement must be given to every Buyer in order to provide full and accurate disclosure of the significant features of the Condominium Units being offered. The Public Offering Statement is not intended, however, to be all-inclusive. The Buyer 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 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 Buyer of a Condominium Unit is afforded a ten-day period during which he or she may cancel the contract of sale and obtain 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 Buyer should inspect the Condominium Unit and all common areas and obtain professional advice. If the Buyer elects to cancel, he or she must deliver notice of cancellation to the Declarant by hand or 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 (the "Association"). The Association will be incorporated as a nonstock corporation. Each Unit Owner will have a vote on certain decisions of the Association, and each Unit Owner will be bound by all the decisions of the Association and its Board of Directors, including those decisions with which he disagrees. See Narrative Section J.

2. Certain decisions of the Association will be made by its Board of Directors. See Narrative Section J.

3. The expenses of operating the Association will be paid by the Unit Owners on the basis of an annual budget, which may be readjusted during the fiscal year. Each Unit Owner will pay an annual assessment in monthly installments and may be required to pay special assessments. A Unit Owner cannot reduce the amount of his assessments by refraining from use of the Common Elements. See Narrative Section L.

4. If a Unit Owner fails to pay a common expense assessment (or installment thereon) when due, the Association will have a lien against his Condominium Unit. Certain other penalties may also be applied. See Narrative Section L.

5. The Declarant must pay assessments on unsold Condominium Units, just like any other Unit Owner. See Narrative Section L.

6. Neither the Declarant, its predecessors nor any of its members has undergone a debtor's relief proceeding.

7. The Declarant will retain control of the Unit Owners' Association and will control the membership of the Board of Directors for a period ending on the earlier of (1) the date when the Units to which a total of at least three-fourths of the Common Element Interests are allocated are owned by persons other than Declarant or (2) the second anniversary of the date the Declarant ceases to be the only Unit Owner, or (3) the date specified by the Declarant in a notice to each Unit Owner that the Declarant is relinquishing the rights reserved by the Declarant under Section 55-79.74(a) of the Code of Virginia of 1950. One hundred nineteen (119) Units are currently registered with the said Board. See Narrative Sections C and D.

8. A Managing Agent will manage and perform the routine operations of the Association. The Management Agent is not related to the Declarant, any Director or Officer of the Association. See Narrative Section J.

9. There are no restrictions on the right of the Declarant or any Unit Owner to rent Condominium Units whether sold or unsold, except that leases, other than those of Condominium Units owned by the Declarant, must be of at least one (1) year's duration. Such leases are subject to the reasonable Rules and Regulations of the Association. See Narrative Section I.

10. The right of the Unit owner to resell his Unit is subject to restrictions. A Unit Owner desiring to re-sell his Unit within one year from the date of purchase from the Declarant must first give the Declarant a first right of refusal to purchase the Unit. See Narrative Section I.

11. Units are restricted to residential use except that the Declarant may use any Unit or Units, up to and including a total of all Units, owned by the Declarant as sales offices, management offices, model Units, or rental offices, and the Board of Directors may permit reasonable, temporary, nonresidential uses in designated Units (and/or Common Elements) from time to time. See Narrative Section I.

12. The Unit Owner may not alter the structure of his Unit or modify the exterior of his Unit without the approval of the Board of Directors. See Narrative Section D.

13. The Association will obtain certain insurance benefiting the Unit Owner, but the Unit Owner should obtain other insurance on his own. See Narrative Section M.

14. The Unit Owner will pay real estate taxes on his Condominium Unit. See Narrative Section N.

15. The Unit Owner's right to bring legal action against the Declarant is limited by certain provisions of the agreement of sale, the Declaration and the Limited Warranty Certificate. Specifically, each of those instruments requires the Unit Owners to waive a jury in any civil action against the Declarant. See Narrative Section G.

16. Neither the Condominium nor any Units within the Condominium can be developed as a time-share project.

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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A. THE CONDOMINIUM CONCEPT

Units, Common Elements and Limited Common Elements. Some scholars trace variations of the condominium concept back to the Middle Ages or even more ancient times. In its modern American form, the condominium concept was rarely used in this country before the 1960's. In a contemporary American condominium, a parcel of land is divided into Units, each of which is individually owned, and Common Elements, which are collectively owned by all the Unit Owners. Each Unit Owner gets title to a Unit together with a fractional undivided interest in all of the Common Elements. That fractional share is called the Unit Owner's "Common Element Interest" or "Interest in the Common Elements". Your Common Element Interest determines the share of the Common Expenses of the Association which you will have to pay (except for some expenses which may be specially assessed against the particular Unit Owners causing or specially benefiting from them) and also determines your share of ownership in the entire Condominium if it is ever terminated. A Unit and its Common Element Interest cannot be sold separately from one another. They must always belong to the same person or group of persons. The Common Element Interests of the Units in this Condominium may not change for any reason other than expansion of the Condominium. Certain of the Common Elements may be designated as Limited Common Elements. The use of any Common Elements designated as Limited Common Elements will be restricted to one or more, but less than all, of the Unit Owners. The expenses for maintaining, repairing and replacing Limited Common Elements will be assessed against the particular Unit Owners to whom they are assigned.

B. CREATION OF THE CONDOMINIUM

As of the effective date of this Public Offering Statement, the Condominium has not been created. It will be created, before any Condominium Unit is conveyed, by recording all of the Condominium Instruments described below, in the Clerk's Office of the Circuit Court of the City of Virginia Beach, Virginia. Copies of those Condominium Instruments are attached as Appendices 1, 2, 3 and 4 to this Public Offering Statement. The Declarant reserves the right to amend those Condominium Instruments unilaterally at any time before they are recorded and thereafter to the extent permitted by law. If you sign a contract to purchase a Condominium Unit before the Declaration and By-laws have been recorded, the Declarant will send copies of them to you as recorded, within ten (10) days of the recordation date (unless, of course, you have previously exercised your right to cancel the contract). All purchasers will receive copies of the Condominium Instruments.

The Declaration. The essential function of the Declaration

is to describe property rights within the Condominium. It gives more details than this Public Offering Statement can about the Units and the Common Elements. (Those concepts are explained briefly in Narrative Section C, below.) The Declaration also contains definitions, describes certain easements, provides for expansion of the Condominium and contains various other provisions. Technically, the By-laws and the Plats and Plans described below are integral parts of the Declaration.

Plats and Plans. The essential function of the Plats and Plans is to graphically depict the Condominium. Photo-reduced copies of the Plats and Plans are included as Appendix 2 to this Public Offering Statement, but you can examine full-size copies at the office of the Declarant (the address of which appears on Page 1 of this Public Offering Statement) or at the office of the Virginia Real Estate Board in Richmond at 3600 West Broad Street.

The By-laws. The essential function of the By-laws is to provide for the manner in which the Condominium is to be governed. The period of Declarant control is described, and so is the manner in which the Condominium will subsequently be governed by the Association, its Board of Directors, and Committees and agents to be selected by the Board. There are various other provisions, including, among other things, restrictions on the use of the Units, Common Elements and the manner of establishing the Association's budget and enforcing the collection of assessments.

Amendments. Under the Condominium Act, some amendments of the Condominium Instruments can be made by the Declarant or certain Unit Owners unilaterally. Other amendments require the written consent of Unit Owners with two-thirds (2/3) of the votes in the Association. The consent of the Declarant, Institutional Lenders and/or particular Unit Owners is required for certain amendments by Paragraph 17 of the Declaration and Article 10 of the By-laws.

C. DESCRIPTION OF THE CONDOMINIUM

The Condominium consists of a condominium unit in a master condominium called "Town Center Condominium 7" (the "Master Condominium") located on a tract of land situated at the northwestern corner of the intersection of Independence Boulevard and Columbus Street in the City of Virginia Beach, Virginia, as shown on the plats comprising part of Appendix 2, which contains 2.219 acres. The Master Condominium contains six units, a Retail Unit, a Hotel Unit that is intended to be operated as a Westin Hotel Franchise, a Parking Unit that is to be a free parking garage for the Master Condominium, a Conference Center Unit, a 911 Unit that will be operated by the City of Virginia Beach for communications and a Residential Unit, which is to be the

Submitted Land of the Condominium. The Condominium is contained in the Residential Unit, with Units to be located on the 16th through 36th floor of the Master Condominium building. The Condominium will include a lobby on the first floor of the Master Condominium Building, a limited number of reserved parking spaces on the ground and second floor of the Condominium Building, a limited number of assigned storage areas on the 3rd and 4th floors of the Master Condominium building and a bank of elevators running from the ground floor to the 36th floor of the Master Condominium building. There will be 119 Units in the Condominium and in this offering. The Condominium will be created by the recordation of the Condominium Instruments described in the preceding section of this Public Offering Statement. The Declarant intends to sell all of the Units in all phases of the Condominium, but reserves the right to rent any and all unsold Units. At the time of registration, there are no limits or intents with respect selling the Units to persons who do not intend to occupy the Units as their residences. Since purchasers may use the Units as non-primary residences or may lease them subject to the leasing restrictions set forth herein, it is possible that more than twenty percent (20%) of the Units may be sold to persons who do not intend to use them as their primary residence.

Neither Starwood Hotels & Resorts Worldwide, Inc., Westin License Company nor any of their affiliates or related entities or persons (collectively, "Starwood") is the owner or developer of the Condominium (including the Unit), the Hotel or any other portion of the Project, and makes no representations, warranties or guaranties whatsoever with respect to the Unit, the Condominium or any portion of the Project and the Unit is being sold by the Declarant and not by Starwood. As part of the Purchase Agreement and at settlement on the Unit, a purchaser of a Unit will be required to execute a certificate to Starwood acknowledging that (i) the Unit is being sold by the Declarant and not by Starwood; (ii) Starwood has not made any disclosures or provided information to Purchaser, and is not responsible for any disclosures made or information provided by the Declarant, or its sales persons, brokers, agents or any other person to Purchaser, with respect to the Unit, the Condominium or any other portion of the Project, including, without limitation, the availability of any services to the Unit and Starwood is not part of or an agent for the Licensee, as hereinafter defined, or the Declarant and Starwood has not acted as a broker, finder or agent in connection with the sale of the Unit; (iii) Starwood has entered into a license agreement with TCA Block 7 Hotel, L.L.C. ("Licensee"), that licenses the use of the Westin® trademark and similar rights related thereto in the operation of the Hotel, which license agreement may be terminated or may expire without renewal, in which case Starwood would no longer license the Hotel, and neither the Hotel nor the Condominium would thereafter be identified with the Westin® trademark and all use of the

Westin® trademark shall cease at the Condominium and all indicia of connection of the Condominium with Starwood, its brand, the Westin® trademark, including all signs or other materials bearing any of the foregoing, shall be removed from the Condominium and certain hotel services, if any, would not longer be available to the Purchaser; (iv) Starwood has licensed the Declarant (and not Purchaser) the right to use the Westin® trademark and similar rights related thereto in the operation of the Condominium, pursuant to a marketing and license agreement that may be terminated or may expire without renewal, in which case the Condominium would no longer be identified as a Westin® condominium or have any rights to use the Westin® trademark or similar rights and the Condominium would thereafter not be identified with the Westin® trademark and all use of the Westin® trademark shall cease at the Condominium and all indicia of connection of the Condominium with Starwood, its brand, the Westin® trademark, including all signs or other materials bearing any of the foregoing, shall be removed from the Condominium and (v) to the extent permitted by applicable law, Purchaser waives and releases Starwood from and against any liability with respect to any representations or defects, or any other claim whatsoever, relating to the marketing, sale or construction of the Unit, Condominium, Project or Master Condominium.

Use and Occupancy Restrictions. All of the Units will be restricted to residential use except as otherwise provided in Paragraph 10 of the Declaration (Appendix 1). No Unit Owner may use any Unit for any offensive or unlawful purpose and no material alterations to the Unit may be made without the consent of the Association.

D. INDIVIDUAL UNITS

The Units in the Condominium are intended to be individual apartment style units located on the 16th through 36th floor of the Master Condominium Building. The units will include a range of units from one bedroom to three bedrooms and a single penthouse suite. The Units will range in size from 823 square feet to 5,000 square feet.

It is anticipated that construction of the Units will be substantially completed on or about September, 2007.

No Unit Owner may alter the structure of his Unit or modify the exterior of his Unit without the approval of the Board of Directors.

E. COMMON ELEMENTS

The Common Elements of the Condominium comprise all of the Condominium Property except the Units. Among other things, the Common Elements include the first floor lobby, the elevators, the assigned parking areas and the storage areas.

It is anticipated that the Common Elements will be substantially completed at or about the same time the Units are substantially completed.

The parking areas in the Condominium are to be assigned to the Units as limited common elements. It is anticipated that each Unit will receive at least one assigned parking space. The storage areas will also be assigned as limited common elements. Not all of the Units will have storage areas assigned as limited common elements.

Parking in the Condominium shall be either in the assigned parking areas of the Condominium or in the Parking Unit in the Master Garage. The Condominium will have 132 parking spaces. The Parking Unit in the Master Condominium will contain 815 additional parking spaces that will be available for the Condominium and all other users on a first come, first served basis.

F. THE DECLARANT

The Declarant, TCA Block 7 Residential, L.L.C., is a limited liability company organized April 7, 2005. The Declarant has been involved in acquiring the condominium property and developing the Condominium since it was organized. This will be the Declarant's first condominium development.

The persons immediately responsible for development of the Condominium are Daniel A. Hoffler, Anthony P. Nero, Louis S. Haddad, A. Russell Kirk and John E. Babb. All have been associated with the Declarant since its organization. All have been involved in strategic planning of the Condominium since its initial conception and all will be involved in the continued planning, marketing and construction of the Condominium. Mr. Hoffler has been involved in real estate development for over 25 years. Mr. Nero has been involved in real estate development for in excess of 17 years. Mr. Kirk has been involved in real estate development for in excess of 20 years. Mr. Haddad has been involved in real estate development for 25 years. Mr. Babb has been involved in real estate development for approximately seven years.

G. TERMS OF THE OFFERING

Any information or data regarding the Condominium not

presented in this Public Offering Statement must not be relied upon. No person has been authorized by the Declarant to make any representation not expressly contained herein. This presentation may not be modified or supplemented orally.

The Declarant reserves the right to change the terms of this Public Offering Statement as they affect potential Buyers not then under contract, provided, however, that if any such change materially alters any contractual obligations of Declarant to a contract Buyer, the Buyer shall have ten (10) days from notice thereof to rescind the contract, but shall not be entitled to any remedy other than the refund of any deposits he may have made.

Final offering prices for the Condominium Units have not been established as of the effective date of this Public Offering Statement; however, the Declarant presently contemplates offering the Condominium Units as set forth in Appendix 7 to this Public Offering Statement.

In addition to the purchase price of his Condominium Unit, each Buyer will be obligated to pay to the Association at settlement an initial payment to the working capital of the Association of three (3) advanced monthly installments of his Unit's Common Expense assessment for the fiscal year in which settlement occurs.

This initial capital payment will be turned over to the Association. Each Buyer will be obligated to continue to pay such monthly assessment so as to always maintain his account three (3) months in advance. This advanced assessment will not be refunded by the Association to a Buyer when he resells his Unit.

The Buyer will not be required to pay any settlement or closing costs other than those ordinarily borne by Buyers of real estate in the City of Virginia Beach, Virginia (such as recordation taxes and fees, title insurance, prorated prepaid items, attorneys fees, and items required or otherwise incurred in connection with procuring a mortgage loan).

As of the effective date of this Public Offering Statement, Declarant has not arranged financing for Buyers.

Depending upon the requirements of any lender who may agree to provide financing for the purchase of Condominium Units, it may be necessary for the Declarant to reserve in contracts of sale a right to cancel such contracts should the Declarant fail to meet such lender's requirements, such as a requirement that the Declarant sell a given number or percentage of the Condominium Units within a period of time prescribed by the lender.

The Unit Owner's right to bring legal action against the Declarant is limited by certain provisions of the agreement of sale, the Declaration and the Limited Warranty Certificate.

Specifically, each of those instruments requires the Unit Owners to waive a jury in any civil action against the Declarant.

H. ENCUMBRANCES

The Condominium is or will be subject to typical easements for electricity and telephone service and for other utilities. The Condominium is subject to restrictions which prohibit the Unit Owner from using the Condominium property in any manner which will constitute a nuisance or injure the value of any neighboring property.

The Condominium is also subject to an easement reserved to the Declarant to facilitate sales and rentals as described in Paragraph 19.1 of the Declaration pursuant to which Declarant may use any, all, or any number of unsold Units for such purposes. In addition, the Declarant enjoys, by virtue of the Declaration and §55-79.65 of the Code of Virginia of 1950, an easement to facilitate expansion over the Common Elements for the purpose of making improvements on the originally submitted land and the additional land, and for related purposes.

The Condominium is subject to the requirement that the common elements of the Condominium be maintained at least to the standards of the franchisor of the Hotel Unit in the Master Condominium. It is anticipated that the initial franchisor of the Hotel Unit will be Westin Hotels.

The Condominium is subject to the Master Declaration of Town Center, which prohibits certain uses and establishes certain building guidelines for the properties located in the Town Center Development of Virginia Beach, in which the Condominium is located.

The Board of Directors of the Association and its agents have a right of access to each Unit (without prior notice to the Unit Owner in case of an emergency) under Paragraph 11.6 of the Declaration.

There are no covenants, servitudes, or other devices creating actual or potential restrictions on the rights of any Unit Owner to use and enjoy his Unit other than the easements described above, the provisions of the Condominium Instruments, and the Rules and Regulations promulgated thereunder.

I. RESTRICTIONS ON TRANSFER

No rights of first refusal, preemptive rights, or other restraints on the free alienability of the Condominium Units are created by the Condominium Instruments, other than the Purchase

Agreement, and none will be created by the Rules and Regulations during the period of Declarant control. The Declarant's purchase agreement contains an "anti-speculation provision" which requires that any purchaser who offers or contracts to re-sell his Unit to a third party (a "Selling Purchaser") within 12 months from the date of the deed of conveyance of the Unit from the Declarant to the Selling Purchaser must first provide the Declarant the first right of refusal to repurchase such Unit for an amount equal to the consideration paid by the Selling Purchaser to the Declarant for such Unit. Paragraph 13 of the Declaration permits leasing of Units for periods of at least one (1) year's duration subject to the reasonable Rules and Regulations of the Association, and allows the Association to adopt a standard form of lease as the basic form for leasing Units. Units are restricted to residential use except that the Declarant may use any, all, or any number of Units owned by the Declarant as sales offices, management offices, model Units, or rental offices, and the Board of Directors may permit reasonable, temporary, nonresidential uses in designated Units (and/or Common Elements) from time to time.

J. UNIT OWNERS' ASSOCIATION

The principal function of the Association is to govern and provide insurance for the Condominium and to maintain the Common Elements. The Association will be responsible to enforce the rules and regulations of the Condominium, maintain the lobby of the Condominium and on a limited basis provide personnel to man the lobby entrance into the Condominium. Other functions of the Association are described in the By-laws and Articles. The Association is to be incorporated as a nonstock corporation.

The Declarant will retain control of the Association by appointing all of the members of the Board of Directors during the period of Declarant control. The period of Declarant control will end upon the earliest to occur of (1) the date when Units to which a total of at least three-fourths of the Common Element Interests are allocated are owned by persons other than Declarant or (2) the second anniversary of the date the Declarant ceases to be the only Unit Owner, or (3) the date specified by the Declarant in a notice to each Unit Owner that the Declarant is relinquishing the rights reserved by the Declarant under Section 55-79.74(a) of the Code of Virginia of 1950. After that period, The Board of Directors will consist of five (5) Directors elected to three (3) year terms annually on a 2-2-1 basis by all the Unit Owners (including the Declarant while the Declarant is a Unit Owner). The Board of Directors may delegate various powers to one (1) or more Directors or other Officers.

Under Article 4.11 of the By-laws, the Board of Directors is allowed to employ professional management of the Condominium.

The Condominium Instruments do not establish any criteria for selection of a managing agent, and the Association will be free to employ whomever it desires as managing agent, if anyone, after the period of Declarant control. Declarant intends to engage United Property Associates to manage the Condominium during the period of Declarant control of the Condominium. A contract with a managing agent entered into by the Declarant may not exceed two (2) years in length.

The Unit Owners Association has the authority to promulgate rules and regulations governing the Condominium property and its use. A copy of the currently adopted rules and regulations is attached as Appendix 5 to this Public Offering Statement and should be reviewed by all prospective purchasers.

The Officers of the Association will include a President, a Vice President, a Secretary and a Treasurer. Other Officers may also be appointed. All Officers are to be appointed by the Board of Directors.

There are no leases of recreational areas or any similar agreements affecting the use, maintenance or access of all or any part of the Condominium.

As established by the Declarant, the Association does not require that any standing committees be established by the Association, although the Board of Directors is empowered, at its election, to appoint standing committees for any proper purpose.

Voting in the Association will be weighted on a weighted par value basis. The Units will have par values weighted from 100 to 180 per Unit, determined based on the size and location of the Unit.

All of the foregoing matters in this Section J are covered in detail by the Declaration, By-laws and Articles attached hereto as Appendices 1, 3 and 9 to this Public Offering Statement. See also Appendix 5 to this Public Offering Statement for the Rules and Regulations adopted by the Board of Directors.

The Association has the right to enter any Unit for the purpose of inspection or performing maintenance or repair to any portion of the Common Elements or any Unit at reasonable times upon reasonable advance notice, except that, in an emergency, entry may be made without notice or permission.

If a Unit Owner makes unauthorized alterations or additions to his Unit, refuses to properly maintain his Unit as required by the Declaration or causes any damage to the Common Elements, the Association may remedy such violation without the Unit Owner's consent and charge the costs thereof to the Unit Owner as a

special assessment.

K. SURROUNDING AREA

The surrounding area is primarily zoned for business and commercial uses. Specific City of Virginia Beach zoning categories found in the immediate area include B-3A, B-3 and B-4.

The immediate surrounding area is comprised primarily of the Town Center Business District, with offices, banks, retail and restaurants and apartments. The Virginia Beach Performing Arts Center is planned to be constructed on the block immediately to the north of the Condominium. Shopping, schools, medical facilities, and churches are located with a short drive from the Condominium.

L. FINANCIAL MATTERS

Each Unit Owner will be obligated to pay his share of the Common Expenses, which include the actual and anticipated expenses of the Association and any allocations to reserve funds which the Association may maintain. For the most part, every Unit Owner will pay a share of the Common Expenses proportionate to his pro rata interest in the Condominium, which is based on the par value of his Unit. Any Common Expenses associated with the maintenance, repair, renovation, restoration, or replacement of any Limited Common Element shall be specially assessed against the Condominium Unit to which that Limited Common Element was assigned at the time such expenses were made or incurred. Any other Common Expenses for maintenance, repair or replacement caused by the conduct of less than all those entitled to occupy the same or by their licensees or invitees, shall be specially assessed against the Condominium Unit or Units involved. A Unit Owner cannot obtain a reduction of the Common Expenses assessed against his Unit by refraining from use of any of the Common Elements. The Declarant has filed a bond in the amount of \$100,000.00 with the Virginia Real Estate Board to insure payment of assessments levied against Units owned by the Declarant. The Declarant must maintain such bond until such time as the Declarant owns less than ten percent (10%) of the total Units in the Condominium and is current in payment of all assessment owed by the Declarant on all units in the Condominium.

The Board of Directors of the Association is empowered and directed to make, levy and collect assessments against the Unit Owners to defray the costs of Common Expenses of the Condominium.

The assessments levied against Units are payable by the Unit Owners monthly. The regular assessments are determined by the Association on the basis of an annual budget proposed and adopted

by the Board of Directors. The initial budget proposed by the Declarant provides an annual budgeted repair and replacement reserve that averages \$858.63 per Unit, or a total of \$102,178.00 per year. See Appendix 4 for a breakdown of that amount among the various components and a narrative explanation of those items. In the event assessments prove to be insufficient, the budget and assessments may be amended at a meeting called for that purpose. See also Appendix 4 to this Public Offering Statement for budgetary projections. Those budgetary projections are estimates only for the first year of the Condominium's operation based upon the Managing Agent's prior experiences in similar Condominium projects and are not guaranteed by the Declarant or anyone else. Budgetary projections for future years are especially unreliable.

Not only is it impossible to predict the rate of inflation and the general economic conditions, but it is also impossible to predict things that could happen in the future within the Condominium itself, especially after the period of Declarant control ends.

It is anticipated that the Association will enter into an agreement with the owner and operator of the Hotel Unit that will allow the Unit Owners to use certain guest facilities in the Hotel Unit, such as the swimming pool, spa and exercise facilities. If that occurs then part of the common expenses will include an equitable share of the expenses of such facilities. In addition, the owner and operator of the Hotel Unit may make certain other services provided by the Hotel available to Unit Owners on an a la carte basis, such as concierge and room service. If any such services are offered and available to the Unit Owners, it will be the responsibility of the Unit Owners using such services to reimburse the owner and operator of the Hotel Unit directly for such services.

The failure of any Unit Owner to pay his share of the Common Expenses, as assessed by the Board of Directors, or any special assessment against the Unit Owner, could have consequences just as serious as failure to pay a promissory note secured by a mortgage or deed of trust. Not only would the defaulting Unit Owner be subject to a lien on his Condominium Unit which could result in a forced sale thereof to pay the deficiency (together with interest, late charges, costs, attorneys' fees and a fair rent of his Unit), but he could also be sued personally for those same items, and the judgment could be enforced against other property of the Unit Owner besides his Unit. Failure to pay any monthly installment of his Common Expense assessment gives the Board of Directors the right to declare the entire remaining unpaid balance of that year's assessment due and payable upon at least fifteen (15) days after delivery or mailing of notice thereof to the Unit Owner.

M. INSURANCE

The Board of Directors will obtain insurance to protect the Association and, to a certain limited extent, the Unit Owners as individuals, as provided in the By-laws.

The Condominium, including the Units, will be covered by fire and property insurance by the Association. The coverage will be "all-risk" and in an amount equal to the full replacement cost of the building, subject to reasonable "deductible" limits. This coverage will not insure personal property belong to a Unit Owner and need not cover any improvements or betterments made by a Unit Owner to his Unit. Each Unit Owner shall insure his personal property belonging to a Unit Owner as he or she shall determine.

The Association and Unit Owners will 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 willful or negligent act or omission of a Unit Owner. The Board of Directors will also maintain appropriate workmen's compensation insurance and fidelity coverage (if applicable).

Conditions on insurance independently obtained by individual Unit Owners are set forth in Paragraph 14.3 of the Declaration.

N. TAXES

Each Unit Owner will receive for the next fiscal year after the Unit Owner purchases his Unit an individual real property tax bill from the City of Virginia Beach and will be individually responsible for payment of the taxes on his Condominium Unit thereafter. If his Condominium Unit has not been separately assessed by the City of Virginia Beach at closing, a Buyer will pay to the Declarant, in advance, his pro rata share of the real estate taxes attributable to his Condominium Unit for the remainder of the fiscal year in which closing occurs. Declarant shall pay the real estate taxes for such period of time.

As of the effective date of this Public Offering Statement, real property in the City of Virginia Beach is required to be assessed at one hundred percent (100%) of its fair market value. The tax rate for fiscal year 2005/2006 per One Hundred Dollars (\$100.00) of assessed value applicable to the Condominium is \$1.5939 in the Central Business Tax District of the City of Virginia Beach. The Unit Owner will be able to estimate the annual real property tax on his Unit by dividing the purchase price of his Unit by one hundred (100) and multiplying the result by \$1.5939.

No sewer or water connection charges or other special assessments are to be levied against or imposed upon the Unit Owners.

O. GOVERNMENTAL APPROVAL

A foundation permit was issued by the City of Virginia Beach on August 29, 2005. The Condominium complies with the Zoning Ordinances of the City of Virginia Beach. The buildings are being constructed to comply with the Virginia Uniform Statewide Building Code and Minimum Housing Standards of the City of Virginia Beach.

P. WARRANTIES

Each Unit and the Common Elements will be covered by the statutory warranty provided by Section 55-79.79(b) of the Code of Virginia of 1950. Declarant shall warrant or guarantee, against structural defects, each of the Units for two (2) years from the date of recordation of the deed for each Unit, and all of the Common Elements. The Declarant shall also warrant for a period of two (2) years that the Unit is fit for habitation and constructed in a workmanlike manner so as to pass without objection in the trade. The two (2) years referred to commences, as to each of the Common Elements, whenever the same has been completed, or, if occurring later, as to any Common Element within any Additional Land or portion thereof, at the time the first Unit therein is conveyed. The details of the warranty on the Unit are set forth in the Limited Warranty Certificate attached to this Public Offering Statement as Appendix 8. The Declarant gives no warranty with respect to consumer products sold with a Unit except as required by the statutory warranty.

Among the consumer products sold with the Units will be certain major appliance items, such as ovens, dishwashers, heat pumps and air conditioning units, which will be covered by manufacturer's warranties. These warranties will be delivered or assigned by Declarant to Buyers.

Q. TERMINATION

The Condominium may be terminated (i) in the case of damage, if Units to which more than eighty percent (80%) of the Common Elements are appurtenant are found by the Board of Directors to be untenable or (ii) if such termination is approved by Unit Owners of not less than eighty percent (80%) of the Common Elements and their Institutional Lenders. In the case of an election to terminate under subparagraph (ii) above, Paragraph 16.2 of the Declaration requires that a Unit Owner voting against termination give the Association an option to purchase his Unit.

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**DECLARATION OF CONDOMINIUM
OF
TOWN CENTER RESIDENTIAL CONDOMINIUM 7**

Prepared by and return to:

FAGGERT & FRIEDEN, P.C.
222 Central Park Avenue
Suite 1300
Virginia Beach, Virginia 23462

GPIN Nos.:

DECLARATION OF CONDOMINIUM
OF
TOWN CENTER RESIDENTIAL CONDOMINIUM 7

TCA Block 7 Residential, L.L.C., a Virginia limited liability company, duly organized under the Laws of the Commonwealth of Virginia, being the owner of record of the fee simple title to the real property situate, lying and being in the City of Virginia Beach, Virginia, more particularly described in Exhibit A, and being more particularly shown and depicted on that certain plat entitled "EXHIBIT 'B' CONDOMINIUM PLAT OF TOWN CENTER RESIDENTIAL CONDOMINIUM 7", both of which Exhibits are incorporated herein by reference, does hereby state and declare that the realty described in Exhibit A, together with the improvements thereon, is submitted to condominium ownership pursuant to the Condominium Act of the Commonwealth of Virginia, Title 55, Section 55-79.39 et seq., Code of Virginia of 1950, as the same exists at the time of recording this Declaration in the Clerk's Office of the Circuit Court of the City of Virginia Beach, Virginia, as hereinbelow more particularly set forth.

1. PURPOSE: NAME, ADDRESS AND LOCATION: LEGAL DESCRIPTION: EFFECT.

1.1. PURPOSE. The purpose of this Declaration is to submit the realty and improvements of the above-mentioned property to condominium ownership and use in the manner prescribed by the Laws of the Commonwealth of Virginia.

