

BYLAWS
OF
FONTANA OWNERS ASSOCIATION, INC.

ARTICLE I
APPLICABILITY

These Bylaws provide for the governance of Fontana Owners Association, Inc., a Virginia nonstock corporation (the "Association"). Capitalized terms used herein without definitions shall have the meanings specified for such terms in the Articles of Incorporation of the Association (the "Articles of Incorporation") or in the Declaration of Covenants, Conditions, Restrictions and Easements of Fontana, dated June 19, 1998, made by A. M. Nichols, Trustee for the Fontana Land Trust under agreement dated September 18, 1997, and recorded in the Clerk's Office of the Circuit Court of Albemarle County, Virginia, as amended by Amendment dated June 23, 1998, and as the same may hereafter be amended or supplemented from time to time (the "Declaration").

ARTICLE II
MEMBERSHIP AND VOTING RIGHTS

Section 2.01- Membership. Every Owner of a Lot shall be a Member of the Association. In addition, Declarant shall be a Member of the Association so long as Declarant owns (i) any Lot, (ii) any portion of the real property described at Schedule A to the Declaration and/or (iii) any other real property designated by the Master Plan for addition to Fontana. Ownership of such Lot (or any portion of additional real property described at Schedule A to the Declaration and/or any other real property designated by the Master Plan for addition to Fontana in the case of Declarant) shall be the sole qualification for membership. Each such person shall be referred to herein as a "Member."

Section 2.02 - Voting Rights. The Association shall have three classes of voting membership. The classes of Members and the qualifications and voting rights of the Members are as follows:

Class A. Class A Members shall be all Owners of Lots with the exception of the Class B Member and Class C Members. Class A Members shall be entitled to one (1) vote for each Lot owned by a Class A Member. In the event that more than one person or entity holds an interest in any Lot, all such persons or entities shall be Members, and the vote for such Lot shall be exercised as they determine among themselves, but in no event shall more than one vote be cast with respect to any such Lot owned by a Class A Member. The vote of one of the joint Owners of a Lot, in person or by proxy, shall bind all Owners of such Lot, and the Association may rely conclusively on the representation, whether oral or written, of such joint Owner that he has the authority to vote for the other co-owners of such Lot.

Class B. The Class B Member shall be the Declarant or its successors and assigns appointed by recorded instrument. The Class B Member shall be entitled to four hundred

(400) votes plus one (1) vote for each Lot owned by the Class B Member. The Class B Membership shall cease at such time as the Class B Member owns no Lot or any portion of the real property described at Schedule A to the Declaration or any other real-property designated by the Master Plan to be part of Fontana.

Class C. The Class C Members shall be all Initial Builders who are Owners of Lots who have purchased unimproved Lots with the intention of constructing residential buildings on the Lots for resale to Owners who shall be Class A Members. Class C Members shall be entitled to one (1) vote for each Lot owned by a Class C Member. In the event that more than one person or entity holds such interest in any Lot, all such persons or entities shall be Members, and the vote for such Lot shall be exercised as they determine among themselves, but in no event shall more than one vote be cast with respect to any such Lot owned by a Class C Member. The vote of one of the joint Owners of a Lot, in person or by proxy, shall bind all Owners of such Lot, and the Association may rely conclusively on the representation, whether oral or written, of such joint Owner that he has the authority to vote for the other co-owners of such Lot.

Section 2.03 - Suspension of Voting Rights. The Board of Directors of the Association shall have the power to suspend the voting rights of any Member during any period in which any assessment against such Member's Lot remains unpaid in accordance with the applicable provisions of the Declaration.

ARTICLE III MEETINGS OF THE MEMBERS

Section 3.01 - Annual Meetings. An annual meeting of Members of the Association shall be held. Such meeting shall commence at 6:00 p.m. on the first Monday of February of each year, or, if such date shall fall on a legal holiday in Virginia, then at the same hour on the first business day thereafter. The Directors shall be elected at the annual meetings as set forth in Section 5.04 below, and such other business as may properly come before the meeting may be transacted.