1.2. NAME, ADDRESS AND LOCATION. The name of this Condominium is Town Center Residential Condominium 7. The Condominium is located in the City of Virginia Beach, Virginia. The address of the Condominium is N. Independence Boulevard and Columbus Street, Virginia Beach, Virginia 23462. As initially established by the Declarant pursuant to this Declaration, the Condominium will be established within a Unit in a separate Condominium being created in a high-rise mixed use building (the "Condominium Building"). The name of the Condominium within which the Submitted Land is located is Town Center Condominium 7 (the "Master Condominium") and the name of the unit in the Master Condominium that is the Submitted Land is the "Residential Unit". In addition to the Residential Unit, the Master Condominium contains five other units named (a) the "Parking Unit" which includes a parking garage wrapping around the core of the Condominium Building occupying portions of five floors of the Condominium Building beginning on the ground floor of the Condominium Building, (b) the "Conference Center Unit" which consists of a conference center facility located on the third floor of the Condominium Building, (c) the "Hotel Unit" which includes 10 stories of hotel rooms constructed beginning on the fifth floor of the core of the Condominium Building with lobby and related facilities on the first, second and fifth floors of the Condominium Building with stairways and elevators running from the ground floor lobby through the core of the Condominium Building to the facilities on the upper floors, including the 10 stories of hotel rooms, (d) the "Retail Unit" which consists of retail structures and display cases on the ground floor of the Condominium Building wrapped around the areas of the Hotel Unit and Residential

Unit and common areas located on the ground floor of the Condominium Building, and (e) the "911 Unit" which consists of a room on the 37th floor of the Condominium Building that will contain communications equipment and facilities. The Condominium, located in and comprised of the "Residential Unit" in the Master Condominium, includes 20 stories to be developed as residential dwellings constructed beginning on the floor immediately above the top floor of the Hotel Unit together with a lobby and parking facilities located on the first floor of the Condominium Building, storage area on the third and fourth floors of the core of the Condominium Building and stairways and elevators running from the ground floor lobby through the core of the Condominium Building to the facilities on the upper floors, including the 20 stories to be developed as residential dwellings.

1.3. THE SUBMITTED LAND. The real property described in Exhibit A and depicted as "SUBMITTED LAND" on Exhibit B is the land hereby submitted to condominium ownership. Such property is subject to such easements, restrictions, reservations and rights of way of record, together with those contained or provided in this instrument and the Exhibits attached hereto at such time as they become subject to the terms hereof.

1.4. EFFECT. All of the provisions of this Declaration and all Exhibits referenced herein and attached hereto shall be binding upon all Unit Owners and are enforceable equitable servitudes running with the land and existing in perpetuity until this Declaration is revoked and the Condominium is terminated as provided herein. In consideration of receiving, and by acceptance of a grant, devise or mortgage, all grantees, devisees or mortgagees, their heirs, personal representatives, successors and assigns, and all parties claiming by, through, or under such persons agree to be bound by the provisions hereof. Both the burdens imposed and the benefits granted by this instrument shall run with each Unit as herein defined.

2. SURVEY AND DESCRIPTION OF IMPROVEMENTS. On Exhibit B there is a Plat that shows the location and dimension of the Submitted Land, the location of the Common Elements and, to the extent practical, the location and designation of the Units located thereon. No Unit bears the same designation as any other Unit. The plans and dimensions of the various Units and the floors of the Condominium are depicted on Exhibit C.

3. DEFINITION OF TERMS. The terms used in this Declaration and the Exhibits attached hereto shall have the meanings stated as follows, unless the context otherwise requires.

3.1. "Articles of Incorporation" means the Articles of Incorporation of the Association, heretofore filed with the State Corporation Commission.

3.2. "Assessment" means a share of the funds required for the payment of Common Expenses which is assessed against the Unit Owners from time to time.

3.3. "Association" means Town Center Residential Condominium 7 Owners Association, Inc., a non-stock, non-profit Virginia corporation which is the entity responsible for the operation of the Condominium.

3.4. "Board" or "Board of Directors" means the Board of Directors of the Association responsible for the administration of the Association.

3.5. "By-laws" means the By-laws of the Association as they exist from time to time and as attached hereto and recorded herewith as Exhibit E.

3.6. "Common Elements" means all portions of the Condominium other than the Units.

3.7. "Common Expenses" means all expenditures lawfully made or incurred by or on behalf of the Association, including, without limitation, any assessments against the Condominium by any other association of which the Condominium or the Unit Owners are members and subject to assessment and other expenses imposed against the Condominium by any declaration of restrictions or other recorded documents effective against the Submitted Land, together with all funds lawfully assessed for the creation and/or maintenance of reserves pursuant to the provisions of the Condominium Instruments.

3.8. "Common Profits" means the excess of all receipts of the Association, including but not limited to, assessments, rents, profits, and revenues on account of the Common Elements, in excess of the amount of Common Expenses.

3.9. "Condominium" means Town Center Residential Condominium 7, as established by this Declaration.

3.10. "Condominium Act" means the Condominium Act of the Commonwealth of Virginia as set forth in Section 55-79.39, et seq. of the Code of Virginia of 1950, as the same exists at the time of recording this Declaration in the Clerk's Office of the Circuit Court of the City of Virginia Beach, Virginia.

3.11. "Condominium Instruments" shall be a collective term referring to this Declaration, By-laws, and plats and plans, recorded pursuant to the provisions of the Condominium Act. Any exhibit, schedule, or certification accompanying a Condominium Instrument and recorded simultaneously therewith shall be deemed an integral part of that Condominium Instrument. Any amendment or certification of any Condominium Instrument shall, from the time of the recordation of such amendment or certification, be deemed an integral part of the affected Condominium Instrument, so long as such amendment or certification was made in accordance with the provisions of the Condominium Act and this Declaration.

3.12. "Condominium Property" means and includes all lands and personal property hereby or hereafter subjected to condominium ownership and all improvements thereon and all easements and rights appurtenant thereto intended for use in connection with the Condominium.

3.13. "Condominium Unit" means a Unit together with the undivided interest in the Common Elements appertaining to that Unit.

3.14. "Declarant" means TCA Block 7 Residential, L.L.C., a Virginia limited liability company, its successors and assigns, which has created this Condominium.

3.15. "Declaration" means this instrument and all Exhibits attached hereto.

3.16. "Lender" means any Person holding a first mortgage or first deed of trust lien on a Unit, and their successors and assigns.

3.17. "Limited Common Element" means a portion of the Common Elements reserved for the exclusive use of one or more, but less than all, of the Units.

3.18. "Occupant" means the person or persons other than the Unit Owner in actual possession of a Unit.

3.19. "Permittees" means a Unit Owner's tenants, subtenants, occupants, contractors, subcontractors, licensees, invitees, permittees, guests and visitors with respect to such Unit Owner's Unit.

3.20. "Person" means a natural person, corporation, partnership, limited liability company, association, trust, or other entity capable of holding title to real property, or any combination thereof.

3.21. "Submitted Land" means those lands that are hereby and herein submitted to condominium ownership and described in Exhibit A.

3.22. "Unit" means a portion of the Condominium Property designed and intended for individual ownership and use.

3.23. "Unit Owner" means one or more persons who own a Condominium Unit.

The definitions herein contained shall prevail as the context requires whether or not the same are capitalized in their usage herein.

4. INTEREST IN COMMON ELEMENTS, OWNERSHIP AND BOUNDARIES OF UNITS.

4.1. INTEREST IN COMMON ELEMENTS AND UNITS. Each Unit Owner shall own, as an appurtenance to its Unit, an interest as tenants in common with all other Unit Owners in the Common Elements as is specified in Exhibit D (with respect to each Unit, its "Common Element Interest"). The Common Element Interest of each Unit shall not be changed without the consent of the Unit Owners whose undivided interests are affected by such change. No Unit Owner shall bring an action for partition or division of its Common Element Interest. Each Unit Owner shall own its Unit in fee simple absolute, in addition to the undivided fee simple interest as a tenant in common with the Unit Owners, in Common Elements.

4.2. BOUNDARIES. A Unit consists of portions of the Condominium Building and adjacent areas lying within the boundaries described in Paragraphs 4.2.1 through 4.2.5.

4.2.1. HORIZONTAL BOUNDARY:

UPPER AND LOWER BOUNDARIES. The upper and lower boundaries of the Unit shall be the following boundaries extended to an intersection with the perimetrical boundaries:

(1) UPPER BOUNDARY—The upper boundary is the lower surface of the paper on the sheetrock ceiling within the Unit..

(2) LOWER BOUNDARY—The lower boundary is the upper surface of the unfinished concrete floor within the Unit.

(3) PLAN DEPICTION—The upper and lower horizontal boundaries of the Units are also more particularly depicted on plans attached to this Declaration as Exhibit C.

4.2.2 PERIMETRICAL BOUNDARIES:

The perimetrical boundaries of the Units shall be the vertical planes of the unfinished interior surface of the perimeter walls, windows and doors of the Unit, extended to intersections with each other and with the Upper and Lower Boundaries. The perimetrical boundaries of the Units are also more particularly depicted on plans attached to this Declaration as Exhibit C.

(1) Where there is an aperture in any perimetrical boundary, including, but not limited to, windows and doors, the vertical boundary shall be extended at all such places, at right angles, to the dimension of such aperture, so that the perimetrical boundary at such places shall be coincident with the exterior finished surface of such aperture, including the framework thereto. Exterior walls made of glass or glass fired to metal framing, exterior windows and frames, exterior glass sliding doors, frames and casings, shall be included within the Unit and shall not be deemed a Common Element.

(2) The interior partitions within a Unit are part of said Unit.

4.2.3 SUPPORT EASEMENT. Each Owner will have a non-exclusive easement for horizontal, vertical and lateral support of such Owner's Unit, including a non-exclusive easement in and to all structural members, columns, beams, foundations, load bearing walls and other structural components located in or constituting part of the Common Elements or another Owner's Unit for support of such Owner's Unit.

4.2.4 MAINTENANCE EASEMENT. An easement shall exist for the benefit of the Association and all Unit Owners through each Unit for the ducts, pipes, conduits, plumbing, wiring or other facilities for the furnishing of utility or other services to the Units and the Common Elements which are installed during the initial construction of the Condominium Building, and for maintaining, repairing, servicing and replacing same. Any pipes, ducts, wires, conduits, electrical panels, plumbing, drains, or any utility services serving only one Unit are appurtenant to and a part of such Unit and are not part of the Common Elements.

4.2.5 AIR CONDITIONING/HEATING/MECHANICAL. Notwithstanding any of the provisions of this paragraph 4 to the contrary, the air conditioning, refrigerating, heating and electrical lines within the Unit, and the heating/air conditioning unit (heat pump), fan units, water and sewer lines, and other apparatus in connection therewith, which serve only one individual unit (wherever located), shall be owned by the Unit Owner as a part of the Unit and are not part of the Common Elements or any other Unit.

4.3. RIGHT TO ALTER. Declarant reserves the right to alter the design, boundaries and arrangements of all Units as long as Declarant owns the Units so altered. Said alteration shall be accomplished by an amendment to this Declaration, which need only be signed by Declarant without the approval of any other party. Declarant shall collaterally reapportion, if necessary, the shares of ownership in the Common Elements appurtenant to the Units concerned.

4.4. LIMITED COMMON ELEMENTS. Limited Common Elements within the Condominium, if any, are created as shown and are appurtenant to the various Units as indicated on Exhibit B and Exhibit C. In addition, on Exhibit B there are certain Common Elements that are depicted as "COMMON ELEMENTS THAT BE MAY ASSIGNED AS LIMITED COMMON ELEMENTS PURSUANT TO SECTION 55-79.54 (a) (6)" that may be assigned, in whole or in part, to one or more Units as Limited Common Elements appurtenant to such Unit(s). Such assignment shall be evidenced by an amendment to this Declaration executed by the Declarant in accordance with Section 55-79.57C of the Condominium Act and recorded in the Clerk's Office of the Circuit Court of the City of Virginia Beach, Virginia at the expense of the Unit Owner(s) to whose Unit such Limited Common Element is assigned.

5. SUBDIVISION OF UNITS. A Unit may be divided or subdivided into smaller Units in accordance with Section 55-79.70. No Unit or portion thereof shall be added to or incorporated into any other Unit.

6. RESERVED.

7. EASEMENTS.

7.1. PERPETUAL NON-EXCLUSIVE EASEMENT. The Common Elements are hereby declared to be subject to a perpetual nonexclusive easement in favor of all of the Unit Owners in the Condominium for their use and the use of their Permittees, for all proper and normal purposes, including the providing of services for the benefit of all Units.

7.2. EASEMENT FOR UNINTENTIONAL AND NON-NEGLIGENT ENCROACHMENTS. In the event that any Unit or Common Element shall encroach upon any other Unit or Common Element for any reason other than the purposeful negligent act of any Person, then an easement appurtenant to such affected Unit or Common Element shall exist for so long as such encroachment shall naturally exist.

7.3. UTILITY EASEMENTS. Utility easements are reserved and granted through the Condominium Property as may be required for construction and maintenance of utility services in order to adequately serve the Condominium, so long as the use of such easements does not materially adversely interfere with the use and occupancy of another Owner's Unit or the Common Elements.

7.4. INGRESS AND EGRESS. A non-exclusive easement for ingress and egress is hereby created for pedestrian traffic over, through and across lobbies, stairways walks, hallways, corridors, passageways and lanes as the same, from time to time, may exist upon the Common Elements; and for vehicular traffic over, through and across such portions of the Common Elements as, from time to time, may be paved and intended for such purposes.

7.5. USE. The use of any easement by a Unit Owner shall be subject to all of the provisions of this Declaration, as the same may exist from time to time.

7.6. EASEMENT TO FACILITATE CONSTRUCTION. The Declarant shall have a transferable easement over and on the Common Elements and the Units for the purpose of making improvements on the Condominium and completing construction of the Units and doing all things reasonably necessary and proper in connection therewith. Prior to exercising any rights with respect to such easement over and on the Units, Declarant shall provide notice to the Unit Owner of the Unit over which Declarant desires to exercise such rights. In exercising its rights hereunder, Declarant shall diligently pursue completion of such activities in a commercially reasonable manner, use reasonable care to avoid any damage to Units and Common Elements and disruption of normal use of the Units and Common Elements, and repair any damage that occurs as a result of its exercise of such rights to the same condition as existed prior to Declarant's exercise of such rights.

7.7. ADDITIONAL EASEMENTS. If at any time after the date hereof (a) additional emergency exits are required by law or by insurance underwriting requirements generally applicable to office, retail or parking projects, (b) any additional easements for access to or use of Utilities are reasonably necessary for the use and operation of any one or more Units, (c) governmental authorities require or request the installation of equipment or facilities for 911 or other emergency communications systems, or (d) any additional easements are necessary or desirable to effectuate the purposes of this Declaration, each Unit Owner will, within a reasonable time after written request by any other Unit Owner or the Association, grant such easement. However, (i) no Unit Owner granting any such easement is required to construct improvements, expend any monies, or incur other material liabilities in order to provide such easement (other than costs paid solely by the Unit Owners for whose benefit such easement is to be granted), (ii) such easement will not materially increase expenses, or create any material additional expenses, for any portion of the Condominium (unless permanently allocated to and paid by the Owner for whose benefit such easement is to be granted), and (iii) the use of such easement will not unreasonably interfere with the use or enjoyment of such Unit Owner's Unit or violate or interfere with the rights or interests of such Unit Owner's Permittees. The Owners requesting any such easement will pay all costs and expenses in connection with the approval and granting of any such easement, including all engineering fees, recording charges, and legal fees and expenses reasonably incurred by the Unit Owners or any of them in connection therewith. If new easements are created, this Declaration will be amended, if necessary, by Declarant, the Association or the Unit Owners, as the case may be, as required by the Condominium Act and such easements will have the same force, effect and priority as if such easements were originally contained in this Declaration.

8. COMMON EXPENSE; COMMON PROFITS. Except as expressly provided otherwise herein, the Units shall share in the Common Profits and be liable for the Common Expenses in the percentage undivided interest of each such Unit in the Common Elements set forth in Exhibit D. The right to share in the Common Profits does not include the right to withdraw or to require payment or distribution thereof except upon termination and dissolution of the Condominium.

9. ADMINISTRATION OF THE CONDOMINIUM: THE ASSOCIATION, MEMBERSHIP, REPORTS TO MEMBERS AND LENDERS, VOTING.

9.1. THE ASSOCIATION. The Association shall administer the operation and management of the Condominium Property and undertake and perform all acts and duties incident thereto in accordance with the provisions of this Declaration and the Condominium Act.

9.2. MEMBERSHIP. Each Unit Owner shall automatically become a member of the Association upon its acquisition of title to any Unit and said membership shall terminate automatically upon said Unit Owner being divested of title to such Unit, regardless of the means by which such ownership may be divested. No Person holding any lien, deed of trust, mortgage or other encumbrance upon any Unit shall be entitled, by virtue thereof, to membership in the Association or to any of the rights or privileges of such membership.

9.3. POWERS OF ASSOCIATION. In the administration of the Condominium, the Association shall have, and is hereby granted, the authority and power to enforce the provisions of this Declaration, levy and collect assessments in the manner hereinafter provided, and to adopt, promulgate and enforce such Rules and Regulations governing the use of the Units and Common Elements as the Board of Directors of the Association may deem to be in the best interest of the Condominium provided that (i) such Rules and Regulations must not unreasonably interfere with the use of the Common Elements or Units by any Unit Owner or the Permittees of such Unit Owner and (ii) no Unit Owner will be obligated to comply with any Rule or Regulation which is contrary to an express right granted in this Declaration. The Association shall have all of the powers and duties set forth in the Condominium Act. Further, the Association shall have the right, when determined by its Board of Directors to be in the best interests of the Condominium, to grant exclusive licenses, easements, permits, leases or privileges to any Person, including those that are not Unit Owners, which affect Common Elements and to alter, add to, relocate or improve Common Elements, provided that the rights and the exercise thereof are not in abrogation of the requirements of the Condominium Act, and further provided that the alteration of any and all Common Elements must be consistent with the maintenance of a first-class Condominium project, and comply with applicable governmental laws, ordinances, rules and regulations.

9.4. REPORTS TO LENDERS. So long as a Lender is the owner or holder of a mortgage or deed of trust encumbering a Unit in the Condominium, the Association shall furnish said Lender with one (1) copy of the annual financial statement and report of the Association and one (1) copy of all insurance policies of the Association pertaining to the Unit upon which the mortgage is held, provided said Lender requests same in writing.

9.5. INSURANCE REPORTING. In any legal action in which the Association may be exposed to liability in excess of insurance coverage protecting it and the Unit Owners, the Association shall give notice of the exposure within a reasonable time to all Unit Owners who may be exposed to the liability and their Lender, providing such Lender requests such notice in writing, and the Unit Owners shall have the right to intervene and defend their interests at each Unit Owners' own expense.

A copy of each insurance policy obtained by the Association shall be made available for inspection by Unit Owners at reasonable times.

9.6. VOTING. The voting of each Unit Owner shall be governed by the provisions of the By-laws.

9.7. MANAGEMENT AGREEMENT. The Association may enter into an agreement with any person, firm or corporation for the Association's responsibilities for the administration, maintenance and repair of the Condominium Property and may delegate to such contractor or manager such of the powers and duties of the Association as the Association and such person, firm or corporation shall agree.

10. USE AND OCCUPANCY.

10.1. USE. Each Unit is restricted to residential use by the owner or owners thereof, their immediate family, guests and invitees. At no time may a Unit be occupied on a full time basis by more than two (2) persons per bedroom in the Unit.

10.2. GENERAL USE RESTRICTION. No person shall use the Condominium Property or any part thereof, in any manner contrary to the Condominium Instruments. The use of the Units and the Condominium Property shall also be subject to the provisions of the Master Condominium Declaration that affect the Residential Unit. The Condominium Property is further subject to and no person shall use the Condominium Property or any part thereof in a manner contrary to the provisions of the Master Declaration of Covenants and Restrictions for The Town Center of Virginia Beach dated September 29, 2003, recorded in the Clerk's Office of the Circuit Court of the City of Virginia Beach, Virginia as Instrument No. 200311130187053, as it may have heretofore been amended or may hereafter be amended in accordance with the provisions thereof (the "Master Declaration").

10.3. LAWFUL USE. No immoral, improper, offensive or unlawful use shall be made of any of the Condominium Property, and all laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed.

10.4. EXTERIOR ALTERATIONS AND ADDITIONS. No Unit Owner shall cause any improvements or changes to be made on the exterior of the Unit, including painting or other decoration, without the written permission of the Association and Declarant (during the period of Declarant's control provided in the By-laws, which permission may be withheld or denied in the Declarant's sole discretion). All proposed improvements or changes must be in substantial conformity with the exterior of the other Units in the Condominium in terms of quality of construction, the principal materials to be used and architectural style and must comply with the applicable provisions of the Central Business District Urban Standards/City of Virginia Beach, prepared by CMSS Architects, PC.

10.5. NUISANCES. No nuisance or any use or practice that is the source of unreasonable annoyance to other Unit Owners or which interferes with the peaceful possession and proper use of the Condominium Property by the Unit Owners is permitted. No Unit Owner or Occupant shall permit or suffer anything to be done or kept upon the Condominium Property which will increase the rate of insurance on the Condominium.

10.6. DECLARANT'S USE. Anything contained herein to the contrary notwithstanding, the Declarant may make such use of any unsold Unit and the Common Elements as may facilitate the sale or leasing of any Unit in the Condominium, provided that such use (a) does not unreasonably interfere with the proper and intended use of such Common Elements and (b) does not significantly interfere with the use thereof by the Unit Owners.

10.7. RULES AND REGULATIONS. All Unit Owners and other persons shall use the Common Elements in accordance with the Rules and Regulations promulgated by the Association under the provisions of this Declaration and the By-laws of the Association.

11. MAINTENANCE AND REPAIR OF THE CONDOMINIUM PROPERTY, ALTERATIONS AND IMPROVEMENTS.

11.1. MAINTENANCE BY ASSOCIATION. Except as otherwise provided, the Association, at its expense, shall be responsible for and shall maintain, repair and replace all of the Common Elements, except for the Limited Common Elements. The Common Elements shall be maintained in accordance with the requirements of the Master Condominium Declaration and shall further be maintained in a manner consistent with and in compliance with the standards established from time to time by the franchisor of the Hotel Unit. All expenses incurred by the Association in connection with such maintenance shall be common expenses and shall be assessed against the Unit Owners as otherwise provided in this Declaration and the By-laws.

11.2. MAINTENANCE BY UNIT OWNER. Each Unit Owner shall, subject to the other provisions of this Declaration, maintain, repair and replace, at its expense, all portions of its Unit in a good state and condition of repair. Each Unit Owner shall satisfy the requirements of governmental bodies for maintenance, repair or replacement of its Unit. Those Unit Owners to which Limited Common Elements are appurtenant, shall be responsible to maintain, repair and replace the Limited Common Elements appurtenant to their Units in a good state and condition of repair. If any Limited Common Elements are appurtenant to more than one Unit, the Unit Owners to which such Limited Common Element are appurtenant shall share in the expense to maintain, repair and replace the shared Limited Common Element equally.

11.3. CONFORMITY OF MAINTENANCE, STYLE AND MATERIALS. All repairs, painting, replacements and maintenance, whether made by Unit Owners or the Association, to the doors, windows, or the exterior surface of the Unit, or to any generally visible portion of the Units and Common Elements shall be carried out in such a manner so as to conform to the materials, architecture, style, color and quality of construction initially provided by the Declarant and with the requirements of the Town Center Design Criteria.

11.4. LIABILITY OF UNIT OWNER. Should a Unit Owner undertake unauthorized additions and modifications to its Unit, as specified above, or refuse to maintain, paint and make repairs or replacements as required, or should a Unit Owner cause any damage to the Common Elements, the Association may undertake such repairs, painting, replacements or maintenance, and levy a special assessment for the cost thereof against said Unit Owner. In the event a Unit Owner threatens to or violates the provisions hereof, the Association shall also have the right to proceed in a court of equity for an injunction to seek compliance with the provisions hereof.

11.5. **INSURANCE PROCEEDS.** Whenever any maintenance, repair and replacement of any items for which a Unit Owner is responsible is made necessary by any loss covered by insurance maintained by the Association, the proceeds of the insurance received by Association, or the Insurance Trustee, shall be used for the purpose of accomplishing such maintenance, repair or replacement. The Unit Owner shall be required to pay all of the costs thereof that exceed the amount of the insurance proceeds.

11.6. **RIGHT OF ENTRY BY ASSOCIATION.** Whenever it is necessary to enter any Unit for the purpose of inspection, including inspection to ascertain a Unit Owner's compliance with the provisions of this Declaration, or for performing any maintenance, alteration or repair to any portion of the Common Elements or Unit, the Unit Owner shall permit an authorized agent, agents or contractor of the Association to enter such Unit, or to go upon the Common Elements PROVIDED, that such entry shall be made only at reasonable times and with reasonable advance notice. In the case of emergency such as, but not limited to, fire or other casualty, entry may be made without notice or permission. Each Unit Owner does hereby appoint the Association as its agent for the purposes herein provided and agrees that the Association shall not be liable for any alleged property damage or theft caused or occurring on account of entry.

12. **APPORTIONMENT OF TAX OR SPECIAL ASSESSMENT IF LEVIED OR ASSESSED AGAINST THE CONDOMINIUM PROPERTY.**

12.1. **RESPONSIBILITY.** If any taxing authority levies or assesses any tax or special assessment against the Condominium Property as a whole, and not the individual Units, the same shall be paid as a Common Expense by the Association and assessed to the Unit Owners. In such event, the amount due shall constitute a lien prior to all mortgages and encumbrances upon any Unit to the same extent as though such tax or special assessment had been separately levied by the taxing authority upon each Unit.

12.2. **PERSONAL PROPERTY TAXES.** All personal property taxes levied or assessed against personal property owned by the Association shall be paid by the Association and shall be a Common Expense.

13. **LEASING OF CONDOMINIUM UNITS.** The leasing of Condominium Units shall be subject to such reasonable Rules and Regulations as may be established, from time to time, by the Association. The Association shall not have the right, however, to restrict, regulate or determine the period, rent or lessees of any lease of a Condominium Unit, except that no Unit may be leased for transient purposes or for a period of less than one (1) year's duration. The Unit Owner shall provide the Association a copy of any lease entered into with respect to its Unit and such reasonable information as the Association requires with respect to the tenants of the Unit. If the Association deems it appropriate, it may adopt a standard form of lease for use by the Unit Owners and if it does so all Unit Owners shall use such standard form as their basic lease form. It shall be the responsibility of the lessor of a Condominium Unit to transfer to its lessees all of the Condominium Instruments originally provided to said lessor and to provide in all leases for a Condominium Unit that the lessee shall be bound by the Condominium Instruments and that a breach of the Condominium Instruments by the lessee shall be a breach of the lease. Notwithstanding this paragraph 13, the Lessee shall be bound by the terms of this instrument even though the lessor has failed to comply herewith. None of the provisions of this Paragraph 13 shall apply to any Unit owned, initially or

reacquired, by the Declarant or any corporation or entity that is a parent, subsidiary, or affiliate of the Declarant and said firms may lease any such Units as they deem fit (during the period of Declarant's control provided in the By-laws).

14. INSURANCE PROVISIONS. The insurance which shall be purchased and maintained for the benefit of the Condominium shall be governed by the following provisions:

14.1. PURCHASE OF INSURANCE. All insurance purchased pursuant to this Section 14 shall be purchased by the Association for the benefit of the Association, the Unit Owners and their respective mortgagees, as their interest may appear, and shall provide for the issuance of certificates of insurance and mortgagee endorsements to any or all Lenders and holders of a mortgage or deed of trust on any Unit. The policies shall provide that the insurer waives its rights of subrogation as to any claims against Unit Owners and the Association, their respective servants, agents and guests. Each Unit Owner and the Association hereby agree to waive any claim against each other and against other Unit Owners for any loss or damage for which insurance hereunder is carried where the insurer has waived its rights of subrogation as aforesaid.

14.2. COST AND PAYMENT OF PREMIUMS. The cost of obtaining all insurance hereunder, excluding only the insurance as may be purchased by individual Unit Owners, is declared to be a Common Expense, as are any other fees or expenses incurred which may be necessary or incidental to carry out the provisions hereof.

14.3. UNIT OWNER'S RESPONSIBILITY. Each Unit Owner may obtain insurance, at its own expense, providing coverage upon its own property and for its own liability and expenses as it deems advisable. All such insurance shall contain the same waiver of subrogation referred to herein and shall waive any right to contribution.

14.4. COVERAGE. The following coverage shall be obtained by the Association:

14.4.1. The Condominium Building and all other insurable improvements upon the Submitted Land, including all of the Units as originally constructed, furnished and equipped by Declarant (excluding foundations and excavations but without deduction for depreciation), Common Elements and all personal property owned by the Association shall be insured in an amount equal to the maximum insurable replacement value thereof (exclusive of excavations and foundations) as determined annually by the Association in consultation with the insurance company providing the coverage. Said coverage shall afford protection against loss or damage by fire and other hazards covered by standard "all risks" policy, as determined by the Association, including, but not limited to, vandalism, malicious mischief, boilers, pressure vessels or pressure pipes, water damage, demolition costs, extra expense and increased costs of construction, windstorm, war damage and war risk insurance, if available. Such policy shall also (i) specify that the portion or percentage of the proceeds payable thereunder that are attributable to each Unit as the Unit Owners' interest in the loss may appear; (ii) provide that only improvements made or installed by the Association will affect the valuation of any building or improvements on the Condominium for coinsurance purposes, (iii) provide for at least a biennial insurance review which shall include a loss control survey and a valuation survey of the Condominium Building and any other improvements located on or within the Condominium by a representative of the insurer issuing said policy, (iv) contain a waiver by said insurer of any and

all rights of subrogation against any Unit Owner, Lender, Declarant (and each member of its staff or employees), the Association, its Board of Directors, its officers, any hired Manager of the Condominium, and each member of its staff or employee of the Association and any other person with which the Association has agreed in writing, prior to loss, to extend a waiver of the insurer's right of subrogation, (v) provide that it can not be cancelled or terminated, for any reason, without 30 days' prior written notice, and cannot be suspended for nonpayment of premium without 10 days' prior written notice, in either case from the insurer to the Association, Declarant and to all Unit Owners and Lenders, (vi) provide the Board of Directors or its authorized agent or representative shall have the exclusive authority to adjust, with the insurance company or its authorized agent, any and all losses covered by said policy, (vii) provide that the insurance obtained pursuant to this Article will not be prejudiced by the vacancy or non-occupancy of any portion of any one or more Units within the Condominium, provided that this Declaration (as amended from time to time) is in force and the Condominium is operating as a condominium regime, and (viii) provide that all insurance proceeds under said policy will be payable to the named insureds or, if section 14.5 requires, to the Insurance Trustee to be expended or applied as provided in this Declaration for the benefit of the Unit Owners and their respective Lenders as their interests appear.

14.4.2. Comprehensive commercial general public liability and property damage insurance in such an amount and in such form as shall be required by the Association with minimum combined liability limits of \$1,000,000.00 per occurrence for bodily injury, death and property damage and shall also (i) insure against bodily injury, death or property damage occurring in, on or about any portion of the Common Elements or within any Unit, (ii) contain a cross-liability endorsement so as not to prejudice the rights of a named insured against another named insured, (iii) include coverage for automobiles owned by the Association, including comprehensive and collision coverage, and minimum \$1,000,000.00 for uninsured/underinsured motorist, as well as hired and non-owned automobile coverage, and (iv) provide for the same cancellation clause as contained in section 14.4.1 hereof. Said coverage shall include, but not be limited to, water damage, legal liability, hired and non-owned automobile coverage. All liability insurance shall contain cross liability endorsements to cover liabilities of the Unit Owners as a group to an individual Unit Owner, and one Unit Owner to another. The Association may obtain such insurance through a combination of policies, including primary insurance policies, umbrella liability policies and excess umbrella liability policies.

14.4.3. Fidelity insurance or fidelity bond coverage shall be obtained in such an amount and in such form as required by the Board of Directors, but in no event shall such coverage be less than the greater of (i) the maximum amount of funds in the Association's custody at any one time, or (ii) the sum of three (3) months' assessments on the entire Condominium plus the amount of reserves held by the Association. Such coverage shall afford protection against dishonest acts on the part of directors, officers, managers, managing agents, trustees, employees or volunteers responsible for handling funds belonging to, or to be administered by, the Association.

14.4.4. Worker's compensation policies shall be obtained to meet the requirements of law with a minimum limit of \$1,000,000.00 per accident.

14.4.5. Excess/Umbrella Liability insurance shall be obtained with a minimum of \$9,000,000.00 per occurrence coverage applying to any excess liability of the above referenced primary commercial general, automobile and employer's liability policies, including punitive losses..

14.4.6. Employee/Fidelity Crime Insurance shall be obtained with a minimum of \$1,000,000.00 per loss coverage if such limits are available at commercially reasonable rates as determined by the Board of Directors.

14.4.7. Directors' and Officers' Legal Liability Insurance shall be obtained with a minimum of \$1,000,000.00 coverage per event.

14.4.8. Such other insurance as the Board of Directors may determine to be necessary from time to time.

14.5. PAYMENT OF INSURANCE PROCEEDS; INSURANCE TRUSTEE. All insurance policies purchased in accordance with Section 14.4.1 shall provide that all proceeds as a result of any insured loss, except those specifically herein excluded, shall be paid to the Association. The Association shall hold the same in trust for the benefit of the Association, the Unit Owners and their respective mortgagees, as follows:

14.5.1. Proceeds received on account of damage to Common Elements shall be held for the Units in the same proportion as the share in the Common Elements which is appurtenant to each of the Units. If the proceeds do not exceed \$100,000.00, then the Association shall hold and administer repair or reconstruction of the damage and disbursement of the insurance proceeds in payment thereof as provided in section 14.13 hereof. If the proceeds exceed \$100,000.00, then the Association shall deliver the proceeds to a bank doing business, including the business of making commercial construction loans, in Virginia Beach, Virginia having trust powers that shall be designated from time to time by the Association as Insurance Trustee. The Insurance Trustee shall hold the proceeds and administer repair or reconstruction of the damage and disbursement of the insurance proceeds in payment thereof as provided in section 14.14 hereof.

14.5.2. Proceeds on account of damage to the Units shall be held for the benefit of the Unit Owners of the damaged Units in proportion to the cost of restoring the same suffered by each damaged Unit as follows: If the proceeds do not exceed \$50,000.00 and are received on account of damage to only one (1) Unit, then the Association shall deliver the proceeds to the Unit Owner of the damaged Unit who shall hold the proceeds and administer repair or reconstruction of the damage and disbursement of the insurance proceeds as provided in section 14.15 hereof. If the proceeds are received on account of damage to more than one (1) Unit and do not exceed \$50,000.00, then the Association shall hold and administer repair or reconstruction of the damage and disbursement of the insurance proceeds in payment thereof as provided in section 14.13 hereof. If the proceeds are received on account of damage to a Unit or any number of Units and exceed \$50,000.00, then the Association shall deliver the proceeds to the Insurance Trustee who shall hold the proceeds and administer repair or reconstruction of the damage and disbursement of the insurance proceeds in payment thereof as provided in section 14.14 hereof.

14.6. DISTRIBUTION OF PROCEEDS. Proceeds of insurance policies received by the Association shall be distributed to, or for the benefit of, the Unit Owners (after first paying or making provision for payment of expenses) in the following manner:

14.6.1. If the damage for which the proceeds were paid is to be reconstructed, the proceeds shall be paid to defray the costs thereof. Any proceeds remaining after defraying said costs shall be distributed to the Association with respect to excess proceeds on account of damage to the Common Elements and to the Unit Owner(s) whose Unit(s) were damaged with respect to excess proceeds on account of damage to a Unit or Units.

14.6.2. If it is determined that the damage for which the proceeds are paid shall not be reconstructed, the proceeds shall be distributed to the Unit Owners for whom it is being held and their mortgagees as their interests may appear.

14.7. ASSOCIATION AS AGENT. The Association is irrevocably appointed agent for each Unit Owner, for each holder of a mortgage or deed of trust upon a Unit and for each owner of any other interest in the Condominium Property to adjust all claims arising under insurance policies purchased by the Association and to execute and deliver releases upon the payment of claims.

14.8. OBLIGATION TO RECONSTRUCT. If any part of the Condominium Property shall be damaged by casualty, the determination of whether the damage shall be repaired and the Condominium Property shall be reconstructed shall be made in the following manner:

14.8.1. DAMAGE TO COMMON ELEMENTS. If the damage is only to a Common Element, then the damaged property shall be repaired or reconstructed.

14.8.2. DAMAGE TO UNIT(S). If the damage is to a Unit or Units, then the determination as to whether the damage shall be repaired or reconstructed shall be made on a Unit by Unit basis in the following manner:

(a) If the damage is to Units and if Units to which more than eighty percent (80%) of the Common Elements are appurtenant are found by the Board to be untenable, then the damaged property will not be reconstructed and the Condominium will be terminated unless within sixty (60) days after the casualty Unit Owners owning eighty percent (80%) or more of the Common Elements agree in writing to such reconstruction. Notwithstanding the foregoing, if the damages could be repaired for \$10,000,000.00 or less the property shall be repaired and/or reconstructed.

(b) If the damage is to Unit and if Units and if Units to which twenty percent (20%) or more of the Common Elements are appurtenant are found to be tenantable, then the damaged property will be reconstructed unless within sixty (60) days after the casualty Unit Owners owning eighty percent (80%) or more of the Common Elements agree in writing not to reconstruct and to terminate the Condominium, in which case the Condominium will be terminated.

(c) The Insurance Trustee may rely upon a certificate of the Association executed by its President or Vice President and Secretary or Assistant Secretary to determine whether the damaged property is to be reconstructed or repaired.

14.9. RESPONSIBILITY. If the damage is to Unit(s) and/or Limited Common Element(s) for which the responsibility of maintenance and repair is that of a Unit Owner or Unit Owners, then the Unit Owner(s) shall be responsible for reconstruction after casualty. The Unit(s) and/or Limited Common Elements shall be repaired immediately. If the damage is to Common Elements (excepting the Limited Common Elements), the responsibility of reconstruction after casualty shall be that of the Association.

14.10. NATURE OF RECONSTRUCTION. Any reconstruction included hereunder shall be substantially in accordance with the plans and specifications of the original building construction, or as the building was last constructed, subject to modification to conform with the then current governmental restrictions and codes, if required, or as may otherwise be agreed upon by the Association and Lenders having mortgages on the Unit(s) being reconstructed.

14.11. ESTIMATES. In all instances hereunder, immediately after a casualty causing damage to the property for which the Association has the responsibility of maintenance and repair, the Association shall obtain a reliable, detailed estimate of the cost to reconstruct. Such cost may include professional fees and premiums for such bonds as the Board of Directors may desire or those required by any Lender involved.

14.12. ASSESSMENTS. If the proceeds of insurance are not sufficient to defray the estimated costs of reconstruction by the Association, or if, at any time during reconstruction or upon completion of reconstruction, the funds for the payment of the costs of reconstruction are insufficient, assessments shall be made against Unit Owners in sufficient amounts to provide funds for the payment of such costs. Such assessments against Unit Owners for damage to their Units shall be in the amount of the deficiency of funds for the cost of reconstruction of their respective Units. Such assessments on account of damage to Common Elements shall be in proportion to the Unit Owners' interests in the Common Elements. If, prior to commencement of any reconstruction, the insurance proceeds are not sufficient to defray the estimated costs of reconstruction, the special assessments against Unit Owners as herein provided must be paid in full before any of said insurance proceeds may be disbursed as hereinafter provided, so as to ensure there are sufficient funds currently available to complete said reconstruction. This requirement may be waived by the Association, but only upon approval by all affected Institutional Lenders.

14.13 DISPOSITION OF PROCEEDS BY ASSOCIATION. The proceeds of insurance and any special assessments, if any, collected on account of a casualty and held and administered by the Association shall constitute a construction fund which shall be disbursed by the Board of Directors in payment of the costs of reconstruction in a commercially reasonable manner generally consistent with the procedures that a prudent construction lender would employ, giving due consideration to the extent of the damage to be repaired or reconstructed, the complexity of the work to be done, the amount of proceeds and any special assessments being held by the Board of Directors and any other pertinent factors or circumstances. If there is a balance in a construction fund after the payment of all costs of reconstruction, said balance shall be retained by the Association or paid to the Unit Owner(s) as provided in Section 14.6.1 hereof.

14.14. DISPOSITION OF PROCEEDS BY INSURANCE TRUSTEE. The proceeds of insurance and any special assessments, if any, collected on account of a casualty, paid to and held by the Insurance Trustee shall constitute a construction fund that shall be held, administered and disbursed by the Insurance Trustee using the same procedures and requirements that the Insurance Trustee uses for commercial construction loans made by the Insurance Trustee to its customers. The Insurance Trustee may charge a reasonable fee for its services as Insurance Trustee as agreed upon by and between the Board and the Insurance Trustee. Any funds remaining with the Insurance Trustee after payment of all costs for repair or reconstruction of the damage, shall be returned by the Insurance Trustee to the Association for disposition in accordance with Section 14.6.1.

14.15. DISPOSITION OF PROCEEDS BY UNIT OWNER. The proceeds of insurance collected on account of a casualty and paid by the Association to a Unit Owner shall constitute a construction fund which shall be disbursed by the Unit Owner in payment of the costs of reconstruction in a commercially reasonable manner generally consistent with the procedures that a prudent construction lender would employ, giving due consideration to the extent of the damage to be repaired or reconstructed, the complexity of the work to be done, the amount of proceeds held by the Unit Owner and any other pertinent factors or circumstances. If there is a balance in a construction fund after the payment of all costs of reconstruction, said balance shall be retained by the Unit Owner.

14.16. EFFECT OF MORTGAGEE ENDORSEMENTS CONCERNING INSURANCE PROCEEDS. In the event a mortgagee endorsement has been issued relative to any Unit, the share of the Unit Owner shall be held in trust for the Lender as heretofore provided; provided, however, that no Lender shall have the right to determine or participate in the determination whether the damaged property shall be reconstructed, and no Lender shall have the right to apply, or have applied to, the reduction of its mortgage debt any insurance proceeds. All Lenders agree to waive the rights to said proceeds if the same is used pursuant to the provisions of this Declaration to pay for the restoration of such damage. The provisions hereof shall not effect the rights of a Lender, if any, to require any surplus proceeds attributable to the Unit on which such Lender has a lien to be distributed to it, over and above the amounts actually used for such restoration. All covenants contained herein for the benefit of any Lender may be enforced by such Lender. Nothing contained herein, however, shall be construed as relieving the Unit Owner from its duty to reconstruct damage to its Unit as heretofore provided.

14.17. AUTHORITY OF ASSOCIATION. In all instances herein all decisions, duties and obligations of the Association hereunder may be made by the Board of Directors. The Association and its members shall jointly and severally be bound thereby.

15. ASSESSMENTS; LIABILITY, LIEN AND ENFORCEMENT.

15.1. GENERAL AUTHORITY. The Association shall have the power to make, levy and collect regular and special assessments for Common Expenses and such other assessments as are provided for by the Condominium Act and the provisions of this Declaration and all other expenses declared by the Board of Directors of the Association to be Common Expenses from time to time.

15.2. UNIT OWNER'S GENERAL LIABILITY. Except as otherwise expressly provided herein, all assessments levied against the Unit Owners and Units shall be levied proportionally on the basis of the Common Element Interests of the Units. Should the Association be the Unit Owner of any Unit(s), the assessments which would otherwise be payable to the Association by the Unit Owners of such Unit(s) shall be a Common Expense.

15.3. PAYMENT. The assessment levied against the Unit Owner and its Unit shall be payable in such installments, and at such times, as may be determined by the Board.

15.4. EMERGENCIES. If assessments levied are, or may prove to be insufficient to pay the costs of operation and management of the Condominium, or in the event of emergencies, the Board of Directors shall have the authority to levy such additional assessment or assessments as it shall deem necessary.

15.5. RESERVES.

15.5.1. RESERVE FUND. The Board of Directors in assessing for Common Expenses shall include therein a sum to be collected as a reserve fund for replacement of Common Elements for the purpose of enabling the Association to replace structural elements and mechanical equipment for which it has the responsibility to maintain and repair, as well as the replacement of personal property which may be a portion of the Condominium Property.

15.5.2. OPERATING RESERVE FUND. The Board of Directors in assessing for Common Expenses may include therein a sum to be collected and maintained as a general operating reserve which shall be used to provide a measure of financial security for the Association. Such sums may be used to meet deficiencies as a result of delinquent payment of assessment by Unit Owners or as a result of emergencies or unanticipated expenses.

15.6. SEPARATE PROPERTY. All monies collected by the Association shall, unless the same is collected for the benefit of others, be the separate property of the Association. Such monies may be applied by the Association to the payment of any expense of operating and managing the Condominium Property, or to the proper undertaking of all acts and duties imposed upon it by virtue of the provisions of this Declaration. All monies received from assessments may be commingled with other monies held by the Association. All assessments received by the Association shall be for the benefit of the Unit Owners. No Unit Owner shall have the right to assign, hypothecate, pledge or in any manner transfer its interest therein, except as an appurtenance to its Unit. Such funds shall not be subject to attachment or levy by a creditor or judgment creditor of a Unit Owner. When a Unit Owner shall cease to be a member of the Association by the divestment of its ownership of such Unit by whatever means, the Association shall not be required to account to such former Unit Owner for any share of the funds or assets of the Association.

15.7. DEFAULT. The payment of any assessment or installation thereof due to the Association shall be in default if such payment is not paid to the Association when due. In the event that any Unit Owner is in default in payment of any assessments or installments thereof, owed to the Association, said Unit Owner shall be liable for all costs of collecting the same, including reasonable attorney's fees and court costs.

15.8. NO WAIVER. No Unit Owner may exempt himself from liability for any assessment levied by waiver of the use or enjoyment of any of the Common Elements or by abandonment of the Unit for which the assessments are made or in any other manner.

15.9. LIEN. The Association is hereby granted a lien upon each Condominium Unit, which lien shall secure the payment of monies from each Unit Owner for which he is liable to the Association, including all assessments, interest and expenses provided for in this Declaration and sums advanced on behalf of the Unit Owner in payment of its obligations as set forth in the Condominium Instruments and reasonable attorney's fees incurred as an incident to the enforcement of said lien. The lien granted to the Association may be foreclosed as provided in the Condominium Act. The lien granted to the Association shall further secure such advances for taxes and payments on accounts of Lenders which may be advanced by the Association in order to preserve and protect its lien. The lien shall be effective, have priority, and be collected as provided by the Condominium Act, unless, by the provisions of this Declaration, such liens would have a greater priority or dignity, in which event, the lien rights in favor of the Association having the highest priority and dignity shall be the lien of the Association.

15.10. LATE CHARGE. If any monies from a Unit Owner, including assessments, are not paid within ten days from their due date there shall automatically be assessed a late charge of the greater of Fifty Dollars (\$50.00) or five percent (5%) of the amount not so timely paid for each thirty days during which such monies are not paid. Each monthly assessment or other sum due from a Unit Owner shall be considered a different obligation for the purposes of this paragraph.

15.11. PROVISIO. In the event that any Person or a Lender shall acquire title to any Condominium Unit by virtue of either foreclosure of a first mortgage or deed of trust, or a deed in lieu thereof, such acquirer of title, its successors and assigns, shall not be liable for the share of Common Expenses or assessments by the Association pertaining to the Condominium Unit or chargeable to the former Unit Owner of the Condominium Unit which became due prior to acquisition of title as a result of the foreclosure or deed in lieu thereof, unless the share is secured by a claim of lien for assessments that is recorded prior to the recording of the foreclosed mortgage or deed of trust. Nothing herein contained shall be construed as releasing the party liable for such delinquent assessments from the payment thereof or the enforcement of collection of such payment. Following said acquisition, all Unit Owners of any nature, including, without limitation, a purchaser at a judicial sale or Lender, shall be liable for all assessments coming due while they are Unit Owners.

15.12. CERTIFICATE OF STATUS OF ASSESSMENTS. Any Unit Owner, mortgagee or lienor may require the appropriate certificate as set forth in Section 55-79.84(h) of the Condominium Act. The Association may charge a fee for such certificate as allowed by the Condominium Act.

15.13. EVIDENCE OF ASSESSMENTS PAID. Any person who acquires an interest in a Condominium Unit, including acquisition through foreclosure of a mortgage, deed of trust or by deed in lieu thereof, and including without limitation, persons acquiring title by operation of law, may request the certificate as set forth in Section 55-79.84(h) of the Condominium Act as evidence of the status of unpaid assessments levied against the Condominium Unit, and such

statement shall be binding upon the Association and all Unit Owners. The personal obligation for delinquent assessments shall not pass to successors in title or interest unless assumed by them or required by law.

15.14. NO ELECTION OF REMEDIES. The institution of a suit at law for collection of any delinquent assessment may be maintained without waiving the lien securing the same. Proceeding by foreclosure to attempt to effect such collection shall not be deemed an election precluding the institution of suit at law for collection of the same. All Unit Owners do hereby waive pleading the theory of "elections of remedies" in any such proceedings.

15.15. LIENS—MECHANICS. The creation and enforcement of mechanic's, and other, liens against the Condominium Units and Condominium Property, except those created by this Declaration, shall be governed by the provisions of the Condominium Act and the laws of the Commonwealth of Virginia

16. TERMINATION. The Condominium may be terminated in the following manner:

16.1 16.1 DESTRUCTION. If it is determined because of the circumstance and in the manner provided in Section 14 that the Condominium Property shall not be reconstructed, then the Condominium shall be terminated.

16.2 AGREEMENT. The Condominium may be terminated at any time by the approval in writing of all Unit Owners and all record owners of mortgages on Units.

If a proposed termination is submitted to a meeting of the Association, and if the approval of the Unit Owners of not less than eighty percent (80%) of the Common Elements and their Institutional Lenders is obtained, in writing or deemed obtained pursuant to notice given to which no response is received, not later than sixty (60) days from the date of such meeting, then the approving Unit Owners (through the Association), shall have the option to buy all of the Units of the disapproving Unit Owners for the period of one hundred twenty (120) days from the date of such meeting. The vote of those Unit Owners approving the termination shall be irrevocable until the expiration of the option. Any Unit Owner voting against termination or not voting, may, within fifteen (15) days from the date the vote was taken, change or cast its vote in favor of termination by delivering written notification thereof to the Secretary of the Association. The option shall be upon the following terms:

a. EXERCISE OF OPTION. The option shall be exercised by delivery, or the mailing by registered mail, of an agreement to purchase, signed by the Association, to each of the Unit Owners of the Units voting against termination. The agreement shall be subject to the purchase of all Units owned by Unit Owners not approving the termination.

b. PRICE. The sale price for each Unit shall be the fair market value as determined between the Unit Owner and the Association within thirty (30) days from the delivery of said agreement. In the absence of agreement on the price of any Unit, the price shall be determined by an appraiser appointed by the Chairman of the local Board of Realtors. A judgment of specific performance of the sale, at the price determined by the appraiser, may be entered in any court of competent jurisdiction.

- c. PAYMENT. The purchase price shall be paid in cash.
- d. FORM. The contract shall be the form of Contract for Sale and Purchase then of residential property then in use in Virginia Beach, Virginia.
- e. CLOSING. The sale of all Units shall be closed simultaneously and within thirty (30) days following the determination of the sale price of the last Unit to be purchased.

16.3 CERTIFICATE. The termination of the Condominium shall be evidenced by a certificate of the Association executed by its President and Secretary certifying the fact of the termination, which shall become effective upon the certificate being recorded in the Public Records.

16.4 SHARES OF OWNERS AFTER TERMINATION. After termination of the Condominium the Unit Owners shall own the Condominium Property and all assets of the Association as tenants in common of undivided shares that shall be equal to the sum of the undivided shares in the Common Elements appurtenant to the Units prior to termination as provided in Exhibit D or in such other undivided shares as may be agreed upon by the Unit Owners at such time as they agree to terminate the Condominium.

16.1. AMENDMENT. This Section 16 concerning termination cannot be amended without written consent of all Unit Owners and all record owners of mortgages upon the Units.

17. AMENDMENTS. Except as herein or elsewhere provided, this Declaration may be amended in the following manner:

17.1. NOTICE. Notice of the subject matter of a proposed amendment shall be included in the notice of any meeting of the Association at which a proposed amendment is to be considered.

17.2. PROPOSAL OF AMENDMENT. An amendment may be proposed by either a sixty-six and two thirds percent (66-2/3%) vote of the entire Board of Directors, or by a sixty-six and two thirds percent (66-2/3%) vote of the members at a duly called and noticed meeting. Directors and members not present in person or by proxy at the meeting considering the amendment may express their approval in writing, provided such approval is delivered to the Secretary within ten (10) days after the meeting. Except as elsewhere provided, a resolution adopting the proposed amendment must be approved by not less than sixty-six and two thirds percent (66-2/3%) of the votes of the entire membership of the Association.

17.3. OMISSION OR ERROR. Whenever it shall appear that there is an omission or error in the Condominium Instruments the correction of which would not materially or adversely affect the property rights of any Unit Owners, the Condominium Instruments may be amended in the following manner: Such amendment may be proposed by the Board of Directors at any duly called and noticed regular or special meeting of the Board of Directors and shall become effective when unanimously approved by the entire Board of Directors. In the event the property

rights of any Unit Owners are materially or adversely affected, the error or omission may be adopted in this manner if such affected Unit Owner(s) joins in the execution of the Certificate of Amendment to be recorded. In addition, the Condominium Instruments may be amended by the Declarant unilaterally pursuant to and in accordance with Section 55-79.71.F. of the Condominium Act.

17.4. PROVISIO.

17.4.1. Notwithstanding anything herein to the contrary, no amendment shall alter (a) a Unit Owner's percentage interest in the Common Elements or a Unit Owner's proportionate share of Common Expenses or Common Profits, (b) a Unit Owner's voting rights, (c) the basis for apportionment or assessment which may be levied by the Association against a Unit Owner, or (d) a Unit's boundaries without the written consent of the Unit Owner or Owners affected.

17.4.2 Notwithstanding anything herein to the contrary, no amendment shall impair or prejudice the rights and priorities of any Lender without the written consent of the Lender affected.

18. REMEDIES

18.1. RELIEF. Each Unit Owner and the Association shall be governed by and shall comply with the provisions of the Condominium Instruments as they may exist from time to time. A violation thereof shall entitle the appropriate party to the following relief: An action to recover sums due for damages, injunctive relief, foreclosure of lien or any combination thereof, or any other action available pursuant to the Condominium Act or law. Suit may be sought by the Association, the managing agent, if any, Declarant, or, if appropriate, by one or more Unit Owners. Each Unit Owner acknowledges that the failure to comply with any of the provisions of the Condominium Instruments shall or may constitute an injury to the Association, the managing agent, if any, Declarant or the other Unit Owners, and that such injury may be irreparable.

18.2. COSTS AND ATTORNEY'S FEES. In any proceeding arising because of an alleged default, act, failure to act, or violation by the Unit Owner or the Association, including the enforcement of any lien granted pursuant to this Declaration or its exhibits, the Association, the managing agent, if any, a Unit Owner or Unit Owners, or the Declarant, whichever is appropriate, the substantially prevailing party as determined by the tribunal conducting such proceeding shall be entitled to recover the costs of the proceedings, including reasonable attorney's fees. In any action by or against Declarant, where Declarant is the prevailing party, arising out of or concerning the Condominium Instruments or Declarant's obligations thereunder, Declarant shall be entitled to recover all costs of the proceedings, including reasonable attorney's fees at all levels including the trial and appellate level.

18.3. NO WAIVER. The failure of the Association, a Unit Owner, or the Declarant to enforce any right, provision, covenant, or condition created or granted by the Condominium Instruments shall not constitute a waiver of the right of said party to enforce such right, provision, covenant or condition in the future.

18.4. RIGHTS CUMULATIVE. All rights, remedies and privileges granted to the Association, the Declarant, or a Unit Owner pursuant to any of the provisions of this Declaration shall be deemed to be cumulative and the exercise of any one or more shall not be deemed to constitute an election of remedies, nor shall it preclude the party thus exercising the same from exercising such other and additional rights, remedies, or privileges as may be available to such party at law or in equity.

18.5. VENUE; WAIVER OF TRIAL BY JURY. Every Unit Owner or Occupant and all persons claiming any interest in a Unit do agree that in any suit or proceeding brought pursuant to the provisions of this Declaration, such suit shall be brought in the General District Court or the Circuit Court in and for the City of Virginia Beach, Virginia, as the same are now constituted or any court in the future that may be the successor to a court contemplated herein. ALL SUCH PARTIES DO FURTHER RELEASE AND WAIVE IN FULL THE RIGHT TO TRIAL BY JURY AND CONSENT TO A TRIAL BY THE COURT WITHOUT A JURY IN REGARD TO ANY DISPUTES, CLAIMS, COUNTERCLAIMS, CAUSES OF ACTION, OBLIGATIONS, DAMAGES OR ANY COMPLAINTS WHATSOEVER AND OF ANY TYPE OR NATURE, WHETHER IN CONTRACT, TORT, AT LAW, IN EQUITY OR OTHERWISE, THAT ANY PARTY MAY HAVE AT ANY TIME ARISING OUT OF OR IN ANY WAY RELATED TO THIS DECLARATION, THE EXHIBITS HERETO, THE CONDOMINIUM OR THE CONDOMINIUM PROPERTY.

18.6. APPOINTMENT OF AGENT; PROVISIO. Should suit be instituted, the Unit Owners or Occupants do hereby irrevocably appoint the Secretary of the Commonwealth of Virginia as their Agent for the acceptance of service of process should, at the time of such service of process, any such Person not be residing in the Commonwealth of Virginia or have a Registered Agent appointed and serving in good standing in the Commonwealth of Virginia. The provisions hereof shall not be applicable to service upon the Declarant.

19. MISCELLANEOUS RIGHTS OF DECLARANT.

19.1. RIGHT TO USE FACILITIES. Notwithstanding any provisions of this Declaration to the contrary, the Declarant shall have the right to use and occupy any, all, or any number of unsold Units and the Common Elements, the exclusive use of which have not been assigned, for the purpose of a Sales Office or Model Unit, or for any other purpose, provided that such use (a) is compatible with the proper and intended use of such Common Elements and (b) does not materially interfere with the use thereof by the Unit Owners. Until the Declarant has conveyed the last Unit in the Condominium, the Declarant shall not be subject to the use or other restrictions contained in any of the provisions of this Declaration or Exhibits attached hereof. Notwithstanding this paragraph, Declarant must pay assessments on Units owned by Declarant, just like any other Unit Owner.

20. NOTICES. Whenever notices are required to be sent hereunder, the same may be delivered to Unit Owners, either personally or by mail, at their Unit in the Condominium. Notices to the Association shall be delivered or mailed to the Secretary of the Association. Any party may change the address to which notices are to be delivered or mailed to it by providing notice of such change of address to the Unit Owners, the Association and the Declarant in the manner provided herein for giving notices.

Notices to the Declarant shall be made by delivery to Declarant at: 222 Central Park Avenue, Suite 2100, Virginia Beach, Virginia 23462, unless and until the Declarant provides notice of a change of address for notices as provided above.

21. CONSTRUCTION. All of the provisions of this Declaration shall be construed in accordance with the Laws of the Commonwealth of Virginia.

22. GENDER. Unless the contrary appears to have been intended, words in the plural number shall include the singular and words in the singular shall include the plural, and words of any gender shall include the male gender, female gender and the neuter gender.

23. CAPTIONS. The captions to the paragraphs of this Declaration are intended for convenience only and are not deemed to be all inclusive as to the matters contained in such paragraphs or considered in connection with the construction of any of the provisions of this Declaration.

24. SEVERABILITY. If any term or provision of this Declaration, or the application thereof to any person or circumstance, shall, to any extent, be determined to be invalid or unenforceable, the remainder of this Declaration, or the application of such term or provision to persons or circumstances other than those to which such term may be held invalid or unenforceable, shall not be affected thereby and each term and provision of this Declaration shall be valid and enforceable to the fullest extent permitted by law.

25. ASSIGNMENT. The Declarant may, upon conveyance of all or a portion of the Units it owns, prior or subsequent to any such conveyance, designate the grantee thereof as a successor Declarant who shall then be deemed to have all rights granted and reserved to Declarant herein.

26. DECLARANT'S MORTGAGEE. Any person or entity which holds a mortgage executed by Declarant, either prior to or subsequent to the recordation of this Declaration, encumbering any part or all of the Condominium Property, shall be deemed to be a Lender for the purposes of this Declaration and shall have all rights and privileges appertaining thereto.

[The next page is the signature page.]

IN WITNESS WHEREOF, the Declarant has executed this Declaration on this _____ day of _____, 2007.

TCA Block 7 Residential, L.L.C.,
a Virginia limited liability company

By: _____
Manager

STATE OF VIRGINIA
CITY/COUNTY OF _____, to-wit:

I, _____, a Notary Public in and for the City/County and State aforesaid, do hereby certify that _____, Manager of TCA Block 7 Residential, L.L.C., a Virginia limited liability company, whose name as such is signed to the foregoing Declaration bearing date on the _____ day of _____, 2007, has acknowledged the same before me in my City and State aforesaid.

GIVEN under my hand this _____ day of _____, 2007.