Section 3.02 - Special Meeting. The President of the Association, or a majority of the Board of Directors, or the Secretary, upon demand by Members holding ten percent (10%) of the votes entitled to be cast at such a meeting, may call a special meeting of the Members of the Association, on due notice at any time.

Section 3.03 - Notice Required. The officer, or other person calling a meeting of the Members of the Association, shall give, or cause to be given, written notice of such meeting. The notice shall contain the place, day, and hour of the meeting, and if a special meeting, the purpose or purposes for which it is called. A copy of such notice shall be (a) mailed, (b) sent by telegraph, teletype, telecopy, other form of wire or wireless communication or private courier, or (c) personally delivered to each Member entitled to vote at the meeting, not less than ten (10), nor more than sixty (60) days before the scheduled date of the meeting (except

when a different time is required by law). A notice mailed via U.S. Mail, postage prepaid, within the specified time period to a Member at either the property address of his Lot or to his address as it appears on the official records of the Association shall be conclusively presumed to comply with the requirements of this section. If given in any other manner, such notice shall be deemed to be effective when given personally or sent by telegraph, teletype, telecopy or other form of wire or wireless communication or given to a private courier to be delivered.

A Member appearing at a meeting of the Association shall be conclusively presumed to have received due notice of such meeting unless he makes such appearance solely for the purpose of protesting his lack of notice therefor.

If a meeting is adjourned to a different date, time or place, notice need not be given if the new date, time or place is announced at the meeting before adjournment. However, if a new record date for an adjournment is fixed, notice of the adjourned meeting shall be given to persons who are Members as of the new record date unless a court provides otherwise.

Section 3.04 - Record Dates. The record date for determining Members entitled to demand a special meeting is the date the first Member signs the demand that the meeting be held.

Except as is provided in the preceding paragraph, the Board of Directors may fix, in advance, a record date to make a determination of Members entitled to notice of, or to vote at, any meeting of Members, such date to be not more than seventy (70) days before the meeting or action requiring a determination of Members. If no such date is set for any meeting, then, except as provided in the preceding paragraph, the record date shall be the close of business on the day before the date on which the first notice of the meeting is mailed. If notice is given in any other manner, then the record date shall be the close of business on the day before the date on which the first notice of the meeting is given.

When determination of Members entitled to notice of or to vote at any meeting of Members has been made, such determination shall be effective for any adjournment of the meeting unless the Board of Directors fixes a new record date, which it shall do if the meeting is adjourned to a date more than one hundred twenty (120) days after the date fixed for the original meeting.

Section 3.05 - Place of Meeting. Each meeting of the Members of the Association shall be held within the City of Charlottesville or the County of Albemarle, Virginia. It may be held either at the principal office of the Association, or at any other place in the aforesaid jurisdictions, so long as the place is in either case specified in the notice of such meeting.

Section 3.06 - Quorum. The quorum required for any action which is subject to the vote of the Members at meetings of the Association shall be as follows:

(a) When a meeting of the Members of the Association is called to vote on (i) an increase in the Annual Assessments greater than provided for in Article VI, Section 3 of the Declaration; (ii) a Special Assessment as provided for by Article VI, Section 4 of the Declaration; (iii) the gift or sale of any parcel of land designated as a Common Area; (iv) an amendment to the Declaration or termination of the Declaration as provided for in Article X, Sections 10 or 11 of the Declaration, the presence at the meeting of the Members or proxies entitled to cast at least 30% of the total votes of the Membership required for such action shall constitute a quorum.

(b) When a meeting of the Members of the Association is called to vote on any actions other than those described in subparagraph (a) above, the presence at the meeting of the Members or proxies entitled to cast at least 15% of the total vote of the Membership required for such action shall constitute a quorum.

(c) If the required quorum is not present at any meeting described in subparagraphs (a) or (b) above, with the exception of any meeting called to vote on the termination of the Declaration, another meeting or meetings may be called subject to the giving of proper notice, and the required quorum at each subsequent meeting or meetings shall be one-half of the required quorum at the preceding meeting.

Section 3.07 - Conduct of the Meeting. The President of the Association shall act as chairman at each meeting of the Members. In his absence, the Vice President, or should he be also absent, then a Member chosen by a majority vote of the Members present and entitled to vote, shall act as chairman of the meeting. The Secretary of the Association, or an Assistant Secretary, or in their absence, any Member designated by the Chairman, shall act as secretary of the meeting.