Notary Public

My commission expires: _____

EXHIBIT A

That certain condominium unit known as the "RESIDENTIAL UNIT" in Town Center Condominium 7, located in the City of Virginia Beach, Virginia, and as further designated and described in that certain declaration entitled "DECLARATION OF CONDOMINIUM OF TOWN CENTER CONDOMINIUM 7", dated _____, and recorded _____, in the Clerk's Office of the Circuit Court of the City of Virginia Beach, Virginia as Instrument No. _____, (hereinafter referred to as the "Declaration") together with its applicable undivided interest in certain common elements, all as more particularly described and allocated in the Declaration, as amended from time to time, with reference to which said Unit being described by metes and bounds as follows:

COMMENCING AT THE SOUTHEAST INTERSECTION OF INDEPENDENCE BOULEVARD AND COMMERCE STREET, THE POINT OF COMMENCEMENT; THENCE CONTINUING ALONG THE SOUTHERN RIGHT-OF-WAY OF COMMERCE STREET NORTH 89° 35' 57" EAST, A DISTANCE OF 196.66 FEET TO A POINT; THENCE DEPARTING COMMERCE STREET AND CONTINUING ALONG A PERPENDICULAR TIE LINE SOUTH 00° 24' 03" EAST, A DISTANCE OF 16.24 FEET TO A POINT LOCATED ON THE NORTHWEST CORNER OF THE VESTIBULE AREA BEING THE POINT OF BEGINNING; THENCE CONTINUING ALONG THE PERIMETER OF THE SUBJECT AREA THE FOLLOWING COURSES AND DISTANCES:

NORTH 89° 35' 57" EAST, A DISTANCE OF 17.66 FEET TO A POINT; THENCE SOUTH 00° 24' 03" EAST, A DISTANCE OF 2.50 FEET TO A POINT; THENCE NORTH 89° 35' 57" EAST, A DISTANCE OF 0.67 FEET TO A POINT; THENCE SOUTH 00° 24' 03" EAST, A DISTANCE OF 53.06 FEET TO A POINT; THENCE NORTH 89° 35' 57" EAST, A DISTANCE OF 4.16 FEET TO A POINT; THENCE NORTH 00° 24' 03" WEST, A DISTANCE OF 5.83 FEET TO A POINT; THENCE NORTH 89° 35' 57" EAST, A DISTANCE OF 8.50 FEET TO A POINT; THENCE SOUTH 00° 24' 03" EAST, A DISTANCE OF 9.41 FEET TO A POINT; THENCE NORTH 89° 35' 57" EAST, A DISTANCE OF 11.25 FEET TO A POINT; THENCE SOUTH 00° 24' 03" EAST, A DISTANCE OF 9.41 FEET TO A POINT; THENCE SOUTH 89° 35' 57" WEST, A DISTANCE OF 0.25 FEET TO A POINT; THENCE SOUTH 00° 24' 03" EAST, A DISTANCE OF 19.99 FEET TO A POINT; THENCE NORTH 89° 35' 57" EAST, A DISTANCE OF 7.83 FEET TO A POINT; THENCE SOUTH 00° 24' 03" EAST, A DISTANCE OF 1.75 FEET TO A POINT; THENCE NORTH 89° 35' 57" EAST, A DISTANCE OF 1.67 FEET TO A POINT; THENCE SOUTH 00° 24' 03" EAST, A DISTANCE OF 15.66 FEET TO A POINT; THENCE SOUTH 89° 35' 57" WEST, A DISTANCE OF 12.49 FEET TO A POINT; THENCE SOUTH 00° 24' 03" EAST, A DISTANCE OF 10.41 FEET TO A POINT; THENCE SOUTH 89° 35' 57" WEST, A DISTANCE OF 17.83 FEET TO A POINT; THENCE SOUTH 00° 24' 03" EAST, A DISTANCE OF 6.50 FEET TO A POINT; THENCE SOUTH 89° 35' 57" WEST, A DISTANCE OF 24.32 FEET TO A POINT; THENCE NORTH

00° 24' 03" WEST, A DISTANCE OF 2.17 FEET TO A POINT; THENCE SOUTH 89° 35' 57" WEST, A DISTANCE OF 10.16 FEET TO A POINT; THENCE SOUTH 00° 24' 03" EAST, A DISTANCE OF 10.41 FEET TO A POINT; THENCE SOUTH 89° 35' 57" WEST, A DISTANCE OF 21.66 FEET TO A POINT; THENCE SOUTH 00° 24' 03" EAST, A DISTANCE OF 0.17 FEET TO A POINT; THENCE SOUTH 89° 35' 57" WEST, A DISTANCE OF 28.99 FEET TO A POINT; THENCE NORTH 00° 24' 03" WEST, A DISTANCE OF 19.66 FEET TO A POINT; THENCE SOUTH 89° 35' 57" WEST, A DISTANCE OF 11.00 FEET TO A POINT; THENCE NORTH 00° 24' 03" WEST, A DISTANCE OF 47.15 FEET TO A POINT; THENCE NORTH 89° 35' 57" EAST, A DISTANCE OF 11.00 FEET TO A POINT; THENCE NORTH 00° 24' 03" WEST, A DISTANCE OF 6.41 FEET TO A POINT; THENCE NORTH 89° 35' 57" EAST, A DISTANCE OF 48.98 FEET TO A POINT; THENCE NORTH 00° 24' 03" WEST, A DISTANCE OF 30.82 FEET TO A POINT; THENCE NORTH 89° 35' 57" EAST, A DISTANCE OF 3.00 FEET TO A POINT; THENCE NORTH 00° 24' 03" WEST, A DISTANCE OF 7.91 FEET TO A POINT; THENCE NORTH 89° 35' 57" EAST, A DISTANCE OF 11.33 FEET TO A POINT; THENCE NORTH 00° 24' 03" WEST, A DISTANCE OF 16.82 FEET TO A POINT; THENCE NORTH 89° 12' 08" EAST, A DISTANCE OF 0.67 FEET TO A POINT; THENCE NORTH 00° 24' 03" WEST, A DISTANCE OF 2.50 FEET TO THE POINT OF BEGINNING.

EXHIBIT B

Plat of Survey of the Condominium recorded contemporaneously herewith in the Map Books of the Clerk's Office of the Circuit Court of the City of Virginia Beach, Virginia

EXHIBIT C

Plans of the Condominium and Condominium Units recorded contemporaneously herewith in the
Map Books of the Clerk's Office of the Circuit Court of the City of Virginia Beach, Virginia

EXHIBIT D

Percentage Interests of the Units in Common Elements

<u>Unit</u>	<u>Par Value</u>	<u>% Interest</u>
1601-1612	100 per Unit	.5973715 per Unit
1701-1708, 1802, 1805, 1902, 1905, 2002, 2005, 2102, 2105, 2202, 2205, 2302, 2305, 2402, 2405, 2502, 2505, 2602, 2605, 2702, 2705, 2802, 2805, 2902, 2905, 3002, 3005, 3102, 3105	130 per Unit	.776583 per Unit
1801, 1803, 1804, 1806, 1901, 1903, 1904, 1906, 2001, 2003, 2004, 2006, 2101, 2103, 2104, 2106, 2201, 2203, 2204, 2206, 2301, 2303, 2304, 2306, 2401, 2403, 2404, 2406, 2501, 2503, 2504, 2506, 2601, 2603, 2604, 2606, 2701, 2703, 2704, 2706, 2801, 2803, 2804, 2806, 2901, 2903, 2904, 2906, 3001, 3003, 3004, 3006, 3101, 3103, 3104, 3106, 3201, 3202, 3203, 3204, 3301, 3302, 3303, 3304	150 per Unit	.8960573 per Unit
3401, 3402, 3403, 3501, 3502, 3503, 3601	180 per Unit	1.0752688 per Unit
TOTALS	16,740	100 %

EXHIBIT E

By-laws of the Condominium Association follow as Exhibit E



WASHINGTON DC, NEW YORK, SCOTTSDALE
 BOSTON, MA, CHICAGO, IL, HOUSTON, TX
 LOS ANGELES, CA, MIAMI, FL, NEW YORK, NY
 PHOENIX, AZ, PORTLAND, ME, RICHMOND, VA
 WASHINGTON, DC, WASHINGTON, DC
 TEL: 202.462.1444
 FAX: 202.462.1444

**VIRGINIA BEACH
 TOWN CENTER
 LUXURY HOTEL &
 RESIDENCES**

OWNER/DEVELOPER
 Armada Builders
 222 General Park Avenue
 Virginia Beach, VA 23462
 Tel: 757.366-4000

CONSULTANTS

Architect & Designer
 BBGM | BBGM
 1000 North 17th Street, Suite 100
 Norfolk, VA 23502
 Tel: 757.622.1444

Structural Engineer
 AECOM
 1000 North 17th Street, Suite 100
 Norfolk, VA 23502
 Tel: 757.622.1444

MEP Engineer
 CBM
 1000 North 17th Street, Suite 100
 Norfolk, VA 23502
 Tel: 757.622.1444

Cost Estimator
 CBM
 1000 North 17th Street, Suite 100
 Norfolk, VA 23502
 Tel: 757.622.1444

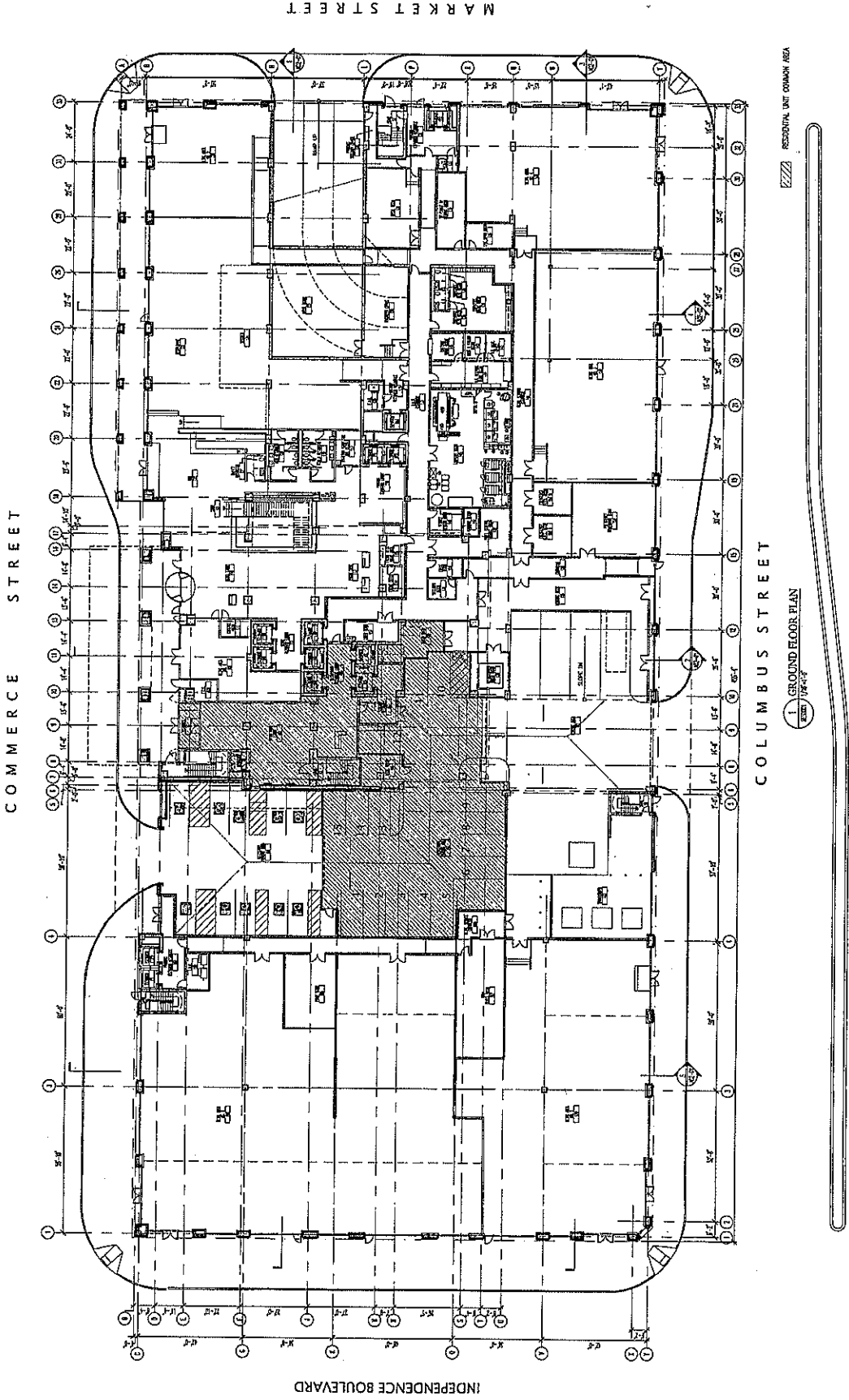
Construction Manager
 CBM
 1000 North 17th Street, Suite 100
 Norfolk, VA 23502
 Tel: 757.622.1444

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8	10/1/00	ISSUED FOR PERMIT
9	10/1/00	ISSUED FOR PERMIT
10	10/1/00	ISSUED FOR PERMIT

SCALE INFORMATION
 Project: 100%
 Drawing: 100%
 Date: 10/1/00

SHEET NAME
 GROUND FLOOR PLAN
 SHEET NUMBER: RES0001

RES0001



I, the undersigned, a licensed architect, certify that these plans are accurate and conform to the provisions of Section 55-79.5B of the Code of Virginia and all units depicted hereon have been substantially completed.

EXHIBIT C - TOWN CENTER RESIDENTIAL CONDOMINIUM 7, VIRGINIA BEACH, VIRGINIA



WASHINGTON, DC: 202.462.8800
 BOSTON, MA: 617.452.8800
 WASHINGTON, DC: 202.462.8800
 WASHINGTON, DC: 202.462.8800
 WASHINGTON, DC: 202.462.8800

VIRGINIA BEACH
 TOWN CENTER
 LUXURY HOTEL &
 RESIDENCES

OWNER/DEVELOPER
 Amtrak Hoeller
 225 Central Park Avenue
 Virginia Beach, VA 23462
 Tel: 757.566-4000

CONSULTANTS

Architect & Interior
 BBG | BBGM
 1000 15th Street, NW
 Washington, DC 20004
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 Fax: 202.462.8801

Structural Engineer
 HOK
 400 City Avenue
 Alexandria, VA 22304
 Tel: 703.836.7000
 Fax: 703.836.7000

MVP Engineer
 1011 E. 17th Street
 Norfolk, VA 23510
 Tel: 757.636.7000
 Fax: 757.636.7000

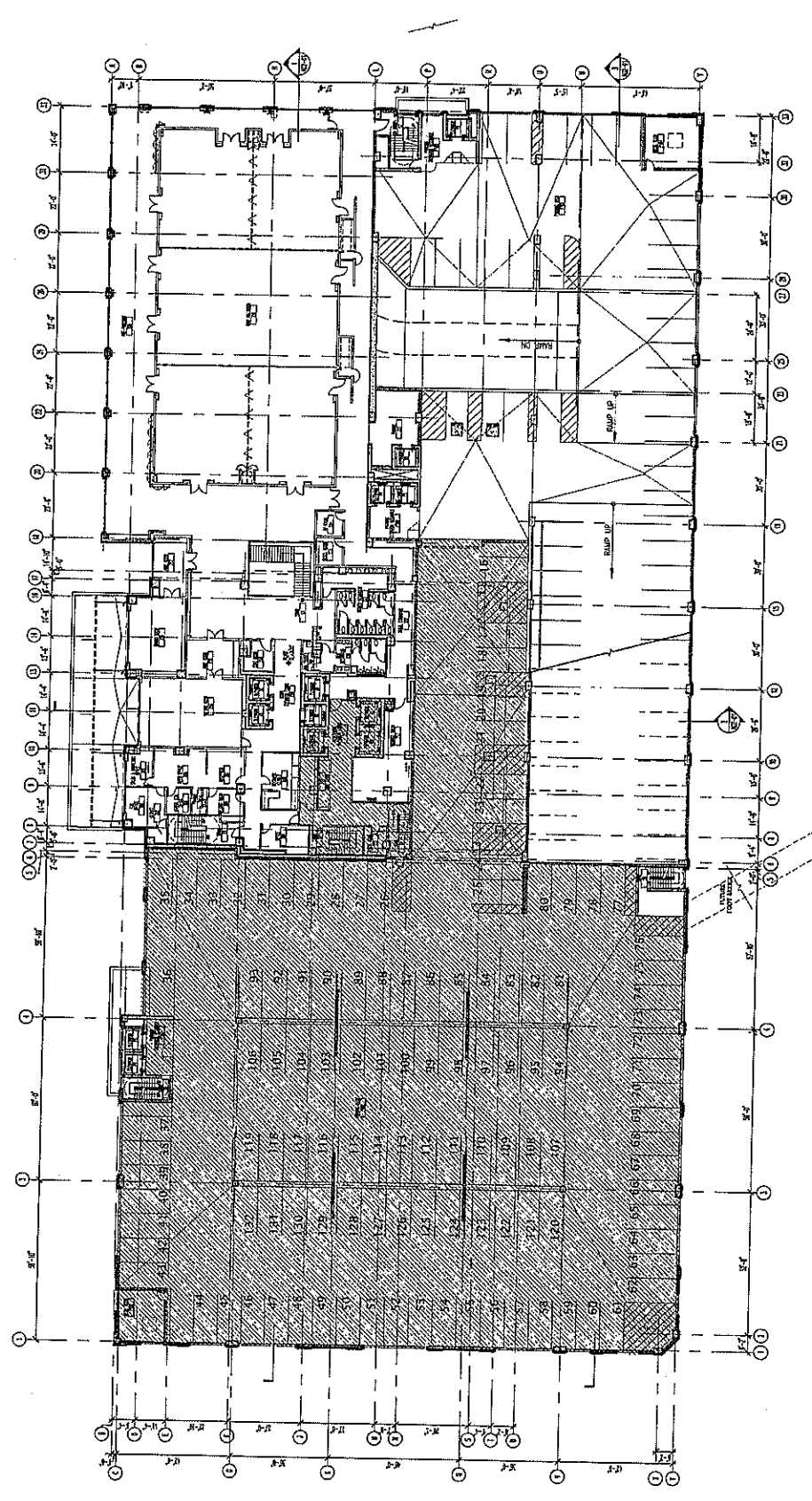
MEP Engineer
 1011 E. 17th Street
 Norfolk, VA 23510
 Tel: 757.636.7000
 Fax: 757.636.7000

Cost Engineer
 1011 E. 17th Street
 Norfolk, VA 23510
 Tel: 757.636.7000
 Fax: 757.636.7000

NO.	DATE	DESCRIPTION

REGISTERED PROFESSIONAL
 Name: [blank]
 License No.: [blank]
 State: [blank]

SHEET NUMBER
 RES0002



RESIDUAL UNIT COMMON AREA

BATHROOM & P-I PARKING PLAN

The architect warrants that these plans are accurate and comply with the provisions of Sections 55-79.5A.B. of the Code of Virginia and all laws and ordinances of the City of Virginia Beach. Any typographical errors have been intentionally corrected.

EXHIBIT C - TOWN CENTER RESIDENTIAL CONDOMINIUM 7, VIRGINIA BEACH, VIRGINIA

BRENNAN BEER GORMAN MONK / ARCHITECTS & INTERIORS



BRUNNENBERG BROS. & GORMAN
 ARCHITECTS & INTERIORS
 1830 15TH ST., NW, # 478, 900
 WASHINGTON, D.C. 20036
 P.A. 202.462.1144
 F.A. 202.462.1144

VIRGINIA BEACH
 TOWN CENTER
 LUXURY HOTEL &
 RESIDENCES

OWNER/DEVELOPER

Atlantic Hotel
 222 Central Park Avenue
 Suite 2100
 Virginia Beach, VA 23462
 TS 757.636.4000

CONSULTANTS

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 1000 Lakeside Drive, Suite 200
 Norfolk, VA 23510
 Tel: 757.633.1144 / Fax: 757.633.1147

Architectural Consultant
 1000 Lakeside Drive, Suite 200
 Norfolk, VA 23510
 Tel: 757.633.1144 / Fax: 757.633.1147

MEP Engineer
 1000 Lakeside Drive, Suite 200
 Norfolk, VA 23510
 Tel: 757.633.1144 / Fax: 757.633.1147

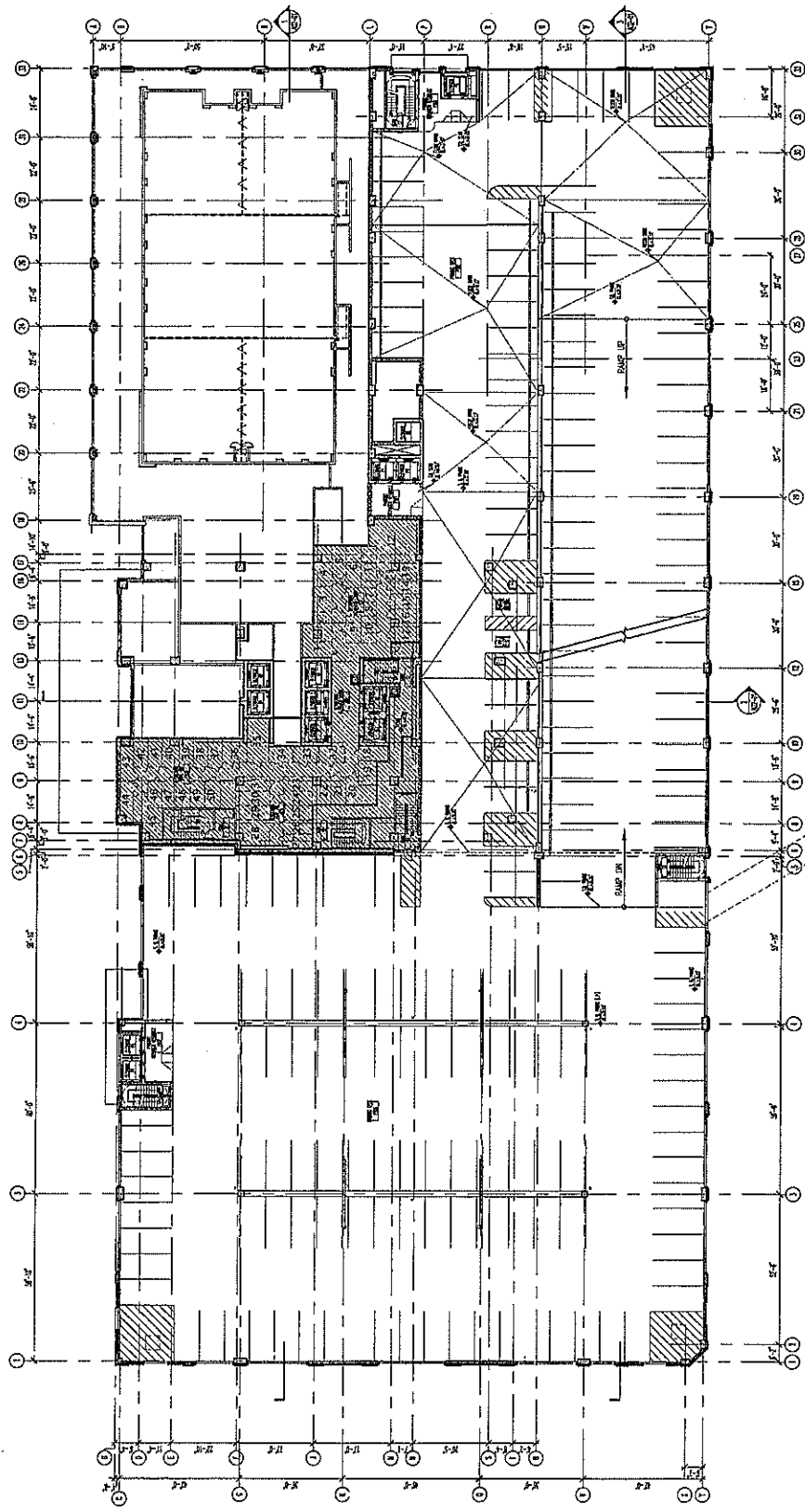
Civil Engineer
 1000 Lakeside Drive, Suite 200
 Norfolk, VA 23510
 Tel: 757.633.1144 / Fax: 757.633.1147

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10	08/14/14	ISSUED FOR PERMIT

PERMIT INFORMATION
 Permit No. 14-0000000000
 Issue Date 08/14/14
 Expiration Date 08/14/15

PROJECT NUMBER
 RES0003

SHEET NUMBER
 RES0003



RESIDENTIAL UNIT COMMON AREA

STORAGE & P-2 PARKING PLAN

I, the undersigned, a licensed architect, certify that these plans are accurate and comply with the provisions of Section 55-79.03.B. of the Code of Virginia and all rules and regulations that have been promulgated thereunder.

EXHIBIT C - TOWN CENTER RESIDENTIAL CONDOMINIUM 7, VIRGINIA BEACH, VIRGINIA



WASHINGTON, DC 20005
 1028 15TH ST., N.W. # 576, 900
 WASHINGTON, DC 20005
 TEL: 202.412.1441
 FAX: 202.412.1443

VIRGINIA BEACH
 TOWN CENTER
 LUXURY HOTEL &
 RESIDENCES

OWNER/DEVELOPER
 Amanda Holder
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 Virginia Beach, VA 23462
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CONSULTANTS

Architect & Interior
 BRENNAN BEER GORMAN MONK / ARCHITECTS & INTERIORS
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 WASHINGTON, DC 20005
 TEL: 202.412.1441 FAX: 202.412.1443

Structural Engineer
 AMEC CONSULTANTS, INC.
 4000 Capital Circle
 Tallahassee, FL 32310
 TEL: 904.202.1100 FAX: 904.202.4002

MEP Engineer
 GRIFFIN CONSULTANTS
 10000 Old Dominion Road, Suite 300
 Alexandria, VA 22304
 TEL: 703.261.6100 FAX: 703.261.6104

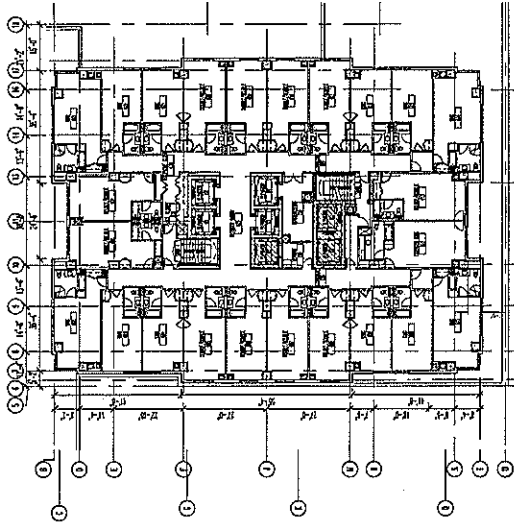
Civil Engineer
 M&J, P.C.
 10000 Old Dominion Road, Suite 300
 Alexandria, VA 22304
 TEL: 703.261.6100 FAX: 703.261.6104

NO.	DATE	DESCRIPTION
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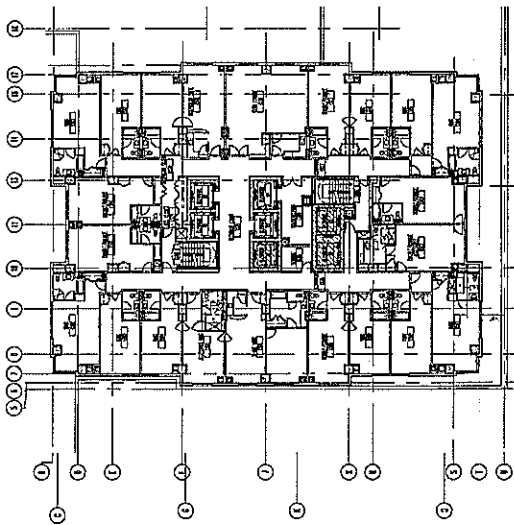
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 Project No. :
 Job No. :
 Date : 10/11/14

SHEET NAME
 SHEET NO. :
 PARTIAL

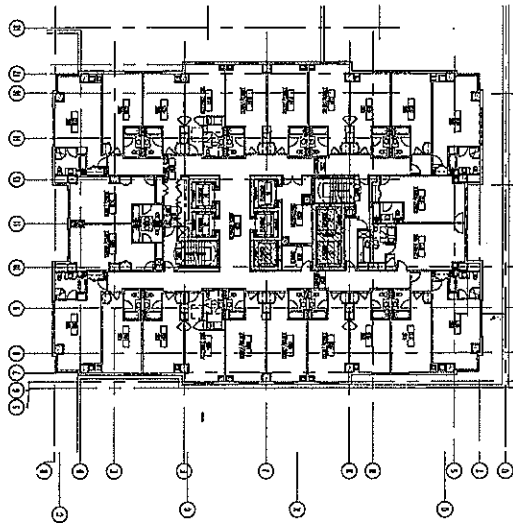
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 RES0007



5
5TH FLOOR PLAN (HOTEL)
10/11/14



6
6TH FLOOR PLAN (HOTEL)
10/11/14



7
7TH-10TH FLOOR PLAN (HOTEL)
10/11/14

RESIDENTIAL UNIT COMMON AREA

I, the undersigned, a licensed architect, certify that these plans are accurate and comply with the provisions of Section 55-79-58.B. of the Code of Virginia and all units depicted herein have been substantially completed.



1000 LIGHT ST., N.W., STE. 1000
 ATLANTA, GA 30309
 TEL: 404.525.4444
 FAX: 404.525.4444

OWNER/DEVELOPER
 VIRGINIA BEACH
 TOWN CENTER
 LUXURY HOTEL &
 RESIDENCES

CONSULTANTS
 ARCHITECT: BRENNAN BEER GORMAN MONK / ARCHITECTS & INTERIORS
 1000 LIGHT ST., N.W., STE. 1000
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GENERAL CONTRACTOR
 BURNS & MCDONNELL
 1000 LIGHT ST., N.W., STE. 1000
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MECHANICAL ENGINEER
 HOK
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ELECTRICAL ENGINEER
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PLUMBING ENGINEER
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 1000 LIGHT ST., N.W., STE. 1000
 ATLANTA, GA 30309
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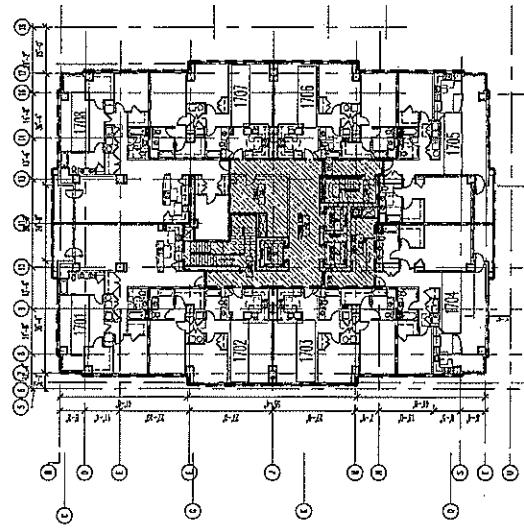
STRUCTURAL ENGINEER
 HOK
 1000 LIGHT ST., N.W., STE. 1000
 ATLANTA, GA 30309
 TEL: 404.525.4444 / FAX: 404.525.4444

ENVIRONMENTAL ENGINEER
 HOK
 1000 LIGHT ST., N.W., STE. 1000
 ATLANTA, GA 30309
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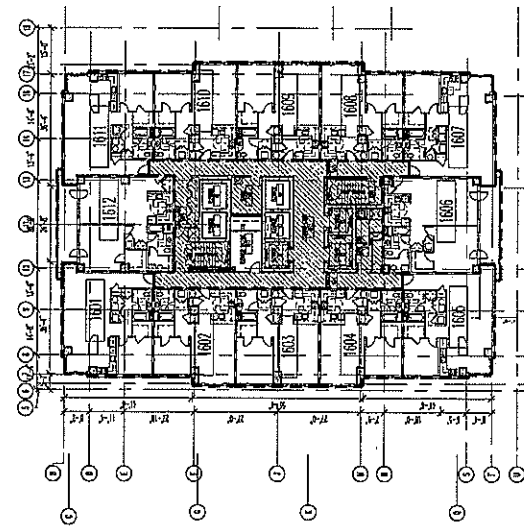
PLANNING
 HOK
 1000 LIGHT ST., N.W., STE. 1000
 ATLANTA, GA 30309
 TEL: 404.525.4444 / FAX: 404.525.4444

MARKETING
 HOK
 1000 LIGHT ST., N.W., STE. 1000
 ATLANTA, GA 30309
 TEL: 404.525.4444 / FAX: 404.525.4444

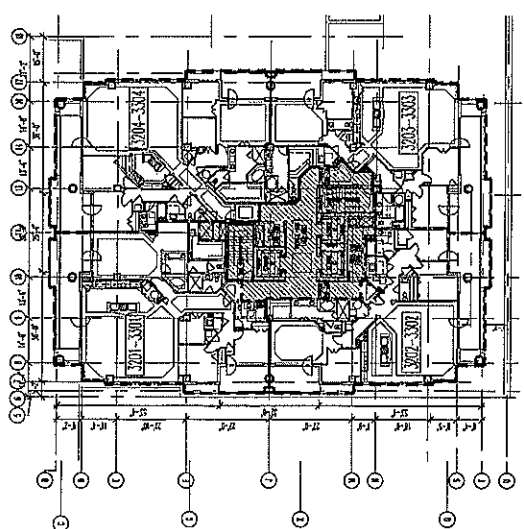
LEGAL
 HOK
 1000 LIGHT ST., N.W., STE. 1000
 ATLANTA, GA 30309
 TEL: 404.525.4444 / FAX: 404.525.4444



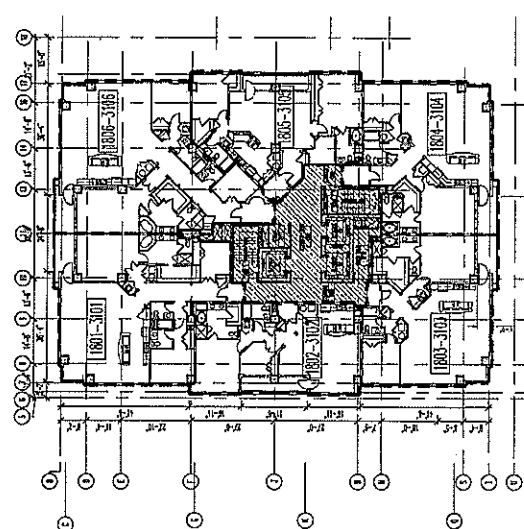
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4TH & 5TH FLOOR PLAN (RESIDENTIAL)



6TH & 7TH FLOOR PLAN (RESIDENTIAL)



8TH & 9TH FLOOR PLAN (RESIDENTIAL)

RESIDENTIAL UNIT CORNER AREA
 RESIDENTIAL CONDOMINIUM

I, _____, a Licensed
 architect, certify that these plans
 are accurate and comply with the
 provisions of the Code of Virginia and all
 units depicted herein have been
 substantially completed.

EXHIBIT C - TOWN CENTER RESIDENTIAL CONDOMINIUM 7, VIRGINIA BEACH, VIRGINIA



WASHINGTON, DISTRICT OF COLUMBIA
1335 15TH ST., NW • STE. 902
WASHINGTON, D.C. 20005
PHONE: 202.462.1111
FAX: 202.462.1117

BRENNAN BEER GORMAN MONK / ARCHITECTS & INTERIORS

**VIRGINIA BEACH
TOWN CENTER
LUXURY HOTEL &
RESIDENCES**

OWNER/DEVELOPER
Annexa, LLC
222 Central Park Avenue
Suite 2100
Virginia Beach, VA 23462
Tel: 757.536.8000

CONSULTANTS

ARCHITECT: BRENNAN BEER GORMAN MONK
1335 15TH ST., NW • STE. 902
WASHINGTON, D.C. 20005
PH: 202.462.1111 / FX: 202.462.1117

MECHANICAL: HOK
1000 F STREET, N.E.
WASHINGTON, D.C. 20002
PH: 202.462.1111 / FX: 202.462.1117

ELECTRICAL: HOK
1000 F STREET, N.E.
WASHINGTON, D.C. 20002
PH: 202.462.1111 / FX: 202.462.1117

STRUCTURAL: HOK
1000 F STREET, N.E.
WASHINGTON, D.C. 20002
PH: 202.462.1111 / FX: 202.462.1117

CIVIL: HOK
1000 F STREET, N.E.
WASHINGTON, D.C. 20002
PH: 202.462.1111 / FX: 202.462.1117

LANDSCAPE ARCHITECTURE: HOK
1000 F STREET, N.E.
WASHINGTON, D.C. 20002
PH: 202.462.1111 / FX: 202.462.1117

INTERIORS: HOK
1000 F STREET, N.E.
WASHINGTON, D.C. 20002
PH: 202.462.1111 / FX: 202.462.1117

ENVIRONMENTAL: HOK
1000 F STREET, N.E.
WASHINGTON, D.C. 20002
PH: 202.462.1111 / FX: 202.462.1117

MARKETING: HOK
1000 F STREET, N.E.
WASHINGTON, D.C. 20002
PH: 202.462.1111 / FX: 202.462.1117

LEGAL: HOK
1000 F STREET, N.E.
WASHINGTON, D.C. 20002
PH: 202.462.1111 / FX: 202.462.1117

PLANNING: HOK
1000 F STREET, N.E.
WASHINGTON, D.C. 20002
PH: 202.462.1111 / FX: 202.462.1117

TRANSPORTATION: HOK
1000 F STREET, N.E.
WASHINGTON, D.C. 20002
PH: 202.462.1111 / FX: 202.462.1117

UTILITY: HOK
1000 F STREET, N.E.
WASHINGTON, D.C. 20002
PH: 202.462.1111 / FX: 202.462.1117

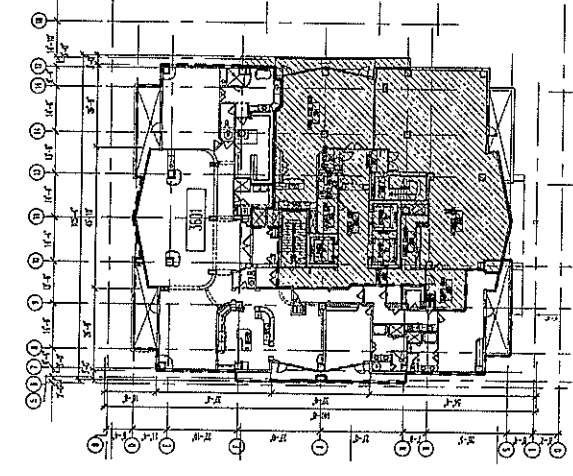
VEGETATION: HOK
1000 F STREET, N.E.
WASHINGTON, D.C. 20002
PH: 202.462.1111 / FX: 202.462.1117

WATER: HOK
1000 F STREET, N.E.
WASHINGTON, D.C. 20002
PH: 202.462.1111 / FX: 202.462.1117

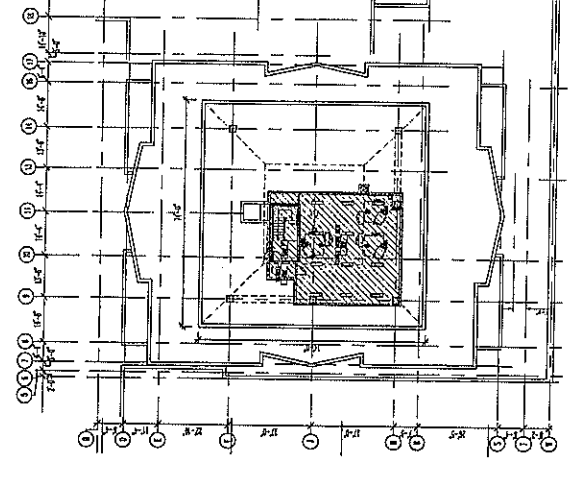
WIND: HOK
1000 F STREET, N.E.
WASHINGTON, D.C. 20002
PH: 202.462.1111 / FX: 202.462.1117

WOOD: HOK
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WASHINGTON, D.C. 20002
PH: 202.462.1111 / FX: 202.462.1117

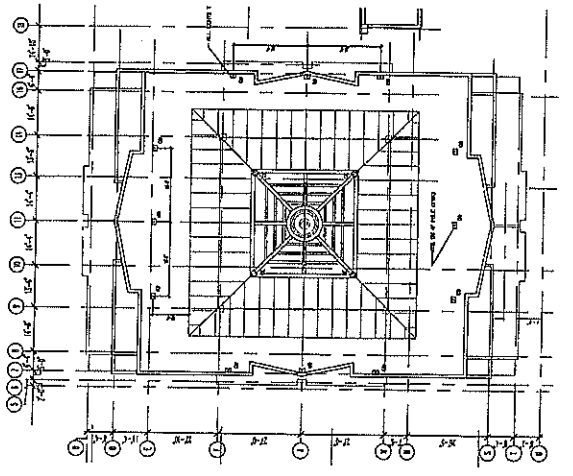
YARD: HOK
1000 F STREET, N.E.
WASHINGTON, D.C. 20002
PH: 202.462.1111 / FX: 202.462.1117



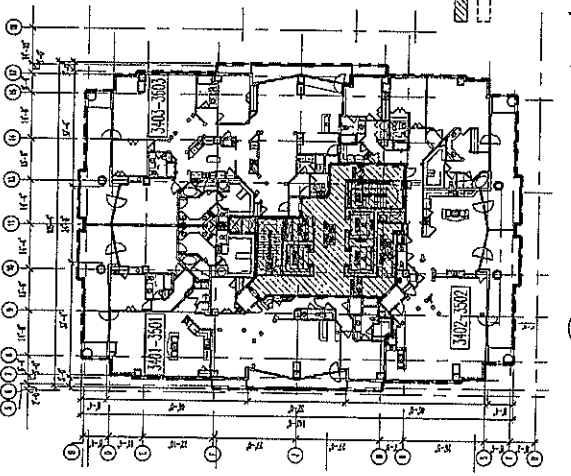
5. 5TH FLOOR PLAN (PENTHOUSE)



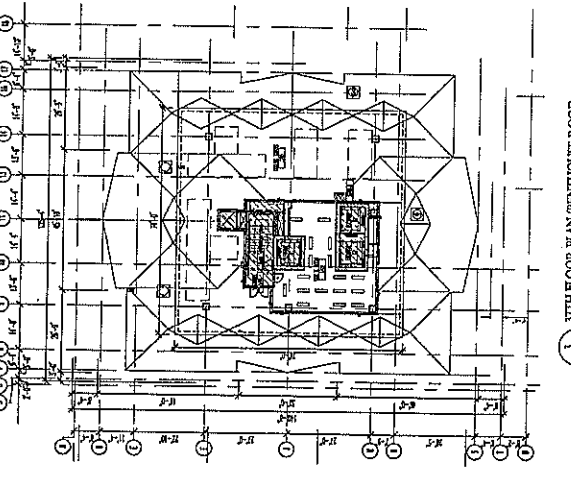
4. 4TH FLOOR PLAN (PENTHOUSE)



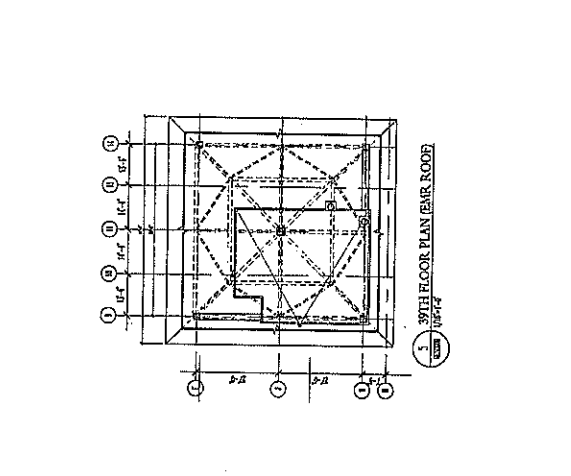
3. 3TH FLOOR PLAN (PENTHOUSE)



2. 2ND FLOOR PLAN (RESIDENTIAL)



1. 1ST FLOOR PLAN (RESIDENTIAL)



ROOF PLAN (PENTHOUSE)

NO.	DATE	DESCRIPTION
1	09/11/11	ISSUED FOR PERMITS
2	09/11/11	ISSUED FOR PERMITS
3	09/11/11	ISSUED FOR PERMITS
4	09/11/11	ISSUED FOR PERMITS
5	09/11/11	ISSUED FOR PERMITS
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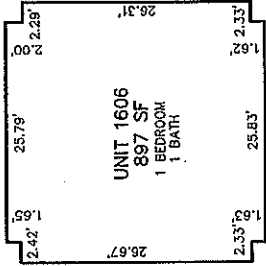
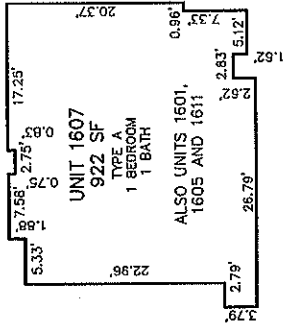
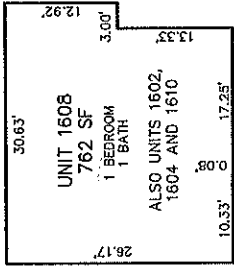
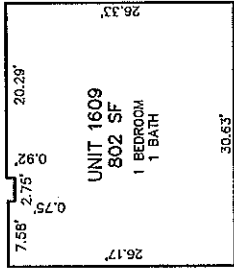
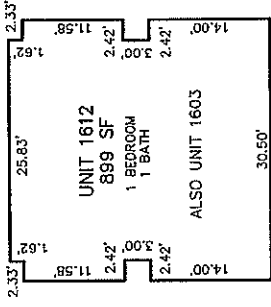
FILE NUMBER: 101-1000000
PROJECT NAME: VIRGINIA BEACH TOWN CENTER
SHEET NO.: 100
DATE: 09/11/11

RESIDENTIAL UNIT COMMON AREA
RESIDENTIAL CONDOMINIUM

I, the undersigned, a licensed architect, certify that these plans are accurate and comply with the provisions of the Code of Virginia and all laws and regulations of the State of Virginia. I understand that any false or misleading information furnished herein may be cause for disciplinary action.

EXHIBIT C - TOWN CENTER RESIDENTIAL CONDOMINIUM 7, VIRGINIA BEACH, VIRGINIA

RES0009A



16TH FLOOR
UNIT DETAIL
SCALE: 1" = 10'

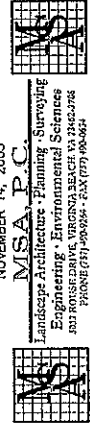


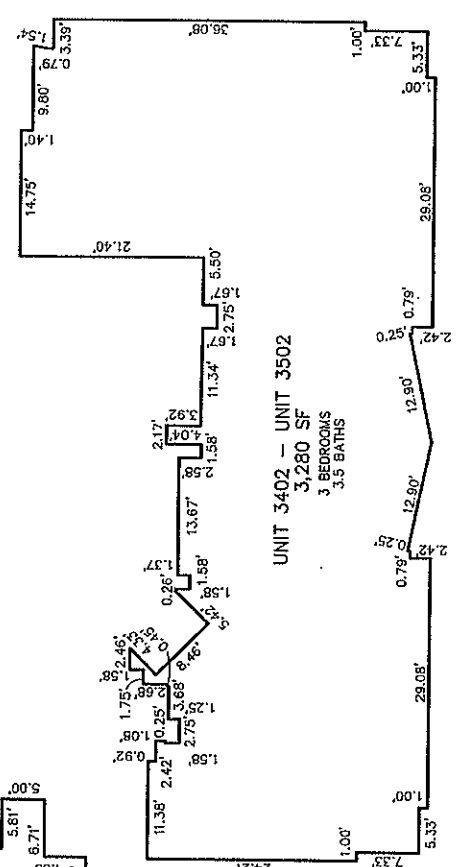
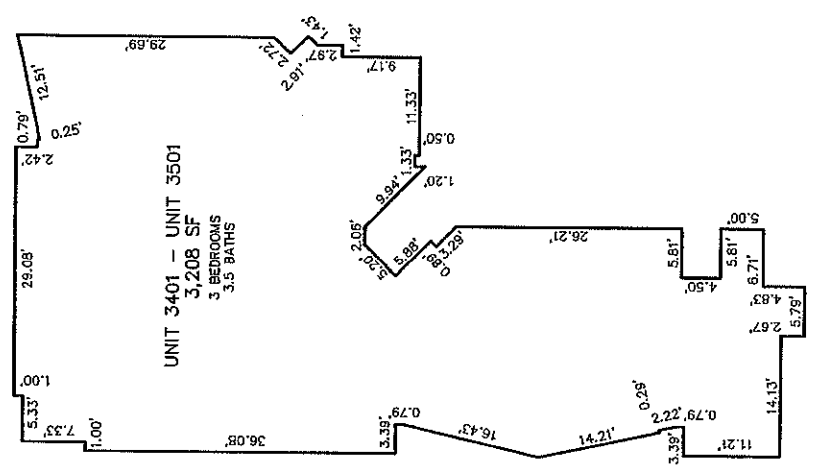
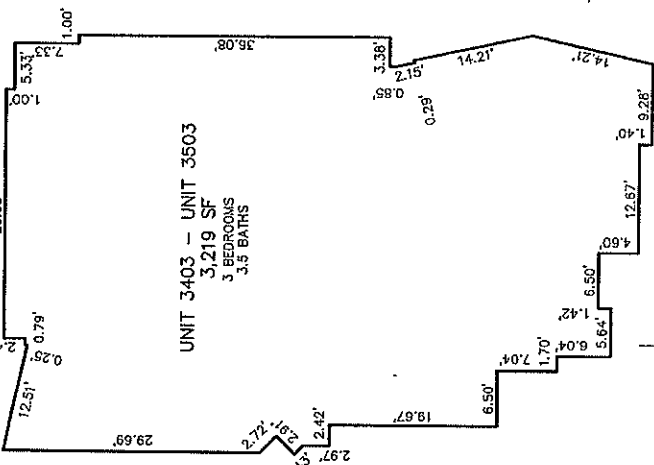
PLAN SHOWING UNIT DETAILS
FOR
**TOWN CENTER RESIDENTIAL
CONDOMINIUM 7**
TOWN CENTER, BLOCK 7
LOCATED AT
"THE TOWN CENTER"
(INST. NO. 20051010164936)
NOVEMBER 14, 2005

THE UNDERSIGNED CERTIFIES THAT THESE PLANS ARE ACCURATE AND
COMPLY WITH THE PROVISIONS OF SECTION 55-78.58.B OF THE CODE
OF VIRGINIA, 1950, AS AMENDED, AND THAT ALL UNITS OR PORTIONS
THEREOF DEPICTED HEREON AND ALL COMMON ELEMENTS HAVE BEEN
SUBSTANTIALLY COMPLETED.

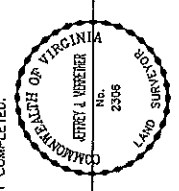


SIGNED: _____ DATED: _____



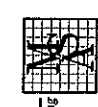


THE UNDERSIGNED CERTIFIES THAT THESE PLANS ARE ACCURATE AND COMPLY WITH THE PROVISIONS OF SECTION 55-79.55B OF THE CODE OF VIRGINIA, 1950, AS AMENDED, AND THAT ALL UNITS OR PORTIONS OF UNITS NOT DEPICTED HEREON AND ALL COMMON ELEMENTS HAVE BEEN SUBSTANTIALLY COMPLETED.

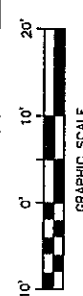


SIGNED: _____ DATED: _____

PLAN SHOWING UNIT DETAILS
FOR
THE TOWN CENTER RESIDENTIAL CONDOMINIUM 7
TOWN CENTER, BLOCK 7
LOCATED AT
"THE TOWN CENTER"
(INST. NO. 2005010164836)
NOVEMBER 14, 2005

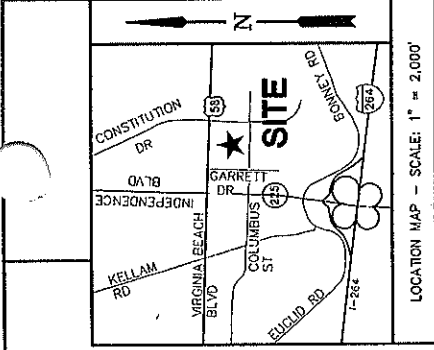


MSA, P.C.
Landscape Architecture • Planning • Surveying
Engineering • Environmental Sciences
503 ROUSE DRIVE, VIRGINIA BEACH, VA 23462-0788
PHONE (757) 966-7264 • FAX (757) 966-0634



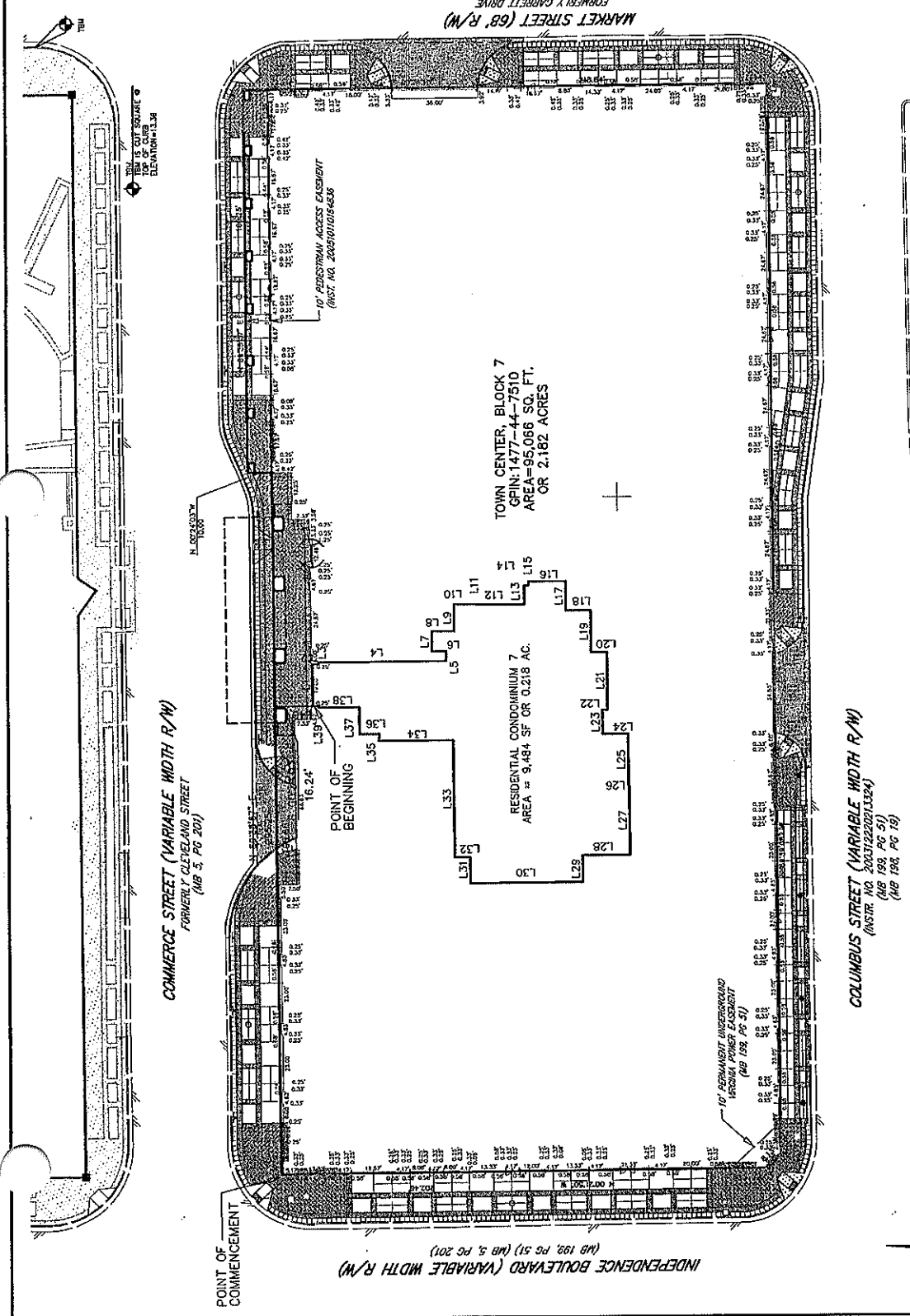
UNITS ARE TYPICAL 34TH FLOOR - 35TH FLOOR

UNIT DETAIL
SCALE: 1" = 10'



LOCATION MAP - SCALE: 1" = 2,000'

LINE	LENGTH	BEARING
L1	17.66	N89°35'57"E
L2	2.50	S00°24'03"E
L3	0.67	N89°35'57"E
L4	53.06	S00°24'03"E
L5	4.16	N89°35'57"E
L6	8.83	N00°24'03"W
L7	8.50	N89°35'57"E
L8	9.41	S00°24'03"E
L9	11.25	N89°35'57"E
L10	9.41	S00°24'03"E
L11	0.25	S89°35'57"W
L12	19.99	S00°24'03"E
L13	7.83	N89°35'57"E
L14	1.76	S00°24'03"E
L15	1.67	N89°35'57"E
L16	15.66	S00°24'03"E
L17	12.49	S89°35'57"W
L18	19.41	S00°24'03"E
L19	17.83	S89°35'57"W
L20	6.50	S00°24'03"E
L21	24.32	S89°35'57"W
L22	2.17	N00°24'03"W
L23	10.16	S89°35'57"W
L24	10.41	S00°24'03"E
L25	21.66	S89°35'57"W
L26	9.17	S00°24'03"E
L27	28.89	S89°35'57"W
L28	19.86	N00°24'03"W
L29	41.09	S89°35'57"W
L30	41.09	N00°24'03"W
L31	6.41	N00°24'03"W
L32	48.98	N89°35'57"E
L33	3.00	N89°35'57"E
L34	3.00	N89°35'57"E
L35	7.81	N00°24'03"W
L37	11.33	N89°35'57"E
L38	16.82	N00°24'03"W
L39	0.67	N89°12'08"E
L40	2.50	N00°24'03"W



CONDOMINIUM PLAT
OF

**TOWN CENTER
RESIDENTIAL CONDOMINIUM 7**

TOWN CENTER, BLOCK 7
LOCATED AT
"THE TOWN CENTER"
(INST. NO. 20031010164836)
NOVEMBER 4, 2003

MSA, P.C.

Landscape Architecture, Planning, Surveying
Engineering, Environmental Sciences
800 ROUSE DRIVE, VIRGINIA BEACH, VA 23462-1188
PHONE (757) 496-2841 FAX (757) 496-6651



I, JEFFREY J. WERRETHER, A LAND SURVEYOR, DO HEREBY CERTIFY THAT THIS PLAT IS ACCURATE AND THAT IT COMPLIES WITH THE PROVISIONS OF SEC. 55-79.58.A OF THE CODE OF VIRGINIA, 1950 AS AMENDED. I FURTHER HEREBY CERTIFY THAT ALL UNITS OR PORTIONS THEREOF DEPICTED HEREON ARE UNDER CONSTRUCTION.



SIGNED: _____ DATED: _____

VIRGINIA STATE PLANE COORDINATE SYSTEM, SOUTH ZONE (NAD 83/26)

VIRGINIA STATE PLANE COORDINATE SYSTEM, SOUTH ZONE, NAD 83/86

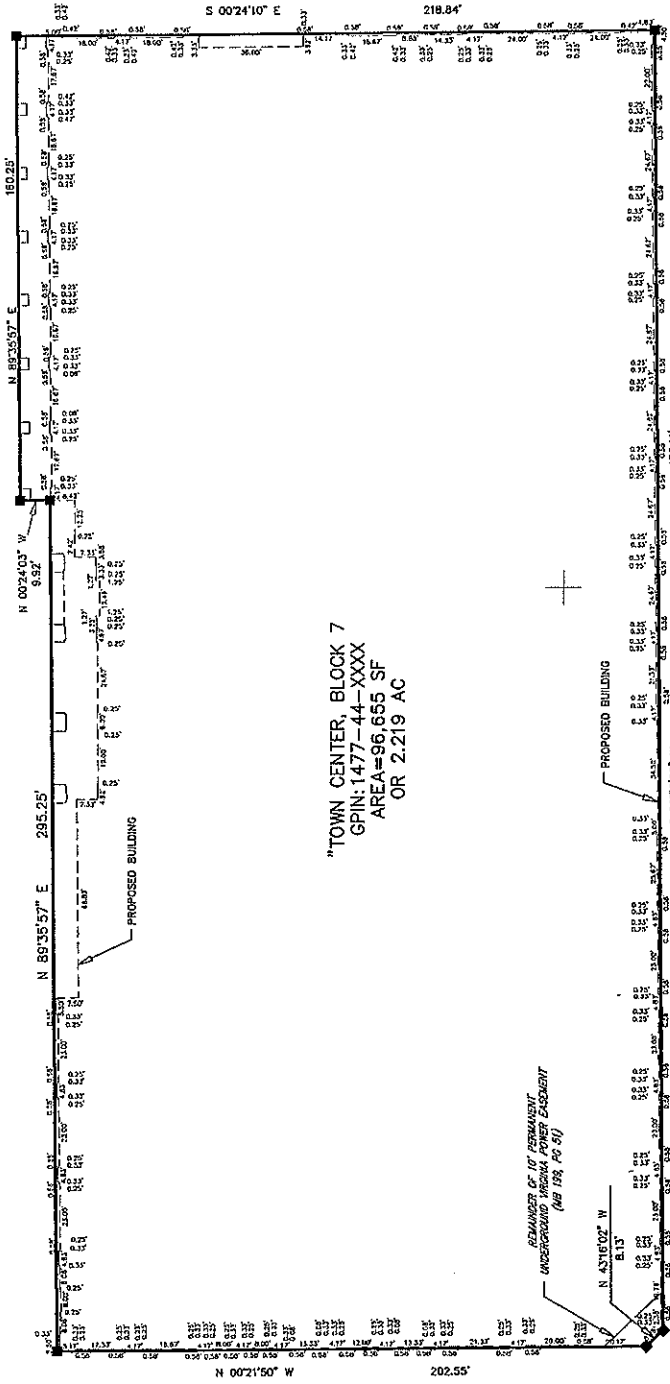
MARKET STREET (68' R/W)
(INSTR. NO. 200402060012049)
FORMERLY GARRETT DRIVE
(MB 5, PG 201)

COMMERCE STREET (VARIABLE WIDTH R/W)
FORMERLY CLEVELAND STREET
(MB 5, PG 201)

"TOWN CENTER, BLOCK 7
GPIN: 1477-44-XXXX
AREA=96,655 SF
OR 2.219 AC

COLUMBUS STREET (VARIABLE WIDTH R/W)
(INSTR. NO. 20031222013324)

INDEPENDENCE BOULEVARD (VARIABLE WIDTH R/W)
(MB 5, PG 201)

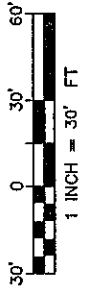


REMAINDER OF 10 PERMANENT UNDERGROUND VIRGINIA POWER EASEMENT
(MB 125, PG 31)

N 43°16'02" W
E 113'

CONDOMINIUM EXHIBIT
OF
"TOWN CENTER BLOCK 7"
VIRGINIA BEACH, VIRGINIA
JUNE 13, 2005

MSA, P.C.
Landscape Architecture - Planning - Surveying
Engineering - Planning - Surveying
300 HOUSES, VIRGINIA BEACH, VA 23462
PHONE (757) 440-2224 FAX (757) 440-6484



JOB# 99161T
SHEET 1 OF 1

I, JEFFREY J. VERRETHER, A LAND SURVEYOR, DO HEREBY CERTIFY THAT THIS PLAT IS ACCURATE AND THAT IT COMPLIES WITH THE PROVISIONS OF SEC. 55-79.58.A OF THE CODE OF VIRGINIA, 1950 AS AMENDED. I FURTHER HEREBY CERTIFY THAT ALL UNITS OR PORTIONS THEREOF DEPICTED HEREON HAVE BEEN SUBSTANTIALLY COMPLETED.



SIGNED: _____ DATED: _____

FB: DRWN. BY -GMZ
CHK'D. BY -JUV DATE 5-01-05
REV ADD CERTIFICATION KCR 10-31-05

BY-LAWS

OF

TOWN CENTER RESIDENTIAL CONDOMINIUM 7 OWNERS ASSOCIATION, INC.

Prepared by:

FAGGERT & FRIEDEN, P.C.
222 Central Park Ave., Suite 1300
Virginia Beach, Virginia 23462

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BY-LAWS

OF

TOWN CENTER RESIDENTIAL CONDOMINIUM 7 OWNERS ASSOCIATION, INC.

ARTICLE 1. GENERAL PROVISIONS.

1.1 IDENTITY--PURPOSE. These are the By-laws of Town Center Residential Condominium 7 Owners Association, Inc., a non-stock, non-profit Virginia corporation (the "Association"). This Association has been organized for the purpose of administering the affairs of Town Center Residential Condominium 7.

1.2 BY-LAWS SUBJECT TO OTHER DOCUMENTS. The provisions of these By-laws are applicable to said Condominium and are expressly subject to the terms, provisions and conditions contained in the Articles of Incorporation of said Association, (referred to herein as the "Articles"), and the Declaration of Condominium (referred to herein as "Declaration") which will be recorded in the Clerk's Office of the Circuit Court of the City of Chesapeake, Virginia, at the time said property is submitted to condominium ownership.