The Chairman shall determine the order of business at each meeting of the Members of the Association, but such order may be changed by a majority in voting power of the Members present, either in person or by written proxy, and entitled to vote at such meeting.

Section 3.08 - Action Without Meeting. If a consent in writing, setting forth the action taken or to be taken, shall be signed by all the Members entitled to vote, such consent shall have the same force and effect as a unanimous vote of the Members of the Association, but no meeting need be held. Such consent may be secured either prior or subsequent to the action sought to be validated thereby.

Section 3.09 - Proxies. Members unable to attend any meeting of the Members for any reason may give their written proxy to any person and such proxy may vote at any such meeting in accordance with the Articles of Incorporation of the Association, these Bylaws, and Section 13.1-847 of the Code of Virginia of 1950, as amended. In the event that more than one person or entity owns an interest in any one Lot, all such persons or entities, as the case may be, must sign the written proxy designation. To ascertain the validity of any written proxy, the Secretary of the Association (or acting Secretary in his absence) may rely upon the

records of the Association as to the ownership of any Lot unless the written proxy is accompanied by evidence of such ownership of a Lot as is satisfactory to the Secretary (or acting Secretary in his absence) which is contrary to that reflected in the records of the Association.

Section 3.10 - Ballots by Mail. When desired by the Board of Directors, there shall be sent with the notices of regular or special meetings of the Association, a statement of certain motions to be introduced for vote of the Members and a ballot on which each Member may vote for or against each such motion. Each ballot which is presented at such meeting shall be counted in calculating the quorum requirements set out in Section 3.06 of this Article 111; providing, however, such ballots shall not be counted in determining whether a quorum is present to vote upon motions not appearing on ballots.

Section 3.11 - Removal of Directors. The Members may remove any director of the Association with or without cause at any regular or special meeting of the Members, provided notice of the proposed removal was given in the notice of the meeting, or the Members act by unanimous written consent (in which case no notice is necessary). Such action shall be by resolution of the Members declaring such removal to be in the best interests of the Association, and adopted at any regular or special meeting of the Members as aforesaid by a majority of the Members constituting a quorum at any such meeting.

Section 3.12 - Summary of Minutes of All Members' Meetings. The Secretary or his designee shall, upon request of any Member, deliver a written summary of the minutes of each meeting held by the Members to such Member in a timely fashion.

ARTICLE IV OFFICERS

Section 4.01 - Officers. The Association shall have a President, one or more Vice Presidents (the number thereof to be determined by the Board of Directors), a Treasurer, a Secretary, and such other officers as the Board of Directors may from time to time designate and establish pursuant to Section 4.03 of this Article IV. The same person may hold any two or more offices. The President of the Association shall be a director of the Association. Other officers may be, but need not be, directors of the Association.

Section 4.02 - Qualifications, How Elected, Term. The President shall be, but no other officer need be, also a director of the Association. The Board of Directors shall elect a slate of officers annually, such election to be held as soon as practicable after each annual election of directors. An officer so elected shall serve and hold office for one (1) year or until the election and qualification of his successor, or until his own death, resignation or removal, as provided hereafter.

Section 4.03 - Other Offices. Such other offices as the efficient conduct of the business of the Association may require from time to time shall be established by the Board

of Directors. The Board of Directors may elect persons to hold such offices, and it may delegate to such persons those duties and responsibilities as to it deems proper.

Section 4.04 - Powers and Duties. The officers of the Association shall each have such powers and duties as generally pertain to their respective offices, as well as such powers and duties as may from time to time be specifically conferred or imposed by resolution of the Board of Directors, except as otherwise determined by the Board of Directors. The President shall be the chief executive officer of the Association.

Section 4.05 - Removal. The Board of Directors may remove any officer of the Association at any time either with or without cause. Such action shall be by resolution of the Board of Directors declaring such removal to be in the best interests of the Association and adopted at any regular or special meeting of the Board by a majority of the directors in office at that time.