1.3 APPLICABILITY. All Unit Owners, tenants and occupants, their agents, servants, invitees, licensees and employees and others that use the Condominium Property, or any part thereof, are subject to these By-laws and the documents referred to in Article 1.2 hereof.

1.4 OFFICE. The office of the Association shall be at the Condominium Property or such other place designated by the Board of Directors of the Association.

1.5 SEAL. The seal of the Association shall bear the name of the Association, the word "Virginia", and the year of incorporation.

1.6 DEFINITIONS. All definitions set forth in the Declaration and Exhibits attached thereto are hereby adopted by reference as though set forth herein verbatim.

ARTICLE 2. MEMBERSHIP, VOTING, QUORUM, PROXIES.

2.1 QUALIFICATION OF MEMBERS, ETC. The qualification of members, the manner of their admission to membership and termination of such membership, and voting by members shall be as set forth in the Declaration, Articles and in these By-laws.

2.2 QUORUM. Persons having more than ten percent (10%) of the total votes of the Association shall constitute a quorum. The

joinder of a member in the action of a meeting by signing and concurring in the minutes thereof, within ten (10) days from the date thereof, shall constitute the presence of such person for the purpose of determining a quorum.

2.3 CORPORATE OR MULTIPLE OWNERSHIP OF A UNIT. The vote of the owners of a Unit owned by more than one person or by a corporation, except Declarant, or other entity shall be cast by the person named in a certificate designating the "Voting Member". Such certificate will be signed by all of the owners of such Unit, or the proper corporate officer, filed with the Secretary of the Association, and shall be valid until revoked by subsequent certificate. Where the ownership of the Unit is in more than one person, if the person designated in such certificate is not present or if such a certificate is not so filed, then any person having an ownership interest in such Unit who is present shall be entitled to cast the vote of such Unit. In such event, if more than one owner is present, then the vote of the Unit shall be cast only in accordance with their unanimous consent.

2.4 VOTING; PROXY. Votes may be cast in person or by proxy. Any proxy must be filed with the Secretary before the appointed time of the meeting. The proxy must be duly executed by or on behalf of the Unit Owner, or, in cases where the Unit Owner is more than one person, by or on behalf of all such persons. No such proxy shall be revocable except by actual notice to the person presiding over the meeting, by the Unit Owner or by any of such persons, that it be revoked. Any proxy shall be void if it is not dated or if it purports to be revocable without notice as aforesaid. 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 after the first meeting held on or after the date of that proxy or any recess or adjournment of that meeting held within 30 days. The proxy shall include a brief explanation of the effect of leaving the proxy uninstructed.

2.5 VOTING. In any meeting, each Unit Owner, including Declarant, subject to the provisions of Article 2.3 hereof, shall be entitled to cast the number of votes equal to the par value of the Unit owned. The vote of such Unit shall not be divisible.

2.6 MAJORITY. Except where otherwise required by the provisions of the Articles, these By-laws, the Declaration, or where the same may otherwise be required by law, the affirmative vote of the Unit Owners having a majority of the votes represented at any duly called meeting at which a quorum is present shall be binding upon the members.

ARTICLE 3. ANNUAL AND SPECIAL MEETINGS OF MEMBERSHIP.

3.1 ANNUAL MEETING. The annual members' meeting shall be held at least once each calendar year at the office of the Association at the time designated on the notice thereof, for the purpose of electing directors and transacting any other business authorized to be transacted by members. The first annual meeting shall be held within a year after the conveyance of the first Unit by the Declarant.

3.2 SPECIAL MEETING. Special meetings shall be held when called by the President or Vice President or by a majority of the Board of Directors. Special meetings must be called by such officers upon a majority of the votes in the Association. Notices of special meetings shall be given as set forth below except that in the case of an emergency fourteen (14) days notice will be deemed sufficient.

3.3 NOTICE OF MEETING; WAIVER. Notice of all members' meetings shall be given by the Secretary of the Association, to each member, unless such notice is waived in writing. Such notice will be written and will state the time, place and object for which the meeting is called. Such notice shall be given or mailed to each member not less than twenty-one (21) days or more than sixty (60) days prior to the date set for such meeting. If hand delivered, receipt of such notice shall be signed by the member. If mailed, such notice shall be deemed to be properly given when deposited in the United States mails, postage prepaid, addressed to the member at his post office address as it appears on the records of the Association. The post office certificate of mailing shall be retained as proof of such mailing. Notice shall also be conspicuously posted on the Condominium Property.

3.4 NOTICE TO OTHERS. The Declarant (and Managing Agent, if any) shall forever be entitled to notice of all Association meetings, entitled to attend the Association meetings, and they may designate such persons as they desire to attend such meetings on their behalf and such persons may act with the full authority and power of Declarant.

3.5 ADJOURNED MEETINGS. If any members' meeting cannot be convened because a quorum has not attended, the members who are present, either in person or by proxy, may adjourn the meeting, from time to time, to a time certain until a quorum is present. Valid proxies for the meeting shall continue to be valid until a quorum is present.

3.6 CHAIRMAN. At meetings of membership, the President shall preside, or in his absence, the Board of Directors shall select a chairman.

3.7 ORDER OF BUSINESS. The order of business at annual

members' meetings, and, as far as practical, at any other members' meeting, shall be:

- a. Calling of the roll and certifying of proxies;
- b. Proof of notice of meeting or waiver of notice;
- c. Reading of minutes;
- d. Reports of Officers;
- e. Reports of Committees;
- f. Election of Directors; SUBJECT, HOWEVER, to all provisions of these By-laws, the Articles and the Declaration;
- g. Unfinished business;
- h. New business;
- i. Adjournment.

ARTICLE 4. BOARD OF DIRECTORS.

4.1 MANAGEMENT OF ASSOCIATION. The affairs of the Association shall be managed by a Board of Directors (hereinafter referred to as Board) consisting of five (5) persons.

4.2 FIRST BOARD. The Board shall, during the period of Declarant's control, consist of five (5) persons, none of whom need be members of the Association. The first Board shall consist of persons designated by the Declarant and they shall serve until replaced by Declarant or until their successors are elected.

- a. The Declarant shall have the absolute right, at any time, in its sole discretion, to remove any member of the Board designated by Declarant and replace any such person with another person to serve on the Board. Notice of such action shall be given to the Association.
- b. "The period of Declarant's control" means the period ending on the earliest of (1) the date when Units to which a total of at least three-fourths of the Common Element Interests are allocated are not owned by Declarant, (2) the second anniversary of the date the Declarant ceases to be the only Unit Owner, or (3) the date specified by the Declarant in a notice to each Unit Owner that the Declarant is relinquishing the rights reserved by the Declarant under Section 55-

79.74(a) of the Code of Virginia of 1950. For the purpose of the preceding sentence, the calculation of Common Element Interests shall be based, at any given time, on the Common Element Interests to be assigned to all Units then registered with the Virginia Real Estate Board, including all Units which can be added to the Condominium pursuant to the Declaration. Notwithstanding the foregoing, the resignation of all of the members of the Board of Directors at a meeting of the Association shall end the period of Declarant's control.

4.3 ELECTION OF DIRECTORS. Except for designation of Directors by Declarant, as hereinbefore provided, election of Directors shall be by the members of the Association and conducted in the following manner:

- a. Election of directors shall be held at the annual meeting. Except as provided below, Directors shall serve a term of three (3) years.
- b. A nominating committee of three (3) members shall be appointed by the then existing Board not less than thirty (30) days prior to the annual members' meeting. The Committee shall nominate one for each director then serving whose term is expiring. Nominations may be made from the floor.
- c. The election shall be by secret ballot (unless dispensed with by unanimous consent) and by a plurality of the votes cast. There shall be no cumulative voting.
- d. Except as to vacancies created by removal of directors by members, vacancies in the Board occurring between annual meetings of members shall be filled by a majority of the remaining directors. Vacancies created by removal of directors by members shall be filled by the members in the same manner as the members elect directors at the annual meeting.
- e. At the first meeting of the Association after the period of Declarant's control has ended, all five (5) Directors will be elected. The two (2) Directors elected receiving the most votes will serve terms of three (3) years, the two (2) Directors elected receiving the third and fourth most votes will serve terms of two (2) years and the Director elected receiving the least votes will serve a term of one (1) year. At all subsequent annual meetings, all Directors elected at such meeting shall serve three (3) year terms.

4.4 ORGANIZATIONAL MEETING. The organizational meeting of a newly elected Board shall be held within ten (10) days of their election, at such time and at such place as shall be fixed by the directors at the meeting at which they were elected and not further notice of the organizational meeting shall be necessary, PROVIDED, a quorum shall be present.

4.5 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. Notice of the time and purpose of regular meetings shall be given to each director, personally or by mail, telephone or telegram, at least three (3) days prior to the day named for such meeting, unless notice is waived. Meetings shall be open to all Unit Owners except in those circumstances for which the Condominium Act allows meetings of the Board to be closed to the Unit Owners, and notice thereof shall be posted conspicuously on the Condominium Property at least three (3) days in advance, except in an emergency.

4.6 SPECIAL MEETINGS. Special meetings of the Board may be called by the chairman or President. Except in an emergency the notice shall be given as provided in Article 4.5 above and shall state the time, place and purpose of the meeting.

4.7 WAIVER. Any director may waive notice of a meeting before or after the meeting and such waiver shall be deemed equivalent to the giving of notice. Attendance shall be deemed a waiver.

4.8 QUORUM. A quorum at a directors' meeting shall consist of the directors entitled to cast a majority of the votes of the entire Board. The acts of the Board approved by a majority of the votes present at a meeting at which a quorum is present shall constitute the acts of the Board except as specifically otherwise provided for in the Articles, these By-laws or the Declaration. If any directors' meeting cannot be convened because a quorum has not attended, or because the greater percentage of the directors required to constitute a quorum for particular purposes have not attended, (wherever the latter percentage of attendance may be required as set forth in the Articles, these By-laws, or the Declaration) the directors who are present may adjourn the meeting, from time to time, until a quorum, or the required percentage of attendance if greater than a quorum, is present. At any adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice. The joinder of a director in the action of a meeting by signing and concurring in the minutes thereof shall constitute the presence of such director for all purposes including determining a quorum, provided that the same be accomplished within ten (10) days from the date of the meeting.

4.9 PRESIDING OFFICER. The presiding officer at directors' meetings shall be the Chairman of the Board, if such an officer has been elected; and if not, then the President shall preside. In the absence of the presiding officer, the directors present shall designate one of their number to preside.

4.10 RESIGNATION. A director may resign by giving written notice thereof. A director shall be deemed to have resigned upon his termination of membership in the Association (excepting the first Board) or upon his default for thirty (30) days of any of the provisions or covenants of the Declaration and Exhibits attached thereto.

4.11 POWERS AND DUTIES. The powers and duties of the Association may, subject to the limitations set forth herein and in the Condominium Act, be exercised by the Board, in the Board's sole discretion. Such powers shall include, without limiting the generality of the foregoing, the following:

- a. To adopt the budget of the Association upon majority vote of the directors.
- b. To make, levy and collect assessments against members and members' Units to defray the costs of the Condominium and Common Expenses, and to use the proceeds of said assessments in the exercise of the powers and duties granted to the Association.
- c. To provide for the maintenance, repair, replacement, operation, improvement and management of the Condominium wherever the same is required to be done and accomplished by the Association for the benefit of its members.
- d. It is understood that assessments must be sufficient to provide for the payment of all anticipated current operating expenses and for all of the unpaid operating expenses previously incurred. Accordingly, the Board is given the power to adopt special assessments providing for any previously unanticipated expenses. Special assessments shall be limited to those items which are necessary and all other items which can reasonably be deferred to the regular budgetary meeting shall be so deferred.
- e. Upon consent of the membership to administer the reconstruction of improvements after casualty and the further improvement of the property, real and personal.
- f. To adopt and amend administrative rules and regulations

governing the details of the operation and use of the Common Elements, real and personal, in the Condominium, so long as such rules and regulations or amendments thereto do not conflict with the rights, privileges, restrictions and limitations which may be placed upon the use of such property under the terms of the Declaration and Exhibits attached thereto.

- g. To acquire, operate, lease, manage and otherwise trade and deal with property, real and personal, including Units in the Condominium on behalf of the Association, as may be necessary or convenient in the operation and management of the Condominium and in accomplishing the purposes set forth in the Declaration.
- h. To contract on behalf of the Association for the management of the Condominium Property and to delegate to such contractor such powers and duties of the Association as the directors deem fit, to lease or concession such portions thereof and to ratify and confirm any existing leases or concessions of any part of the Condominium Property.
- i. To enforce, by legal means, the provisions of the Declaration and any Exhibits attached thereto and the Rules and Regulations promulgated governing the use of the Condominium Property, including, without limitation, the assessment of fines against Unit Owners for violations of the Condominium Instruments and the Rules and Regulations in accordance with the provisions of Section 55-79.80:2.B. of the Condominium Act.
- j. To cause the Association to pay all taxes and assessments of any type which affect any part of the Condominium Property, other than Units (unless owned by the Association) and the appurtenances thereto, and to assess the same against the members and their respective Units.
- k. To cause the Association to carry insurance for the protection of the members and the Association against casualty and liability as required by the Declaration.
- l. To cause the Association to pay all costs of power, water, sewer and other utility services rendered to the Condominium which is not the specific responsibility of the owners of the separate Units.
- m. To cause the Association to employ personnel, for reasonable compensation, to perform services required for proper administration of the purposes of the

Association, including accountants, attorneys, contractors and other professionals.

- n. The Association shall have the right, when determined by the Board of Directors to be in the best interests of the Condominium, to grant exclusive licenses, easements, permits, leases, or privileges to any individual or entity, including Non-Unit Owners, which affect Common Elements and to alter, add to, relocate or improve Common Elements.

4.12 AUTHORITY OF FIRST BOARD. The undertakings and contracts authorized by the first Board, including the first budget, shall be binding upon the Association in the same manner as though such undertakings and contracts had been authorized by a Board duly elected by the membership.

4.13 REMOVAL OF DIRECTORS. Should the members of the Association at any duly convened regular or special meeting desire, they may remove any director except directors designated by Declarant with or without cause by the vote or agreement in writing by a majority of all members and a successor may immediately be elected to fill the vacancy thus created. Should the membership fail to elect a successor, the Board may fill the vacancy.

4.14 PROVISIO. Notwithstanding anything herein contained to the contrary, the directors shall not have the right or authority to do any act or take any action wherein the same would limit, modify or abridge the rights, privileges and immunities of the Declarant as set forth in the Declaration, the Articles and these By-laws.

4.15 COMMITTEES. The Board may delegate portions of its responsibilities to committees established for that purpose.

4.16 MANNER OF COLLECTION OF COMMON EXPENSES. The provisions of Paragraph 14 of the Declaration of Condominium setting forth the manner of collection of Common Expenses and other charges are incorporated herein by reference.

ARTICLE 5. OFFICERS.

5.1 GENERALLY. The officers of the Association shall be a President, one or more Vice Presidents, a Treasurer, a Secretary, and, if desired, one or more Assistant Secretaries, all of whom shall be elected annually by the Board and who may be peremptorily removed by a majority vote of the directors at any meeting. Any person may hold two or more offices, except that the President shall not also be the Secretary or an Assistant Secretary. The Board may, from time to time, elect such other officers and

designate to manage the affairs of the Association, as it deems appropriate.

5.2 PRESIDENT. The President shall be the chief executive officer of the Association. He shall have all of the powers and duties which are usually vested in the office of President of an association, including, but not limited to, the power to appoint committees from among the members, from time to time, as he may, in his discretion, determine appropriate to assist in the conduct of the affairs of the Association. The President shall be a member of the Board.

5.3 VICE PRESIDENT. The Vice President shall in the absence or disability of the President, exercise the powers and perform the duties of President. He shall also generally assist the President and exercise such other powers and perform such other duties as shall be prescribed by the directors or President.

5.4 SECRETARY. The Secretary shall keep the minutes of all proceedings of the directors and the members, attend to the giving and serving of all notices to the members and directors, have custody of the seal of the Association and affix the same to instruments requiring a seal when duly signed, keep the non-financial records of the Association, and shall perform all other duties incident to the office of Secretary of an association and as may be required by the directors or President. The Assistant Secretary, if any, shall perform the duties of Secretary when the Secretary is absent.

5.5 TREASURER. The Treasurer shall have custody of all of the funds, securities and evidences of indebtedness of the Association. He shall keep the assessment rolls and accounts of the members and the books of the Association in accordance with good accounting practice and shall perform all other duties incident to the office of Treasurer.

ARTICLE 6. FISCAL MANAGEMENT; ASSESSMENTS; LIENS. The provisions for fiscal management of the Association set forth in the Declaration shall be supplemented by the following provisions:

6.1 MANNER AND NOTIFICATION. The Board of Directors shall fix and determine the sums necessary to pay all the Common Expenses, and other fees of the Condominium, including maintenance of proper reserves, pursuant to the provisions of the Declaration, Articles and these By-laws. The same shall be assessed against the Unit Owners as provided in the Declaration and all the Exhibits attached thereto. Assessments for the first year (or prorata portion thereof) of the operation of the Condominium Property shall be as set forth in a projected budget established by the Declarant as the same may be amended by the Board from time to time.

6.2 PAYMENTS OF ASSESSMENTS. Except as specified to the contrary, funds for the payment of Common Expenses shall be assessed against the Unit Owners in the proportions provided in the Declaration. Said assessments shall be payable monthly, three months in advance, without notice, unless otherwise required by the Board. Special assessments, should such be required by the Board, shall be levied in the same manner as hereinbefore provided for regular assessments, except notice thereof shall be given, and shall be payable in the manner determined by the Board. FAILURE TO PAY ANY ASSESSMENT WITHIN TEN (10) DAYS FROM THE DATE DUE, SHALL ENTITLE THE ASSOCIATION TO LEVY A LATE CHARGE AGAINST THE DEFAULTING UNIT OWNER OF THE GREATER OF FIFTY AND 00/100 DOLLARS (\$50.00) OR FIVE PERCENT (5%) OF THE AMOUNT NOT SO TIMELY PAID AND A LIKE AMOUNT EACH THIRTY DAYS THEREAFTER IF SUCH ASSESSMENT IS NOT PAID. THE PARTIES AGREE THAT THE LATE CHARGE IS NOT A PENALTY BUT IS VALID LIQUIDATED DAMAGES.

6.3 PROPOSED BUDGET. A copy of the proposed one (1) year budget shall be mailed to Unit Owners not less than thirty (30) days prior to the meeting at which the budget will be considered together with a notice of the meeting. If the proposed budget is not adopted prior to the start of the new budget period, an assessment shall be presumed to be made in the amount of the last prior assessment and monthly installments on such assessments shall be due upon each installment payment date until changed by an amended assessment. In the event the assessments prove to be insufficient, the budget and assessments shall be amended at a meeting called for that purpose.

6.4 DEPOSITORY; WITHDRAWALS. The depository of the Association shall be such bank or banks as shall be designated, from time to time, by the directors and in which the monies of the Association shall be deposited. Withdrawal of monies from such accounts shall be only by checks signed by such persons as are authorized by the directors. Should the Association employ a Managing Agent, and should in the course of such employment said Managing Agent be charged with any responsibilities concerning control of any of the funds of the Association, then, and in such event, any Agreement with such Managing Agent pertaining to the deposit and withdrawal of monies shall supersede the provisions hereof during the term of any such agreement.

6.5 RECORDS. The Association shall maintain those records and make available written summaries thereof as required by the Condominium Act and the Declaration. In addition, a financial statement shall be prepared annually and supplied to the membership prior to the adoption of the next ensuring year's budget.

6.6 FIDELITY BONDS; PROVISIO. Fidelity bonds shall be obtained by the Board for the Treasurer, Assistant Treasurer, if

any, and all officers and employees of the Association handling or responsible for Association's funds, and for any contractor handling or responsible for Association's funds. The amount of such bonds shall be determined by the directors, subject to the minimum requirement of the Declaration. The premiums on such bonds shall be paid by the Association.

6.7 FISCAL YEAR. The fiscal year of the Association shall begin on the first day of January of each year; PROVIDED, HOWEVER, that the Board is expressly authorized to adopt a different fiscal year in accordance with the provisions and regulations from time to time prescribed by the Internal Revenue Code of the United States of America, at such time as the Board deems advisable. The budget year shall begin on January 1st of each year.

6.8 ACCELERATION OF PAYMENT OF INSTALLMENTS OF ASSESSMENTS. If a Unit Owner shall be in default in the payment of an installment upon any assessment, the Board may accelerate the remaining installments for, in its discretion, the next twelve-month period. Upon notice thereof to the Unit Owner the accelerated assessment shall immediately become due upon the date stated in the notice, which shall not be less than fifteen (15) days after delivery of or the mailing of such notice to the Unit Owner.

6.9 ACQUISITION OF UNITS. At any foreclosure sale of a Unit, the Association or its designee may acquire the Unit being foreclosed. The term "foreclosure" as used in this Article, shall mean and include any foreclosure of any lien, including a lien for assessments. The power of the Association to acquire a Unit at any foreclosure sale shall never be interpreted as a requirement or obligation on the part of the Association to do so at any foreclosure sale--the provisions hereof being permissive in nature and for the purpose of setting forth the power of the Association. The Association may also acquire Units in the event damaged Units are not restored pursuant to the provisions of Paragraph 14 of the Declaration.

6.10 DEFAULT IN PAYMENT OF ANY ASSESSMENT; LIEN. In the event of a default by a Unit Owner in the payment of any assessment, the Association shall have all rights and remedies provided by law, including, but not limited to, those provided by the Condominium Act, and the liability of the owner of the Condominium Unit shall include liability for a reasonable attorneys' fee and for court costs incurred by the Association incident to the collection of such assessment or enforcement of its lien. If the Association elects to enforce its lien by foreclosure, the Unit Owner shall be required to pay a reasonable rental for the Condominium Unit, to be fixed by the Board, and the Association shall be entitled to the appointment of a receiver to collect same. Nothing herein contained shall bar a suit to recover a money judgment for unpaid assessments without waiving the lien

securing the same.

ARTICLE 7. COMPLIANCE.

7.1 VIOLATION BY MEMBER; REMEDIES. In the event of a violation (other than the nonpayment of an assessment) by the Unit Owner of any of the provisions of the Declaration, these By-laws, or Rules and Regulations adopted pursuant to any of same, the Association shall notify the Unit Owner by written notice of said breach, transmitted by mail, and if such violation shall continue for a period of ten (10) days from the date of notice, the Association shall have the right to treat such violation as an intentional, inexcusable and material breach thereof, and the Association may then pursue any remedy available. No action taken shall be deemed an "election of remedies". Upon a finding by the Court that the violation complained of has occurred, the offending Unit Owner shall reimburse the Association (or Managing Agent, if any) for all costs and losses including reasonable attorneys' fees and costs incurred in bringing such action. Failure on the part of the Association to maintain such action at law or in equity within thirty (30) days from date of a written request, signed by a Unit Owner and sent to the Association, shall authorize any Unit Owner to bring an action in equity or suit at law, on account of the violation, in the manner provided in the Condominium Act. Any violations which are deemed by the Board to be a hazard to public health or safety may be corrected immediately as an emergency matter by the Association and the cost thereof shall be charged to the Unit Owner as a specific item and shall be a lien against said Unit with the same force and effect as if the charge was a part of the Common Expenses attributable to such Unit Owner. In the event of a non-continuing default making the notice period impractical, the Association may take such punitive action, including, but not limited to, the suspension of privileges for reasonable periods of time without a corresponding reduction in assessments.

7.2 LIABILITY OF UNIT OWNERS. All Unit Owners shall be liable for the expense of any maintenance, repair or replacement rendered necessary by his act, neglect or carelessness, or by that of any member of his family, or his or their guests, employees, agents or lessees, but only to the extent that such expense is not met by the proceeds of insurance carried by the Association. Such liability shall include any increase in insurance rates occasioned by use, misuse, occupancy or abandonment of any Unit or its appurtenances. Nothing herein contained, however, shall be construed so as to modify any waiver by insurance companies of rights of subrogation. The expense of any maintenance, repair or replacement required shall be charged to said Unit Owner as a specific item and shall be a lien against said Unit with the same force and effect as if the charge was a part of the Common Expenses attributable to such Unit Owner's Unit.

7.3 LIABILITY OF UNIT OWNERS TO MANAGING AGENT. Paragraph 6.10 above shall include any assessment due by virtue of a Management Agreement with a Managing Agent (if any) and such Managing Agent shall also have the right to bring such actions and the right to obtain such relief in its own name, including damages, attorneys' fees and costs, to enforce the provisions thereof.

7.4 NO WAIVER. The failure of the Association or of a Unit Owner to enforce any right, provision, covenant or condition which may be granted by any of the provisions of the Declaration shall not constitute a waiver of the right of the Association or Unit Owner to enforce such right, provision, covenant or condition in the future.

7.5 SURVIVING LIABILITY. Termination of membership in the Association shall not relieve said party from any liability, financial or otherwise, incurred by said party while a member and shall in no way impair any rights that the Association has, or may have had, against the terminating member.

7.6 CHARGES FOR VIOLATION OF RULES , ETC. The Association shall have the power, in accordance with the provisions of Section 55-79.80:2.B. of the Condominium Act, as amended from time to time, to assess charges against any Unit Owner for any violation of the Condominium instruments or of the rules and regulations promulgated pursuant thereto for which such Unit Owner or his family members, tenants, guests or other invitees are responsible.

Before any such charges may be assessed, the Unit Owner shall be given an opportunity to be heard and to be represented by counsel before the Board. Notice of such hearing shall, at least fourteen days in advance thereof, be hand delivered or mailed by registered or certified United States mail, return receipt requested, to such Unit Owner at the address or addresses required for notices of meetings pursuant to Section 55-79.75 of the Condominium Act. The amount of any charges so assessed shall not exceed fifty dollars for a single offense or ten dollars per diem for any offense of a continuing nature, and shall be treated as an assessment against such Unit Owners' Condominium Unit for the purpose of Section 55-79.84 of the Condominium Act.

ARTICLE 8. LIMITATION OF LIABILITY. Notwithstanding the duty of the Association to maintain and repair the Condominium Property, it shall not be liable for injury or damage caused by a latent condition in the property nor for injury or damage caused by the elements, or by other owners or persons.

ARTICLE 9. PARLIAMENTARY RULES. Roberts Rules of Order (latest edition) shall govern the conduct of Association proceedings when not in conflict with the Declaration, the Articles, these By-laws, or with the Condominium Act.

ARTICLE 10. AMENDMENTS TO BY-LAWS. Amendments to By-laws as hereinafter defined and provided for, shall be proposed and adopted in the following manner:

10.1 PROPOSAL. Amendments to these By-laws may be proposed by the Board acting upon vote of the majority of the directors or by members of the Association having twenty-five percent (25%) of the votes in the Association, whether meeting as members or by an instrument in writing signed by them.

10.2 CALL FOR MEETING. Upon any amendment or amendments to these By-laws being proposed by said Board or members, such proposed amendment or amendments shall be transmitted to the President of the Association, or other officer of the Association in the absence of the President, who shall thereupon call a Special Joint Meeting of the members of the Board and the membership for a date not sooner than fourteen (14) days or later than sixty (60) days from receipt by such officer of the proposed amendment or amendments. It shall be the duty of the Secretary to give to each member written or printed notice of such meeting in the same form and in the same manner as notice of the call of a special meeting of the membership is required as herein set forth. Notice shall be posted at a conspicuous location on the Condominium Property.

10.3 VOTE NECESSARY; RECORDING. In order for such amendment or amendments to become effective, the same must be approved by an affirmative vote of sixty-six and two thirds percent (66-2/3%) of the entire membership of the Board and by an affirmative vote of the members having sixty-six and two thirds percent (66-2/3%) of the votes in the Association. Thereupon, such amendment or amendments to these By-laws shall be transcribed, certified by the President or a Vice President and Secretary or Assistant Secretary of the Association, and a copy thereof shall be recorded in the Clerk's Office of the Circuit Court of the City of Chesapeake, Virginia, within ten (10) days from the date on which any amendment has been affirmatively approved by the directors and members.

10.4 PROVISIO. Notwithstanding the foregoing provisions of this Article 10, no amendment to these By-laws which affects the Declarant may be adopted or become effective without the prior written consent of the Declarant.

ARTICLE 11. BY-LAWS PERTAINING TO USE AND DECORUM.

11.1 DEFINITION. "Use" and "Decorum" as used herein shall refer to matters pertaining to dress, decorum, noise, use of Units and Use of Common Elements.

11.2 SCOPE; REMEDY FOR VIOLATION. These By-laws are reasonably calculated to promote the welfare of the Unit Owners. The violation of such By-laws shall bar any Unit Owner or his family and invitees from the use of the Common Elements, as the Board may deem appropriate, and shall subject any person violating the same to any liability imposed by the Declaration and these By-laws.

11.3 RULES AND REGULATIONS. The Association may promulgate Rules and Regulations concerning the use of the Condominium Property. Said Rules and Regulations shall have effect upon posting in a conspicuous place on the Condominium Property and shall have the dignity of By-laws.

ARTICLE 12. INDEMNIFICATION.

12.1 OFFICERS AND DIRECTORS. The Association shall and does hereby indemnify and hold harmless every director and every officer, including the first officers and directors, his heirs, executors and administrators, against all loss, cost and expenses reasonably incurred by him in connection with any action, suit or proceeding to which he may be made a party by reason of his being or having been a director or officer of the Association, including reasonable counsel fees, except as to matters wherein he shall be finally adjudged in such action, suit or proceeding, to be liable for or guilty of gross negligence or willful misconduct. The foregoing rights shall be in addition to, and not exclusive of, all other rights to which such director or officer may be entitled.

12.2 INSURANCE. The Association may, if available, at the Association's expense, purchase officer's and director's liability insurance and shall cause the officers and directors, from time to time serving, to be named insureds.

ARTICLE 13. UNIT OWNERS RESPONSIBILITY CONCERNING LIENS AND TAXES.

13.1 LIENS AND TAXES. All liens against a Condominium Unit, other than for permitted mortgages, taxes or special assessments, shall be satisfied or otherwise removed within ten (10) days of the date the lien attaches. All taxes and special assessments upon a Condominium Unit shall be paid at least thirty (30) days before becoming delinquent or as provided in the Declaration, or these By-laws, whichever is sooner.

13.2 NOTICE TO ASSOCIATION. A Unit Owner shall give notice to the Association of every lien upon his Unit, other than for permitted mortgages, taxes and special assessments, within five (5) days after the attaching of the lien.

ARTICLE 14. MORTGAGES.

14.1 NOTICE TO BOARD OF DIRECTORS. A Unit Owner who mortgages his Unit shall notify the Board of Directors of the name and address of his mortgagee. The Board of Directors shall maintain such information in a book entitled "Mortgagees of Units."

14.2 NOTICE OF UNPAID ASSESSMENTS. The Board of Directors, whenever so requested in writing by an Institutional Lender holding a first mortgage on a Condominium Unit, shall promptly report any then unpaid assessments due from, or any other default by, the owner of the mortgaged Unit.

14.3 EXAMINATION OF BOOKS. Each Unit Owner and each Institutional Lender holding a first mortgage on a Condominium Unit shall be permitted to examine the books of account of the Association at reasonable times and upon reasonable notice, on a business day, but not more often than once a month.

14.4 NOTICE OF TERMINATION OF MANAGEMENT CONTRACTS. The Board of Directors shall notify the Institutional Lender having the maximum number of first mortgages on Condominium Units in the Condominium in writing of the termination of any management contract within ten (10) days of receipt or issuance of any notice of such termination by either the Association or the Managing Agent. Notwithstanding the foregoing, the prior written approval of the Institutional Lender having the maximum number of first mortgages on Condominium Units in the Condominium shall be required to effectuate any decision by the Unit Owners Association to terminate professional management and assume self-management of the Condominium.

14.5 AUDITED FINANCIAL STATEMENT. Every Institutional Lender holding a first mortgage on a Condominium Unit shall be entitled to receive, upon written request, a copy of the annual financial statement within sixty (60) days following the end of the Association's fiscal year.

14.6 OTHER MORTGAGEES RIGHTS. Every Institutional Lender holding a first mortgage on a Condominium Unit or their representatives shall be entitled to attend meetings of the Unit Owners Association and shall have the right to speak thereat. In addition thereto, every Institutional Lender holding a first mortgage on a Condominium Unit shall have the right to examine the books and records of the Condominium and require the submission of annual financial reports and other budgetary information.

14.7 AMENDMENT TO THE DECLARATION OR TO THE BY-LAWS. Except as otherwise permitted by the Condominium Instruments, the prior written approval of the Institutional Lender having the maximum number of first mortgages on Condominium Units in the Condominium will be required for any material amendment to the Declaration or By-Laws of the Unit Owners Association.

ARTICLE 15. CONFLICT. In the event of any conflict between the By-laws contained herein, or from time to time amended or adopted, and the Declaration, the Declaration shall prevail.

The foregoing were adopted as the By-laws of Town Center Residential Condominium 7 Owners Association, Inc., a non-stock, non-profit corporation established under the Laws of the Commonwealth of Virginia at the first meeting of the Board of Directors on the _____ day of _____, 2006.

TONW CENTER RESIDENTIAL CONDOMINIUM 7
OWNERS ASSOCIATION, INC.

By:

, President

ATTEST:

By

, Secretary

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THE TOWN CENTER RESIDENTIAL CONDOMINIUM 7 OWNERS ASSOCIATION, INC.
INITIAL BUDGET DEVELOPMENT ASSUMPTIONS
12/3/05

This initial budget for the Town Center Residential Condominium 7 Owners Association, Inc. is predicated on the community at its completion with 119 units. Because reserves and the majority of operating expenditures can be attributed on a pro-rata basis, these budget assumptions should be valid and consistent throughout the growth of the community and provide for the most realistic approach to the budget's development.

In the determination of reserve fund allocations, increases in future costs of capital items are considered to be offset by earned interest income which is to be apportioned among the various accounts.

The following notes form the initial Budget Development Assumptions:

INCOME:

Assessments:

Budget requirements are assessments listed on the last page of this budget. Fees vary according to the size classification of units with four size classes used for purposes of development of this budget.

Late Fees:

Budget assumption is billing 2% of the unit owners a late fee of \$50.00.

Interest Income:

Budget assumption is interest from reserve funds at 4.0 % per annum.

EXPENSES:

General and Administrative Expenses

Accounting/Audit:

Budget assumption is for an audit of the financial records and federal and state tax return filings at an estimated fee of \$1950.00.

Administrative Expenses:

Budget Assumptions include miscellaneous administrative items such as certificates of appreciation, annual meeting expenses and etc.: \$400.00/year.

Corporate Fees:

Budget assumption is \$25.00 annual corporate filing fee paid to the State Corporation Commission and \$25.00 annual fee to register with the Department of Professional and Occupational Regulation.

Disposal (Trash) Service:

Budget Assumption is to contribute to compactor pick-ups shared by residential,

commercial and retail units as described in the disposal agreement. The residential condominium will also pay for cleaning staff to empty roll-outs from trash chute to the compactor on a daily basis.

Income Taxes:

Budget assumption is federal taxes on all non-assessment related income (interest) after \$100.00 x 30% and state taxes of all non-assessment related income (interest) after the first \$100.00 x 6%.

Insurance:

Budget assumption is comprehensive general liability insurance in amount of \$1 million; directors and officers' liability insurance of \$1 million; master casualty replacement insurance policy on common elements; commercial umbrella in amount of \$9 million; fidelity bond. Assume competitive rates available now.

Legal:

Budget assumption is expenditure of legal fees for collection of past due accounts, annual registered agent fee and general legal advice of \$875.00.

Management:

Budget assumption is based on a contracted management fee of \$18.00/unit/month. In addition, a full-time Manager will be located on-site at an additional cost for the usual hours of 9:00 AM-5:00 PM Mon-Fri. An Administrative Assistant will be located on-site on a part-time basis as needed for up to 30 hours a week. The Courtesy Desk will also be manned Mon-Thur from 7:00 AM-6:00 PM, and from 7:00 AM-9:00 PM Fri-Sun.

Postage/Distribution:

1. Annual meeting notice: 120 units x \$0.37 postage.
2. Accounts Payable : average 40/month x \$0.37 postage.
3. Correspondence: 45/month x \$0.37 postage.
4. Late Notices: average of 3/month x \$0.37 postage.
5. Certified Letters: 5/month x \$7.00.
6. Special Mailings: 120 x 20/year x \$0.37 postage.
7. Newsletters: 120 owners + 10% absentee rate = 135 newsletters x 8/year x \$0.37 postage.

Printing:

1. Annual Meeting notice: 120 x \$1.00 copying.
2. Coupon Books and Envelopes: 120 x \$2.10 printing.
3. Board Packets/General Correspondence Printing: \$30.00 monthly.
4. Special Mailings: 120 x 20/year x \$1.00/ mailing.
5. Newsletters: 135 (includes extras) x \$2.00 copying x 8/year.

Utilities

Electricity :

Budget assumption includes operation of one thousand eight hundred eighty-seven 75 watt incandescent garage and building ceiling can lights. Also, an average of \$300.00/month for air conditioning and other electrical uses in the residential common areas and management/maintenance spaces. In addition, \$1800.00/month is allocated for operation of the elevators. An additional \$300.00/month is allocated for contribution to the shared pool and spa facilities.

Telephone:

Telephones are provided in each elevator for emergency use. Telephone lines and data lines are also required for monitoring the fire alarm system, at the security desk and in the manager's office for computer connections, fax, phones and entry control systems.

Water and Sewerage:

Water and sewerage for each residence is re-billed to each owner by the association based upon City of Virginia Beach billing the association on the master meter.

Maintenance

Building Interior and Garage Cleaning:

Budget assumption is routine litter pickup and sweeping of residential garage and parking areas for two hours each of four days a week. All hallways, elevators, lobbies, and stairwell floors, walls, fixtures and furnishings will be cleaned three times a week.

Building, Common Area Maintenance:

Budget assumption includes light fixture repairs and bulb replacements; common area glass cleaning; building wall, tile and trim repairs; paint touch-ups; and etc.

Fire Alarm and Sprinkler Inspection and Maintenance:

Budget assumption is annual inspection and repairs to fire alarm and fire suppression.

Interior Plant Maintenance:

Budget assumptions include use of seasonal color plantings and replacement of plants as necessary; repairs to planters.

Miscellaneous Maintenance and Repair Supplies:

Budget assumption is for trash bags, cleaning supplies and parts.

Signs:

Budget assumption is to expend \$300.00 to repair signage each year.

Swimming Pool and Spa:

Budget assumption is that cost of operating the pool and attendant facilities is shared on ratio of 25% to the residential condominium and 75% to the hotel.

REPLACEMENT RESERVES:

12/3/05

CARPETING - Reserve replacement calculation is replacement of all carpeting on the common area hallways with commercial grade carpet every 7 years at a cost of \$24.00/square yard. 428 square yards of carpeting in all floors x \$24.00/square yard = \$10,272.00; \$1467.43/year.

ELEVATORS - Replacement reserve assumption is to replace all 3 elevators, including cab surfaces and electronic controls, within 30 years at a cost of \$415,000.00 for R-1, \$400,000.00 for R-2, and \$515,000.00 for R-3 for a total cost or \$1,330,000.00; \$44,300.00/year.

FLOORING AT ELEVATOR & LOBBY - Replacement reserve assumption is to replace the 12,496 square feet of elevator lobbies and entrance lobby stone flooring every 25 years at cost of \$4.25/square foot. 12,496 square feet x \$4.25/square foot = \$53,108.00; \$2124.32/year.

ENTRANCE GATE - Replacement reserve calculation is to replace selected parts of the gate system according to the following schedule:

- (1) replace aluminum gate every 20 years at \$4000.00; \$200.00/year.
- (2) replace entrance intercoms and control systems every 15 years at \$4500.00; \$300.00/year.

Total cost is \$750.00/year.

EXTERIOR BUILDING INSPECTION AND JOINT REPAIRS - Replacement reserve assumption is to inspect the entire exterior surface of the building and repair/replace all concrete surfaces and joint compounds. Assume work is carried out every 4 years at a cost of \$20,000.00; \$5000.00/year.

FIRE SUPPRESSION SPRINKLER PIPING and CONTROLS - Reserve replacement calculation assumption is selective replacement of sprinkler valves and controls over 20 years at a cost of \$81,000.00 for each period. 1 replacement x \$81,000.00 = \$81,000.00; \$4050.00/year.

FURNITURE - Replacement reserve assumption is to replace the Courtesy Desk, the Manager's Office and the Admin Office furniture every 15 years at a cost of \$20,000.00; \$1333.33/year.

GARAGE HEATERS - Reserve replacement assumption is to replace all 4 garage heaters every 15 years at a cost of \$650.00 each. 4 heaters x \$650.00 each \$2600.00; \$173.33/year.

HV/AC - Replacement reserve assumption is to replace the common area (entrance/courtesy/management) spaces heat pump every 10 years at a cost of \$1500.00; \$150.00/year.

INTEREST RESERVES - Interest earned during the year on funds allocated to reserves is accrued in the Interest to Reserve budget line item and, at the end of the year, is then proportionally allocated to the reserve accounts to offset inflationary factors.

LIGHTING - Reserve calculation assumption is replacement of ninety interior fixtures every 20 years at \$150.00 per fixture, plus 1197 can lights every 20 years at \$100.00 each.
 $90 \text{ incandescent fixtures} \times \$150.00 + 1197 \text{ can fixtures} \times \$100.00 = \$133,200;$
\$6660.00/year.

MAILBOXES - Reserve calculation assumption is to replace the mailboxes every 30 years at a cost of \$2500.00; \$83.33/year.

PAINTING - Reserve calculation assumption is to repaint according to the following schedule:

(1) entrance doors, mechanical room, & stairwell doors every 6 years
at \$9480.00; \$1580.00/year.

(2) metal interior stairwell railings every 10 years at \$16,660.00; \$1666.00/year.

(3) interior common area walls and trim every 6 years at \$10,460.00; \$1743.33/year.

Total cost is \$4989.33/year.

POWER WASHING - Reserve assumption is to powerwash the exterior structure of the building every 4 years at a cost of \$20,000. This will be carried out in concert with the four-year cycle of exterior building inspection and joint repairs. Power wash x \$20,000.00 every 4 years = \$12,000.00; \$3000.00/year.

RAILINGS - Replacement reserve assumption is to replace each units' aluminum railings every 30 years at a cost of \$32.50/linear foot. $1154 \text{ linear feet} \times \$32.50/\text{linear foot} = \$37,505.00;$ \$1250.17/year.

SEWER PIPING and RELATED EQUIPMENT - reserve calculation assumption is replacement of 100 linear feet per 20 years at \$40.00/linear foot. $100 \text{ linear feet} \times \$40.00/\text{linear foot} + \$5000.00 \text{ set-up} = \$9000.00;$ \$450.00/year.

SIGNS - Reserve calculation assumption is replacement of 40 signs at an average cost of \$50.00 each every ten years. $40 \text{ signs} \times \$50.00 = \$2000.00;$ \$200.00/year.

SHARED FIRE SUPPRESSION WATER PUMP - Replacement reserve assumption is replacement of the fire sprinkler water pump every 30 years at a cost for pump of \$12,500.00, plus labor of \$1900.00. Price is for brass pump with base, fittings, and hood. 1 pump plus labor at \$14,400.00; \$446.47/year.

SHARED GENERATOR - Replacement reserve assumption is to replace the shared generator, at a total cost for both residential and hotel spaces, for a total cost of \$500,000.00. The residential condominium share of cost is one half, or \$250,000 with the generator to be replaced every 25 years; \$10,000.00/year.

SHARED SWIMMING POOL and SPA FACILITIES - Replacement reserve assumption is that pool, spa and attendant facilities have a replacement cost of \$80,000.00, and that the residential condominium will pay 25% of the replacement costs. Facilities are assumed to be replaced every 30 years; \$2666.67/year.

STREET MARKING and STRIPING - Reserve calculation assumption is re-painting of all 3200 linear feet of marking striping and re-numbering all spaces every 3 years at \$0.23/linear foot. $3200 \text{ linear feet} \times \$0.23/\text{linear foot} = \736.00 ; \$245.33/year.

TILE IN ELEVATORS - Replacement reserve assumption is to re-tile all elevator floors every 10 years at a cost of \$4.45/square foot. $198 \text{ square feet} \times \$4.45/\text{square foot} = \881.10 ; \$88.10/year.

WATER PIPING and RELATED EQUIPMENT - Reserve calculation assumption is replacement of 100 linear feet per 20 years at \$55.00/linear foot. $100 \text{ linear feet} \times \$55.00/\text{linear foot} = \5500.00 ; \$275.00/year.

Cost of scheduled reserves per unit per month is \$61.19.

NOTE: Management cannot ensure the accuracy of the above figures. Final approval of the budget is the responsibility of the Board of Directors and must be based upon all pertinent considerations. Reserves are not designed or assumed to cover all possible contingencies or capital expenditures. Some expenditures may result from unforeseen, unusual, or unpredictable causes. In some instances special assessments of association members may be necessary.

BUDGET FOR THE TOWN CENTER RESIDENTIAL CONDOMINIUM 7 OWNERS ASSOCIATION, INC.

	12/3/05	
	2007	2008
INCOME		
ASSESSMENTS	\$227,700	\$780,684
LESS: DELINQUENCY	(1,138)	(3,903)
LATE FEES	144	144
MISCELLANEOUS	0	800
INTEREST INCOME	0	80
TOTAL INCOME	<u>\$226,705</u>	<u>\$777,805</u>
EXPENSES		
ADMIN. & GEN. EXPENSES	\$300	\$400
AUDIT EXPENSES	600	2,350
BANK CHARGES	200	200
CORPORATE FEES	50	50
COURTESY DESK SALARY & BENEFITS	29,800	78,200
RESIDENTIAL DISPOSAL COSTS	3,750	15,000
SHARED DISPOSAL PICK-UP CHARGES	4,700	18,700
FIRE ALARM MONITORING	250	850
INCOME TAXES	0	0
INSURANCE (HAZARD)	43,000	145,000
LEGAL EXPENSES	300	875
MANAGEMENT	8,568	25,704
MISCELLANEOUS	2,500	10,000
SITE MANAGER SALARY & BENEFITS	27,000	75,000
SITE MANAGER'S OFFICE EQUIP. LEASING & MAIN	6,000	16,000
SITE MANAGER'S ADMIN. ASSISTANT & BENEFITS	9,000	33,000
POSTAGE	390	1,965
PRINTING	4,320	4,320
PHONE/DATA LINES-COURTESY DESK	500	1,600
PHONE/DATA LINES-MANAGER'S OFFICE	700	2,400
PHONE LINES-ELEVATORS & FIRE ALARM	725	2,700
PHONE LINES-MONITORING & CONTROL	215	780
TOTAL EXPENSES	<u>\$142,868</u>	<u>\$435,094</u>

UTILITIES

COMMON AREA ELECTRICITY	\$34,400	\$108,100
WATER	14,000	49,980
SEWERAGE	3,500	12,495
WATER & SEWERAGE REIMBURSE.	(15,313)	(54,666)
SUB-METER READING FEE	288	288
TOTAL UTILITIES	<u>\$36,876</u>	<u>116,197</u>

MAINT. EXPENSES

BUILD. INTERIOR & GARAGE CLEANING	\$8,000	\$29,370
BUILDING MAINT.	2,000	9,500
ELEVATOR MAINTENANCE	0	4,500
ENTRANCE GATE/DOORS	500	3,200
MAINTENANCE ENGINEER SALARY & BENEFITS	25,000	65,000
SHARED FIRE ALARM INSPECTION CHARGES	0	2,400
SHARED FIRE ALARM MAINTENANCE CHARGES	0	2,500
SHARED FIRE SPRINKLER MAINT. CHARGES	0	2,500
PLANT MAINTENANCE	1,500	3,200
MISCELLANEOUS MAINTENANCE	500	4,000
REPAIR SUPPLIES	100	250
SHARED POOL AND SPA OPERATING EXPENSES	500	2,825
SIGNS	0	600
MONITORING & CONTROL SYSTEMS	1,600	5,100
TOTAL MAINTENANCE	<u>\$39,700</u>	<u>\$134,945</u>

REPLACEMENT RESERVES	\$21,844	\$87,376
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OPERATING RESERVES

OPERATING RESERVES	\$2,000	\$4,192
NET INCOME	<u>(\$16,582)</u>	<u>\$0</u>
DEVELOPER CONTRIBUTION	16,582	0

NET INCOME	<u>\$0</u>	<u>\$0</u>
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<u>Year</u>	<u>Income Assumption</u>					
2007	12	units	@	\$	360.00	per unit per month
	36	units	@	\$	505.00	per unit per month
	64	units	@	\$	578.00	per unit per month
	7	units	@	\$	795.00	per unit per month
2008	12	units	@	\$	360.00	per unit per month
	36	units	@	\$	505.00	per unit per month
	64	units	@	\$	578.00	per unit per month
	7	units	@	\$	795.00	per unit per month

Assume direct budget income and expense items to result from unit sales of 119 units. All units are assumed to close in September, 2007. Figures use average annual sales. Monthly fees are based upon information available as of the date of the budget, and with consideration of various assumptions regarding sales projections and economic conditions as they exist today. The monthly fee is subject to annual reevaluation and revision as operating conditions change.

ANNUAL FIGURES FOR 119 UNITS

REPLACEMENT RESERVES

CARPETING	\$1,468.00
ELEVATORS	44,300.00
ELEVATOR & LOBBY FLOORING	2,125.00
ENTRANCE GATE	750.00
EXTERIOR CONCRETE AND JOINT REPLACEMENTS	4,000.00
FIRE SUPPRESSION PIPING/CONTROLS	4,050.00
GARAGE HEATERS	174.00
HV/AC (Common Area)	150.00
LIGHTING	6,660.00
MAILBOXES	84.00
PAINTING	4,990.00
POWERWASHING	3,000.00
RAILINGS	1,251.00
SEWER PIPING	450.00
SHARED FIRE SUPPRESSION WATER PUMP	447.00
SHARED GENERATOR	10,000.00
SHARED POOL and SPA FACILITIES	2,667.00
SIGNS	200.00
STREET MARKING & STRIPING	246.00
TILE IN ELEVATORS	89.00
WATER PIPING	275.00
TOTAL RESERVES	\$87,376.00

Developer will make up shortfall in the cash flow of the Association. Developer may elect to assume some obligations of the Association, or to subsidize the Association's operating and capital expenses until construction of the units is complete.

**TOWN CENTER
RESIDENTIAL
CONDOMINIUM 7**

**INFORMATION
RULES & REGULATIONS**

**TOWN CENTER RESIDENTIAL
CONDOMINIUM 7**

VIRGINIA BEACH, VIRGINIA 23462

(757)

telephone

(757)

facsimile

TOWN CENTER RESIDENTIAL CONDOMINIUM 7 OWNERS ASSOCIATION, INC.
(The Association)

HOMEOWNER MANUAL
INFORMATION, RULES & REGULATIONS

Table of Contents

INTRODUCTION

ABOUT THIS MANUAL

This Homeowners Manual describes the services, amenities and Rules & Regulations of Town Center Residential Condominium 7, which are intended to make Town Center Block 7 a pleasant place to live and to protect the value of our property.

The purpose of the Manual is two-fold. Everything stated in the form of a "Rule" is shown in *italics* and is established as a rule in accordance with and as an extension of the "DECLARATION OF CONDOMINIUM OF TOWN CENTER RESIDENTIAL CONDOMINIUM 7" (the Declaration) and the "BYLAWS OF TOWN CENTER RESIDENTIAL CONDOMINIUM 7 OWNERS ASSOCIATION, INC." (the Bylaws). Anything elsewhere in this manual to the contrary notwithstanding, nothing in this manual is intended to, nor shall it in any way change or contradict any provision of the Declaration or Bylaws. Other information is to provide some useful guidelines for living at Town Center and to answer practical questions that many Homeowners have asked.

The Board of Directors and through it, the Manager and his/her authorized staff have both the responsibility and the authority to enforce all of the provisions of the Declaration and these Rules and Regulations on behalf of the Board of Directors and the Association, all in accordance with the terms of the Declaration and the Bylaws.

We hope you will find this Manual a useful reference. We do not expect it to cover every possible issue or always be completely current, so we encourage you to continue to call the Manager at (757) _____ whenever you have questions.

The Board of Directors
Town Center Residential Condominium 7 Owners Association, Inc.

Date:

OVERVIEW

If you are reading this for the first time, please read this section first for a quick introduction to living at Town Center Block 7 and to acquaint yourself with a few important facts. Most of the items in the "Overview" section are covered in detail elsewhere in this Manual.

CONNECTIONS

Phone Service

You are responsible for arranging installation of your phone service. You may contact the service provider of your choice.

Power Service

You are responsible for having power service transferred to your name. The number to call for Dominion Virginia Power is 888-667-3000.

Cable Television Service

Please contact the local cable television service provider.

FINANCIAL INFORMATION

Association Fee

Your Association Fee is due and payable on the first of each month, and is late after the 10th. A late fee equal to the greater of Fifty Dollars (\$50.00) or five percent (5%) of the amount not timely paid will be added after the 10th and a like amount each 30 days thereafter during which such monies are not paid. Make checks payable to "Town Center Residential Condominium 7 Owners Association Inc." or you may make arrangements to have the fee automatically deducted from your bank account each month. Contact the Manager to make the arrangements necessary for this service. Please remember, the staff CANNOT waive the "late fee" charge.

INSURANCE

In general, a Homeowner is responsible for all personal property in his/her Unit, storage closet, parking garage, for any customized work in their Unit, and for any damage to common areas or to other Units from causes arising in a Homeowner's Unit. The Association's Insurance may provide partial coverage for some losses in certain instances.

MAKING CHANGES TO YOUR UNIT

If you wish to make structural changes to your Unit, your balconies, or storage closet (other than certain interior decorations), *you must first meet with the Manager to review your plans and discuss Town Center's Rules & Regulations.* This is very important since Contractors will not be permitted in the building until an "Owner's and Contractor's Agreement" has been signed. Fire Code does not permit changing the lock or adding any lock on your door. *You may*

not install a keyless dead bolt or any lock for which Management is not provided a key.

OTHER INFORMATION

Association Documents

The Association Documents: The DECLARATION OF CONDOMINIUM OF TOWN CENTER RESIDENTIAL CONDOMINIUM 7, the BYLAWS of TOWN CENTER CONDOMINIUM 7 RESIDENTIAL OWNERS ASSOCIATION, INC., and this TOWN CENTER RESIDENTIAL CONDOMINIUM 7 HOMEOWNER'S MANUAL, which includes the RULES AND REGULATIONS. If you do not have a copy of these documents they may be purchased from the Manager.

Association's Rights and Restrictions

In the administration of the Condominium, the Association shall have, and is hereby granted, the authority and power to enforce the provisions of this Declaration, levy and collect assessments in the manner hereinafter provided, and to adopt, promulgate and enforce such Rules and Regulations governing the use of the Units and Common Elements as the Board of Directors of the Association may deem to be in the best interest of the Condominium provided that (i) such Rules and Regulations must not unreasonably interfere with the use of the Common Elements or Units by any Unit Owner or the Permittees of such Unit Owner and (ii) no Unit Owner will be obligated to comply with any Rule or Regulation which is contrary to an express right granted in this Declaration. (Declaration, Section 9.3)

Suggestions and Complaints

If you have a suggestion or complaint or issue regarding any of the staff, services, or other residents at Town Center Block 7, please contact the Manager by phone, in person, or preferably in writing. Please do so as soon as possible after any incident. *Do not try to manage or discipline a member of the building staff yourself Do not ever use abusive language to any staff or service person at Town Center and do not permit any of your household or any of your guests to do so.*

Courtesy and Safety Features

Town Center Management has designed a program to help protect you and your family and to help building personnel in emergency situations. This Manual can be a convenient reference for emergency information, procedures, and safety features of the building. Your understanding of the emergency system and how to respond plays a key role in the success of the program. Please read the guide carefully.

Garage Parking Spaces

A parking space was assigned to each Unit when the original Owner closed on the Unit. These spaces may be used only by the Owner to which each is assigned or his/her guests. *Any unauthorized or improperly parked car in the garage area may be towed at the Owner's expense.*

Maintenance

Generally, you are responsible for maintenance of everything inside your Unit, the inside surfaces of balconies and storage closets. The Association is responsible for everything outside your Unit.

Moving Small Items into the Building

In consideration of all residents, *the Association does not permit "moving" certain items through the Lobby.* You may move small items into and out of the building in the following way, or, at the Manager's discretion, as otherwise may be specifically approved:

- Park your car in your assigned space and take the service elevator to your floor.

All other moving and all deliveries are to be made through the loading dock.

Enforcement of Penalties and Fines

In the event an owner, tenant, or guest fails to abide by the Declaration, Bylaws, or Rules and Regulations, the Board of Directors has the authority to impose sanctions.

Section 4.11(i) of the Bylaws permits the Board to impose reasonable monetary fines, suspend voting privileges and suspend the right to use the Common Elements. Fines can be imposed on a per diem basis for on-going violations. In addition, the Board also has the authority to tow vehicles that are in violation of parking rules and regulations.

The Board has the authority to file suit in law or in equity to enjoin any violation, to recover monetary damages, foreclose the lien of the condominium association against any unit, or any combination thereof (Section 18.1 of the Declaration). The Owner responsible for the violation will be responsible for all costs, including reasonable attorney's fees actually incurred.

Service Providers

The Manager will maintain a list of service providers who have been used and recommended by other Homeowners. The list covers many kinds of services, for instance appliance repairs, electricians, plumbers, personal trainers, etc. This list is available from the Manager.

Solicitations

No solicitations of any kind are permitted at Town Center. The Association's "no solicitation" policy also prohibits solicitations by Homeowners.

ABOUT TOWN CENTER

CONDOMINIUM ASSOCIATION

Your rights and responsibilities as a Homeowner and those of the Association are formally described in the Declaration of Condominium for Town Center Residential Condominium 7. You received a copy of this document at or before the closing of your Unit. If you have mislaid your copy you can purchase another from the Manager.

The governance of Town Center Residential Condominium 7 Owners Association is outlined in its Bylaws.

The affairs of the Association are governed by a Board of Directors, whose members are elected by the Homeowners. The Board of Directors is responsible for the management of the building, and has hired professional management to supervise the day-to-day operation of the building.

The Manager's responsibilities include such matters as hiring employees, maintenance and repair of the building and its equipment, contracting with vendors and service providers, ensuring the building's safety and security, developing and implementing an annual operating budget and capital budget, and dealing with the needs of individual Homeowners.

The Board of Directors sets the overall direction, policies and specific Rules of the Association with the help of Committees of the Board. These Committees include: [List of various committees that will be ongoing]. Committee membership will be comprised of several Homeowners and Board member(s).

The Association holds an Annual Meeting for Homeowners each year and informational meetings as needed during the year. The Board of Directors meets at such times as are determined by the Board and more often as and if needed. Committees meet as necessary. Homeowners are welcome to attend meetings of the Board of Directors other than those that are closed pursuant to the provisions of the Virginia Condominium Act. Notice of all Board meetings is posted conspicuously on the Condominium Property at least 3 days prior to any such meeting.

FEES

Association Fees

You will receive an invoice each month for your monthly association fee. These fees are due on the first of each month. *All payments received after the 10th are subject to a late charge of the greater of Fifty Dollars (\$50.00) or five percent (5%) of the amount not timely paid and a like amount each 30 days thereafter during which such monies are not paid.* You may pay your monthly association fee by check or by direct debit to your bank account.

Incidental Fees

Incidental fees - such as Unit maintenance and engineering services, additional keys, extra services, etc., are billed when the service is complete and due IMMEDIATELY upon receipt of invoice.

Payment by Check

Please make checks payable to Town Center Residential Condominium 7 Owners Association.

INSURANCE

The information in this insurance section is intended only as a very general overview, and should not be relied upon in any specific instance. We strongly recommend that you work with your own agent or insurance company to make sure you have the appropriate insurance coverage and, if you have any questions about the Association's coverage, to call the Association's agent direct at (757)_____.

In General

The Homeowner is responsible for all loss and damage to personal property in his/her Unit, storage closet, garage/parking decks, and to any improvements that he/she or a previous owner has made to the Unit. The Association insures against certain damages to the original improvements subject to certain deductibles, which must be paid by the Unit owner. The Association is not responsible to any Homeowner for loss or damage caused by third parties of another Homeowner, or anyone for whom the Homeowner is responsible, or for any cause originating in another Homeowners Unit.

The Association has no liability for any damage that may occur in the garage unless negligence can be shown, and you may want to include coverage of the deductibles referred to above.

LEASING AND SALE OF UNITS

The Town Center Residential Condominium 7 Owners Association has specific Rules you must follow if you plan to lease or sell your Unit. These procedures are intended to make it easier for you to comply with the Association's requirements and to ensure the building's security.

A sales agent may not have an "open house" for showing a Unit, per the Rules and Regulations.

The Homeowner is responsible for transferring all keys, cards, Association Documents and Homeowner's Manual to the new owner/lessee. If you need to replace any of these items they may be purchased from the Manager.

Leasing Your Unit - review Declaration Section 13.

1. *Request a copy of the approved lease agreement form from the Manager. Also request a copy of the Move In/Out Rules.*

Important terms of the lease:

- *Term: initial term not less than 1 year, with no sub-leasing, per the Declaration;*
 - *Lessee is required to comply with all the provisions of the Declaration, Bylaws, and Rules & Regulations of the Town Center Residential Condominium 7 Owners Association.*
2. *Give the Manager written authorization to allow the listing agent to enter your Unit. Either the Owner or the listing agent MUST be present when your Unit is shown.*
 3. *Upon signing the lease, give the Manager:*
 - *A copy of the signed lease with a check for the move-in fee;*
 - *The names of all those who will be living in the Unit (not more than 2 persons per bedroom);*
 - *Your new permanent or temporary address and phone number;*
 - *Contact number of the Lessee and the completed Move In/Out Form.*

Selling Your Unit

1. *Give the Manager written authorization to allow the listing agent to enter your Unit. Either you or the listing agent MUST be present when your Unit is shown;*
2. *After the sale, give the Manager a copy of the sales contract, along with the names of all those who will occupy the Unit (not more than 2 persons, per bedroom);*
3. *Upon request and after payment of the standard fee, Manager will provide the resale package that will provide information concerning the budgets, amenities, association fees, and Condominium Documents.*
4. *Request a copy of the Move In/Out Rules for yourself and the new owner.*

LIVING AT TOWN CENTER

ADMISSION POLICIES

Security is vitally important at Town Center. *No one may be admitted into a residence by the Manager without permission.* We ask that you carefully review our admission policies.

Entry Authorization

Written permanent or temporary entry authorization for any guest or service person may be given to the Manager at any time. PLEASE NOTE: Management may refuse entry into your Unit if written authorization is not current. The Manager will not be able to permit entry into any Unit during those hours when a representative of Manager is not physically present in the Lobby.

Visitors And Guests

The Courtesy Desk Representative will announce (by telephone) all visitors to an Owner's Unit unless instructions have been given to waive the announcement.

Service Personnel

All domestic or service personnel must enter through the loading dock and sign in and out, unless a Homeowner has provided them with authorization and access to the Unit.

Contractors must make separate arrangements with the Manager for any of their personnel to enter or leave the building.

Written authorization must be on file for entry into a Unit during times the Homeowner is not present in the Unit.

Warrant Service

While maintaining the privacy of all residents is of the utmost importance, the staff must comply with the provisions of Virginia law related to the service of legal process, and with the lawful requests of properly-identified law enforcement officials.

Civil Papers

On occasion, residents may be served with civil papers such as a subpoena relating to a lawsuit. Staff will first verify the identity of the server and the authority under which the server is acting. If the server is not a law enforcement officer the resident will then be called to determine if they would like to accept service of the document. Should the resident decline, the server will be asked to leave the property. A law enforcement officer can not be denied entry to the Condominium by law.

Arrest and Search Warrants

Staff will identify the law enforcement officials. The resident may NOT be notified or forewarned. The official(s) will be directed to the Unit and may ask for a key, or use force to enter, as the appropriate order permits.

AMENITIES

STORAGE UNIT AND TRASH CHUTE

Storage Unit And Trash Chute Rules

Many Homeowners are assigned a storage Unit for the Homeowner's exclusive use. The space is a limited common area of the Condominium, appurtenant to the Unit whose Owner is entitled to use it. Maintenance and upkeep of the inside of the closet is the responsibility of the Homeowner. *No structural changes may be made to this area without the prior written approval of the Association. (Non-flammable shelving, however, is permitted without prior approval). Please remember that the Association has no liability for the contents stored in these areas. No flammable material is to be stored in the storage closets.*

It will be most helpful and beneficial to all Homeowners if the trash chute is used as intended.

- *When using chute, follow all posted instructions carefully;*
- *All trash must be secured in plastic bags before depositing in trash chute;*
- *Be sure to secure newspapers in plastic bags.*
- *Boxes too large to put in the trash chute should be taken BY THE HOMEOWNER to the ground floor parking garage on the west side of the Condominium for disposal; they must NOT be left in the halls. We do not have sufficient staff to remove articles left in the halls;*
- *If the trash chute is inoperable for any reason, do not leave bagged trash in the hall. The Fire Department requires the halls to be clear at all times;*
- *The Homeowner is responsible for preventing any contractor working in his/her Unit from using the trash chute. All debris created by contractors should be taken BY THEM directly to the dumpster on the ground floor parking garage each day.*

COOKING INDOORS/OUTDOORS

In order to prevent cooking odors from entering other Units, *when cooking use the exhaust fan over the cook-top, close your front door into the foyer, and keep all exterior doors CLOSED while cooking.* Due to the building design, opening a window or exterior door allows air to be drawn in, and forces odors out into the corridors, which will then be drawn into other Units.

The use of outdoor grills (gas, charcoal or electric) on balconies is prohibited by this rule and by fire code.

DELIVERIES

Deliveries & Moving

For security purposes and to regulate traffic on the loading dock, all deliveries must be scheduled in advance with the Manager (757-) and must use the service elevator. Loading Dock hours are: 8:00 a.m. to 5:00 p.m.

All Move-Ins and Move-Outs must be coordinated with the Manager and times and schedules are subject to the Manager's discretion.

There will be a charge of \$150.00 per hour at any time there is need for the exclusive use of a service elevator.

If you will not be home to accept your delivery on the scheduled day, an entry authorization must be completed allowing access to your Unit. The Manager's personnel cannot be responsible to verify the condition of items received.

Small or One-Item Deliveries

Only small items that may fit conveniently on the valet cart such as luggage, groceries, dry cleaning, etc. will be permitted through the front lobby. The delivery carts are for use by the STAFF ONLY. The Courtesy Desk Representative will gladly assist you with the delivery carts.

Caterers

Caterers must enter and exit through the loading dock and must be properly signed in and out by Management personnel.

EMERGENCY PROCEDURES -- WHAT TO DO IN CASE OF....

911 EMERGENCY CALLS

If a "911" call is made from your Unit, please follow these procedures to facilitate getting the proper assistance from the Management staff:

- 1. The "911" call from your Unit goes directly to the Police Department.*
- 2. Be sure to give the operator the exact location of the property as: "Unit #____, Town Center Residential Condominium 7, located across Commerce Street from the Virginia Beach Performing Arts Center in the Westin Hotel building". This will aid in quicker response time.*
- 3. Immediately after any call is made to "911", call the Courtesy Desk (757) if possible (or activate the panic button) to alert Management personnel.*

Normally, the Police and Fire Department will arrive ahead of the Ambulance, as this is their Standard Procedure.

FIRE

If you hear a fire alarm:

1. *Do not immediately evacuate your Unit unless a fire is evident. Most alarms are false, or "nuisance" alarms; the staff will investigate and advise of conditions via the public address system.*
2. *Listen for instructions over the emergency speaker system.*
3. *If instructed to evacuate, use the nearest stairwell. Exit the building at ground level.*
4. *Walk calmly to the FRONT of the building and exit the property onto Commerce Street.*
5. *Do not attempt to USE the elevators, they will be locked out of service and parked on the lobby level.*

If you discover a fire:

1. *Activate the nearest fire alarm pull station, located*
2. *Call the Courtesy Desk at 757- , give your name and the location of the fire.*
3. *Evacuate the building using the stairwells, avoiding the elevators, and closing all the doors behind you.*
4. *Listen for instructions over the emergency speaker system.*
5. *If an evacuation occurs, do not re-enter the building until advised by the authorities, Safety Officer or Building Management.*

Fire Extinguisher Use

Small fires in your residence can often be put out using the fire extinguishers located in the HALLWAYS on each floor; however, if you are not absolutely certain you can put out the fire, immediately call 911 and move to safety. **You are strongly encouraged to also purchase and install an additional fire extinguisher within your Unit.** You should familiarize yourself with the instructions for using these extinguishers. These are printed on the body of the extinguishers and are often summarized as the "PASS" method described below:

Pull the pin from the handle;
Aim the nozzle at the base of the fire;
Squeeze the levers together;
Sweep the stream from side to side.

Always report any use of a fire extinguisher, no matter how minor, so that Management can arrange to have it fully recharged.

EVACUATION OF BUILDING

1. *Do not evacuate the building unless evacuation orders are given for your floor.*
2. *Close all balcony doors in your Unit if time permits prior to evacuating the building.*
3. *Do not attempt to use elevators during an evacuation. Use the stairs only. Carefully close all stairwell doors.*
4. *If you need assistance during an evacuation, call _____ at 757-_____. If you are in a wheelchair, the Fire Department instructions are to go to the stairwell and remain on the landing, being careful not to block others coming down the stairs. The Fire Department will be aware of your need and will assist you upon their arrival.*
5. *Keep traffic flow moving in a calm, orderly manner. Stay to the right in the stairwell when evacuating. Firemen and Emergency Personnel coming up the stairwell will need room to get through.*
6. *Use the nearest stairwell to exit the building at ground level. Walk calmly to the FRONT of the building and exit the property onto Commerce Street.*
7. *DO NOT re-enter the building until you have been advised that it is safe to do so by the authorities, Security Officer or Building Management.*

INFORMATION ON VARIOUS FIRE SYSTEMS

Fire Detection Devices

Fire detection and reporting devices at Town Center Block 7 consist of the following:

1. The CENTRAL FIRE ALARM PANEL is the nerve center of the fire alarm system. The panel pinpoints any alarms that occur in the building or garage area and notifies the security staff of any malfunction or problems in the system.
2. FIRE PULL STATIONS are located at each stairwell door. When pulled, the fire alarm (audible siren and strobe lights) is activated and the location of the alarm is indicated at the central alarm panel.
3. SMOKE DETECTORS are located in each Unit, in the mechanical and electrical rooms, in all elevator lobbies, and elsewhere throughout the common area. Detection of a fire at an early stage increases the warning time and reduces the

hazard to life and property. Activation of a smoke detector will trigger the fire alarm and will indicate the exact location on the central fire alarm panel.

4. **SPRINKLER FLOW AND TAMPER SWITCHES** are located on each floor and monitor the status of the building sprinkler system. Should a sprinkler activate, the flow switch will detect the movement of water through the system and activate the fire alarm. Tamper switches are incorporated as part of the system to guard against the possibility of the sprinkler system being unknowingly shut off due to a closed water valve.

Fire Extinguishing Devices

Fire suppression and extinguishing devices at Town Center Block 7 consist of the following:

1. **FIRE SPRINKLER SYSTEM** is activated at each sprinkler location by intense heat. Water is fed by the fire pumps located _____ Sprinkler heads are located in all rooms throughout the building.
2. **FIRE HOSE CONNECTIONS (Standpipes)** are located in the stairwells on every floor and operate in conjunction with the fire pump or with an outside water source provided by the Fire Department.
3. **FIRE EXTINGUISHERS** are located in the **HALLWAYS** on every floor. Building fire extinguishers are monitored periodically by building personnel, and professionally serviced annually.

Note: The fire extinguishers in use at Town Center Block 7 are MULTIPURPOSE DRY CHEMICAL TYPE EXTINGUISHERS. These extinguishers release a stream of ammonium phosphate, which smothers the fire and are suitable for use on any type of burning material. It is recommended that every Homeowner purchase one or more fire extinguishers of the same type to be kept in their Unit.

Fire/Life Safety Features

Fire-Rated Stairwells and Doors - the stairwells and stairwell doors are constructed of materials designed and rated to block penetration by fire for 2 hours.

Residence Doors –

Stairwell - *Stairwell doors may never be propped open at any time for any reason.*

Smoke Evacuation Fans - additional fans are located in the lobby ceiling for smoke removal.

Audible And Strobe Light Alarms - these alarms are strategically located in every hall, and provide both audible and visual notification of an alarm

Elevator Fire Recall - when a fire alarm activates, all elevators will be returned to the Lobby Level and locked down for any use except by Fire Department personnel.

Emergency Speaker System - the controls of the emergency speaker system are located in with speakers throughout the building. The system is used by the Security/Engineering Staff to notify occupants of alarms, emergency situations and status reports during an emergency.

WHAT TO DO IN CASE OF SEVERE WEATHER WARNING

1. Remain calm.
2. Be sure all items on your balconies are secured or moved inside your Unit.
3. Listen for radio or television bulletins from the National Weather Service. It would be wise to have a battery-operated weather radio.
4. Close all outside doors and windows and move to an interior room.
5. Take shelter under a sturdy desk or table.
6. If you are advised by Management to evacuate the Building, do so as so directed.

Power Outage/Emergency Generator System

If you experience a power outage:

1. Notify the Courtesy Desk at 757-_____ or after hours, the Manager 757-_____.
2. If necessary, instructions will be issued via the emergency speaker system.
3. The emergency generator will provide power to basic common area systems including the service elevator, hallway and stairwell lighting, and fire alarm and sprinkler systems. It will bring all residential elevators to the Lobby and then **OPERATE THE SERVICE ELEVATOR ONLY.**
4. When power is restored, you may need to reset your HVAC system. Call the Courtesy Desk if you need help.

WHAT TO DO IN CASE OF MEDICAL EMERGENCY

If someone is hurt or sick:

1. Call 911 and explain the nature of the emergency and the exact location as: :
"Unit #_____, Town Center Residential Condominium 7, located across

Commerce Street from the Virginia Beach Performing Arts Center in the Westin Hotel building””

2. During hours when it is manned, call the Courtesy Desk to notify the Courtesy Desk Assistant that an ambulance has been summoned.
3. Do not move the injured or ill person unless necessary to remove them from fire, smoke, or anything that would further endanger his or her safety.
4. Keep the victim warm and comfortable until help arrives.
5. Unless you have been trained in first-aid techniques, do not attempt to treat the victim. If he or she is not in danger of bleeding to death or in shock, it is better for the untrained person to not attempt treatment.

WHAT TO DO IN CASE OF ELEVATOR EMERGENCY

If you are trapped in an elevator:

1. Remain calm.
2. Press the emergency call button and await instructions from the courtesy console officer. After you reach the officer, he/she will call you back periodically to keep you advised.
3. Do not attempt to pry open doors, climb out, and/or jump to the floor below.
4. After the incident, report the details to the Manager.

GENERAL REMINDERS

1. Stay calm.
2. Do not use elevators in the event of fire or severe weather emergency.
3. Always use stairwells to evacuate the building.
4. Be aware of others on your floor that may need assistance in an emergency.
5. Be observant. Report anything out of the ordinary to Management immediately.
6. Listen for and follow instructions given over the emergency speaker system.

RULES FOR SCHEDULING A MOVE

Moving dates and times must be scheduled in advance with the Manager at 757-_____ for a copy of the form specifying the procedure, rules, and moving fees involved in moving in/out. This form must be signed by owner and mover at least one (1) week prior to the move so arrangement can be made for the service elevator and additional security if needed.

Moving dates may be scheduled with the Manager at the Manager's discretion. No moves may be scheduled for Sunday or holidays. All work must begin after 8:30 a.m. and must be completed by 5:00 p.m.

Movers must be approved by the Manager prior to any move. Movers may contact the Manager at 757-_____ to schedule a briefing, sign the required documents, and to provide a certificate of insurance. Owners may call the Manager for the names of movers who have already completed this process.

Moving fees are subject to change without notice. Confirm the current fee amounts when you make your reservation.

PARKING AND TRAFFIC

*Traffic signs, Parking Rules and Regulations must be observed at all times. Residents are responsible for their guests while on the property. Any unauthorized or improperly parked vehicles on the property **MAY BE TOWED** at the owner's expense.*

Visitor/Guest Parking

- *Visitors and guests and service personnel may park in the public parking garage in Town Center 7 that is a part of the master Town Center Condominium 7;*
- *There is no long-term visitor parking at any time;*
- *Long-term guest, whenever possible, should park in host's unused assigned parking space. If unable, arrangements **MUST** be made with the Manager;*
- *Please direct all service providers to use the loading dock and to sign in and out.*
- *If you have an extra parking space and wish to rent it, please contact the Manager;*
- *If you provide rent or give your assigned spaces to someone else, you must advise the Manager of the details;*
- *Do not block (in any way) an entrance or exit, a vehicle parking space (whether occupied or not) or any garage gate or door (open or closed);*

PETS

In order to maintain the beauty of our residence and grounds pet owners must carefully follow the rules and guidelines established by the Board. These rules and guidelines are created to allow convenience for those who have animals and consideration for those who do not.

- *No more than two domestic animals (cats or dogs) weighing no more than 50 pounds each may be maintained in any one Unit;*
- *All animals are to be on a leash at all times when they are outside of the Unit;*
- *When transporting your animal to or from your car, please do so from one of the parking decks and on one of the elevators – not from the Front Entrance. No animals are allowed at any time through the Main Lobby;*
- *Pets are not permitted to run loose outside a Unit;*
- *Any waste materials left by your animal in the elevators or in any part of the common elements is the owner's responsibility to clean up;*
- *Pets are not allowed in any part of the Master Condominium or anywhere outside of the Town Center Residential Condominium 7;*
- *Pets are not to be left unattended on balconies;*
- *Failure to follow these guidelines can result in fines.*

PRIVACY POLICY

Privacy is an important reason why many residents have chosen to live at Town Center. The Association and the Manager have adopted strict policies for protecting the privacy of all residents.

Homeowner Lists

For business and security reasons the Management Office maintains a confidential record of Homeowners and resident's Unit and telephone numbers. Management will NOT give this information to anyone, except when requested in writing by authorized government agencies for specific and appropriate use.

The Management Office maintains a voluntary telephone list for Homeowners who ask to be included in the list. Please call the Courtesy Desk if you wish to be included in this voluntary telephone list. You need to be listed in the directory to receive a copy.

A Homeowner who chairs a Committee of the Board will receive from the Management Office a list of the members of that Committee and their telephone numbers. If you volunteer to serve on a Committee and do not wish to have your telephone number given to the Chairman, please make your wishes known to the Manager.

Distributions and Solicitations

No distributions or solicitations of any kind may be made to Homeowner Units, other than direct communications from the Manager. The Manager will distribute all communications from the Association, the Board of Directors and Committees of the Board. Homeowners who wish to communicate with other Homeowners can do so by telephone, by posting information on the bulletin board in the mailbox area or by using the U.S. Mail.

Access System

In order to enhance the safety of Homeowners and their guests, all entrances and elevators at Town Center are controlled by an electronic access system. At the time of move-in, it is the previous owner's responsibility to turn over to you all access keys, fobs, etc. needed to enter controlled areas.

Important Telephone Numbers

To be provided later.

UNIT BALCONIES

Balcony Furnishing

Due to the likelihood of high winds, balcony furnishings and decorations must be secured. Rugs, furniture and other objects can blow off balconies and land on the street or other parts of the building. To prevent possible damage or injury, please secure all balcony items.

Balcony Maintenance

According to Town Center documents, balconies are defined as part of the Unit are the responsibility of the Homeowner to maintain. The Board has adopted the following policies to ensure uniform and on-going care.

- Homeowners must contract for and pay for the interior maintenance of their balconies. This includes floors, glass walls and frames (except painting side walls and ceiling and the inside and horizontal surfaces of the metal railings);
- Homeowners are not to contract and arrange for maintenance of the exterior surface of the balcony railings.

Outdoor Cooking

The use of outdoor gas, charcoal and electrical grills is prohibited by these rules and by the City of Virginia Beach fire code.

Watering Plants

When you water plants on the balconies, do not let water spill over to run through the drain openings. Water that runs off your balcony can cause damage to Units below. Water runoff is also potentially dangerous to persons sitting on their patios below or walking around the building. FINES MAY BE IMPOSED.

Other Rules Regarding Balconies

- *Balconies must be kept neat and orderly;*
- *Signs may not be displayed from balconies;*

- *Rubbish, clothing, bedding, rugs, mops, appliances, indoor furniture or other household items may not be stored on balconies;*
- *The discharge of firearms and fireworks from balconies is prohibited;*
- *Pets are not to be left on balconies when Owner is away;*
- *Window treatment lining when viewed from the street must be white or off-white;*
- *Tinting of windows or doors is prohibited without Board approval;*
- *Seasonal lighting on the balconies is not permitted;*
- *Items other than reasonable and customary outdoor items, such as patio furnishings and living plants, are not permitted on balconies without Board approval.*

CONSTRUCTION RULES

Making Changes To Your Unit

Before making any additional alterations, or improvements to your Unit, Parking Space, Limited Common Area, or anything else in the Building, please carefully review and comply with all of the provisions of the Declaration and to all provisions of these Rules and Regulations.

First and foremost. DO NOT UNDER ANY CIRCUMSTANCE, CUT, DRILL, CHIP, CORE OR IN ANY WAY PERMIT ANY PENETRATION OF ANY PART OF THE BUILDING FLOOR SLABS, COLUMNS, OR ANY OTHER PART OF THE BUILDING STRUCTURE..

To protect the Building and its many common systems, it will be necessary for you, before undertaking any additions, alterations, or improvements to your Unit, to first have your plans approved by the Association's Board of Directors. Your first contact will be through the Manager.

Prior to beginning any work, all contractors will be required to meet with the Manager and, together with you, read, sign and thereafter abide by our "CONTRACTOR AGREEMENT AND RULES AND REGULATIONS". The extent of required plans and plan review required will vary based on the type and amount of work planned, so please contact the Manager as early in the process as you can.

Hard-Surface Floors

The Association has strict limitations on the installation of hard-surface flooring in individual Units. Hard-surface flooring includes, but is not limited to, hardwood, parquet, marble, granite and tile.

Hard surface flooring may be installed only with prior written approval of the Board of Directors and with sufficient soundproofing so as not to disturb or transmit sounds to the Units below and adjacent to your Unit. If you receive Board approval, you and your contractor will have to meet with the Manager to sign the "CONTRACTOR AGREEMENT and RULES AND REGULATIONS" form before any work can begin, so please arrange to do this early in the process.

MAINTENANCE RESPONSIBILITIES

In General

Both you, the Homeowner, and the Association have responsibilities for certain ongoing maintenance:

- The Association is responsible for everything OUTSIDE your Unit with the exception of the Limited Common Elements assigned for your sole use.
- You are responsible for everything INSIDE your Unit and the Limited Common Elements assigned for your sole use.

More detail about Homeowner responsibilities can be found in the Declaration.

If maintenance of your Unit results in making a major change, see Pg. of this Manual that relates to ADDITIONS, ALTERATIONS, OR IMPROVEMENTS before proceeding.

MAINTENANCE TIPS

Toilets

Overflowing toilets cause the most damage in hi-rise buildings, not only to your own Unit, but also to your neighbors below. Therefore, it is prudent that you be alert and check your toilets regularly for any sign of a problem.

If you notice any of the following, notify the Manager immediately:

- *Unusual noises;*
- *Toilet flushes itself;*
- *Water constantly runs (if only a trickle);*
- *Water on the floor near the base of toilet.*

If any of the following occurs, turn off the water at the shutoff valve (located left of the bowl, turn clockwise) and notify the Manager immediately.

- *Toilet bowl is overflowing;*
- *Toilet tank is leaking or overflowing;*
- *Toilet is constantly running.*

If you are going to be away for an extended period of time, you may want to turn off all

water supply valves in your Unit. If you need assistance, please call the Manager.

Sinks, Tubs and Shower

Check sink for moisture or small leaks periodically. Leaks should be fixed promptly to avoid damage to cabinets and floors. If you notice any leaks or moisture, please call the Courtesy Desk.

Always use a shower curtain when taking a shower in a tub without a glass enclosure. Standing water on the floor can cause water damage to the Unit below.

Disposal

To extend the life of your garbage disposal:

- Use plenty of cold water when running;
- Turn on disposal before loading hopper;
- Load hopper loosely;
- Never dispose of bones, stringy or fibrous material or corn husks;
- Always use tongs to free objects from hopper - NEVER use hands.

Notify the Manager if you notice any leaks or moisture around the disposal.

DRAINS

Drains can usually be cleared easily and inexpensively, but taking some simple precautions will help you avoid stop-ups:

- Do not rinse fats or cooking oils down a drain. Liquid fats solidify in the cold drainpipes and cause clogs;
- Do not pour grease down the kitchen sink. Place it in a container, refrigerate to solidity, and then dispose of it with the trash;
- Do not wash coffee grounds down the sink. Throw them out.

Management encourages regular use of non-corrosive drain cleaners.

Faggert, David Y.

From: Faggert, David Y.
Sent: Wednesday, November 30, 2005 5:59 PM
To: 'Babb, John'
Subject: Block 7 Residential

John,

Need to know for the Rules and Regulations what will be the Loading Dock hours and for the Fire-Rated Stairwells and Doors how many hours are they rated to block penetration for fire.

Dave

David Y. Faggert
Faggert & Frieden, P.C.
222 Central Park Avenue
Suite 1300
Virginia Beach, VA 23462
Telephone 757-424-3232
Direct Dial 757-333-4052
Facsimile 757-424-0102
E-mail dfaggert@fflaw.com

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11/30/2005

Faggert, David Y.

From: postmaster@fflaw.com
Sent: Wednesday, November 30, 2005 5:59 PM
To: Faggert, David Y.
Subject: Delivery Status Notification (Relay)

Attachments: ATT278515.txt; Block 7 Residential



ATT278515.txt Block 7 Residential
(217 B)

This is an automatically generated Delivery Status Notification.

Your message has been successfully relayed to the following recipients, but the requested delivery status notifications may not be generated by the destination.

jbabb@armadahoffler.com

TOWN CENTER RESIDENTIAL CONDOMINIUM 7

Contracts

None at this time

APPENDIX 6

Public Offering Statement

TOWN CENTER RESIDENTIAL CONDOMINIUM 7

PROPOSED PRICE LIST

As of the date of this Public Offering Statement, Declarant has not established final offering prices for the Condominium Units; however, Declarant expects that prices will range from approximately \$320,000.00 to approximately \$4,000,000.00, based on size and location of each Unit. Prices are subject to variation and change due to cost increases and market factors and are subject to negotiation with respect to each Unit.

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APPENDIX 7

Public Offering Statement

LIMITED WARRANTY CERTIFICATE*

Issued To and Accepted By

Town Center Residential Condominium 7 Unit No. _____

In order to market the Unit at its reasonable price, the Unit is being sold "AS IS", subject to the statutory warranty against structural defects created by Section 55-79.79(b) of the Code of Virginia of 1950, as amended. 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. In addition to this Limited Warranty, there will be manufacturer's warranties on certain items in the Unit that will be delivered or assigned to you. The Unit Owner should examine such warranties for information as to their terms and coverage.

I. COVERAGE AND DURATION.

A. Non-Consumer Products

1. Declarant warrants the Unit against structural defects, which shall be those defects in components constituting any Unit which reduces the stability or safety of the Unit below accepted standards or which restrict the normal intended use of all or part of the structure and which requires repair, renovation, restoration and replacement, for a period of two (2) years after the date of recordation of the deed to the Unit covered by this Limited Warranty Certificate. Declarant warrants that the Unit is fit for habitation and constructed in a workmanlike manner so as to pass without objection in the trade.

2. Declarant warrants each of the Common Elements against structural defects for a period of two (2) years after completion of each of the Common Elements or, if later, (i) as to any Common Element within any other portion of the Condominium at the time the first Unit therein is conveyed.

B. Consumer Products

1. The Units are sold with new appliances, equipment and fixtures. Declarant gives no warranty on appliances, equipment or fixtures sold with the Unit except as may

APPENDIX 8

Public Offering Statement

be required by the statutory warranty.

2. Declarant gives no warranty on new appliances, equipment and fixtures being sold with the Unit which are sold by the Declarant "as is" without any warranty. All such items will be in working condition at the time of the initial inspection of the Unit.

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/freezer; range/oven; and dishwasher, if any.

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 component 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, spots on carpeting, or similar defects readily visible to the human eye (e.g., a broken window), which are not noted for correction at the time of inspection by the purchaser before closing.

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 if 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 if 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 the 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 list the warranted defects on a Warranty Inspection Form to be signed by both the Unit Owner and Declarant's representative.

VI. INTERPRETATION.

1. 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

ARTICLES OF INCORPORATION

OF

TOWN CENTER RESIDENTIAL CONDOMINIUM 7 OWNERS ASSOCIATION, INC.

In compliance with the requirements of Chapter 10 of Title 13.1 of the Code of Virginia of 1950, as amended, the undersigned this day, for the purpose of forming a non-stock, non-profit corporation, does hereby certify:

ARTICLE I

Name

The name of the corporation is Town Center Residential Condominium 7 Owners Association, Inc., hereinafter called the "Association".

ARTICLE II

Purpose and Powers of the Association

The Association does not contemplate pecuniary gain or profit to the members thereof, and the specific purpose for which it is formed is to provide for maintenance, preservation, management, operating and architectural control of the condominium known as TOWN CENTER RESIDENTIAL CONDOMINIUM 7, located in the City of

Virginia Beach, Virginia, and the Units and Common Elements (as defined in the Declaration hereinafter mentioned) to be provided for within that certain tract of property described in the Declaration of Condominium of Town Center Residential Condominium Condominium 7 (heretofore and hereinafter referred to as "Declaration") and any amendments thereto, recorded or to be recorded in the Clerk's Office of the Circuit Court of the City of Virginia Beach, Virginia; and to promote the health, safety and welfare of the residents within that certain Condominium Property (as defined in the Declaration) and for these purposes to:

(1) Exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in the Declaration, as the same may be amended from time to time as therein provided, said Declaration being, by this reference, incorporated herein as if set forth at length; and, subject to any limitations set forth in the Declaration, to exercise the powers hereinafter enumerated;

(2) Enforce the covenants, restrictions, easements, charges and liens provided for in the Declaration to be enforced by the Association;

(3) Fix, levy, collect and enforce payment of by any lawful means, all charges or assessments pursuant to the terms of the

Declaration and By-laws of the Association; to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Association, including all licenses, taxes or governmental charges levied or imposed against the Condominium Property;

(4) Acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of, real or personal property in connection with the affairs of the Association;

(5) Borrow money, and mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred; and

(6) Have and exercise any and all powers, rights and privileges which a corporation organized under the aforesaid statutes of the Commonwealth of Virginia by law may now or hereafter have or exercise.

ARTICLE III

Membership

(1) The Association shall be organized without any capital stock.

(2) Every Unit Owner (as that term is defined in the Declaration) shall automatically become a member upon his acquisition of title to any Unit (as that term is defined in the Declaration) and said membership shall terminate automatically upon said Unit Owner being divested of title to such Unit, regardless of the means by which such ownership may be divested. The Declarant of the Condominium shall constitute the sole member of the Association, until such time as the Declaration has been placed or recorded in the Clerk's Office of the Circuit Court of the City of Virginia Beach, Virginia, and some other person has become a Unit Owner, whereupon Declarant shall continue as a member with reference to any Unit which it continues to own.

(3) No member shall have the power to convey, assign, mortgage, hypothecate or transfer in any manner, except as an appurtenance to his Unit, any part of, or any interest in, the Association or the real property or other funds and assets of the Association.

(4) The Association shall have one class of members. The voting by the members of the Association shall be on the basis of set forth in the By-laws. The vote allocated to each Unit shall not be divisible.

ARTICLE IV

Board of Directors

The affairs of this Association shall be managed by a board of directors, who need not be members of the Association. The number of directors shall be fixed by, and may be changed by amendment of, the By-laws.

ARTICLE V

Mergers and Consolidations

Subject to the provisions of the Declaration and to the extent permitted by law, the Association may participate in mergers and consolidations with other non-profit corporations organized for the same purposes, provided that any such merger or consolidation shall have the assent of more than two-thirds of the votes of the members who are voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be mailed to all members at least thirty (30) days in advance and shall set forth the purpose of the meeting.

ARTICLE VI

Registered Agent

The post office address of the initial registered office is 222 Central Park Avenue, Suite 1300, Virginia Beach, Virginia

23462. The name of the city in which the initial registered office is located is Virginia Beach. The name of the initial registered agent is David Y. Faggert, who is a resident of Virginia and a member of the Virginia State Bar, and whose business address is the same as the initial registered office of the Association.

ARTICLE VII

INITIAL DIRECTORS

The number of directors constituting the initial board of directors shall be five (5), and the names and residence addresses of the persons who shall serve as initial directors are as follows:

<u>Name</u>	<u>Address</u>
Louis S. Haddad	222 Central Park Avenue Suite 2100 Virginia Beach, VA 23462
Anthony P. Nero	222 Central Park Avenue Suite 2100 Virginia Beach, VA 23462
Daniel A. Hoffler	222 Central Park Avenue Suite 2100 Virginia Beach, VA 23462
John E. Babb	222 Central Park Avenue Suite 2100 Virginia Beach, VA 23462

[Need one more]

ARTICLE VIII

Duration

The Association shall exist perpetually.

ARTICLE IX

Amendment

Amendment of these articles may be made in the manner prescribed by the applicable statutes of the Commonwealth of Virginia.

DATED this _____ day of _____, 2006.

David Y. Faggert, Incorporator

COMMONWEALTH OF VIRGINIA,
CITY OF VIRGINIA BEACH, to-wit:

I, _____, a Notary Public in and for the City and State aforesaid, do hereby certify that DAVID Y. FAGGERT, whose name is signed to the foregoing Articles of Incorporation of Town Center Residential Condominium 7 Owners Association, Inc., bearing date on the ____ day of _____, 2006, personally appeared before me and acknowledged the same in my jurisdiction aforesaid.

GIVEN under my hand this ____ day of _____, 2006.

Notary Public

My Commission Expires:

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