Section 4.06 - Resignations. Any officer of the Association may resign at any time. Such resignation may be tendered either orally or in writing and shall be directed to any member of the Board of Directors. If an effective date is specified, the resignation shall not be effective until such date, but otherwise it shall be effective on notification of any director. Unless it is so specified in the resignation, acceptance by the Board of Directors shall not be necessary to make effective any resignation.

ARTICLE V BOARD OF DIRECTORS

Section 5.01 - Powers and Duties of the Board.

(a) General Powers and Duties. The Board of Directors shall have and exercise all the corporate powers, duties and authority vested in or delegated to the Association and not reserved to the Membership by other provisions of these Bylaws, the Articles of Incorporation, or the Declaration, and except as may otherwise be expressly required by law, these Bylaws, the Articles of Incorporation, or the Declaration, the Board shall manage the day-to-day affairs of the Association.

(b) Duties. It shall be the duty of the Board of Directors to:

(i) cause to be kept a record of its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members, or at a special meeting when such statement is requested in writing by one-fourth (1/4) vote of the Members who are entitled to vote;

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

(iii) fix and, in the discretion of the Board of Directors, enforce the payment of the amounts of all Assessments in accordance with Article VI of the Declaration and all other applicable provisions thereof;

(iv) furnish, or cause an appropriate officer to furnish, upon written request by an Owner at any time, a certificate in writing signed by an Officer or billing agent of the Association setting forth whether the Assessments on a specified Lot have been paid. A reasonable charge set by the Board of Directors may be made for the issuance of these certificates. Such certificate shall be conclusive evidence of payment of any Assessment therein stated to have been paid;

(v) prepare and make available to the Members the Associations' Annual Budget and cause an appropriate officer of the Association to prepare, execute and make available to the Members the Association's Annual Statement, in accordance with the Declaration;

(vi) procure and maintain adequate liability and hazard insurance on property owned or leased by the Association;

(vii) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;

(viii) cause the Common Area to be maintained or improved; and

(ix) such other duties as are set forth in the Declaration.

Section 5.02 - Terms of Initial Directors. Each of the two (2) initial directors shall serve until the annual meeting of the Members in February, 1999, or until the election and qualification of his successor or until his death, resignation, or removal in the manner provided hereinabove.

Section 5.03 - Qualifications, Number and Term of Directors. Until changed by an amendment to these Bylaws, the Association shall have a Board of Directors consisting of not less than two (2) directors nor more than seven (7) directors, as may be fixed by resolution duly adopted by the Members of the Association prior to the annual meeting at which directors are to be elected, and, in the absence of such a resolution, the number of directors shall be the number elected at the preceding annual meeting. Any person, whether a Member of the Association or not, may be elected and serve as a director of the Association; however, the President of the Association shall be a director of the Association. Directors shall be elected annually as hereinafter provided. A director so elected shall serve and hold office for a one-year term or until the election and qualification of his successor or until his death, resignation, or removal in the manner provided herein. No decrease in the number of directors by amendment to these Bylaws shall have the effect of shortening the term of any incumbent director.

Section 5.04 - Election of the Board of Directors. Following the expiration of the terms of each of the two (2) initial directors, there shall be held at each annual meeting of the Members of the Association an election of directors. At the first annual meeting of the Members at which directors are elected, two (2) directors (or such other number of directors as the Members may have properly determined by resolution in accordance with Section 5.03 above) shall be elected for terms of one (1) year. Thereafter, except as otherwise provided herein, successors to directors whose terms are expiring shall be elected at each successive annual meeting of the Members and take office upon election. If any such elections for whatever reasons not be held, then the Board of Directors shall cause any such elections to be held as soon thereafter as practicable, at a special meeting of the Members called for that purpose. A quorum being present, in any election of directors those persons receiving the greatest number of votes shall be the directors of the Association. Each Member may cast the total number of votes to which he is entitled for each vacancy to be filled. Cumulative voting shall not be allowed in the election of directors.

Section 5.05 - Vacancy. Any vacancy occurring in the initial or any subsequent Board of Directors may be filled at any meeting of the Board of Directors by the affirmative vote of a majority of the remaining Directors, though less than a quorum of the Board of Directors, or by a sole remaining Director and, if not previously filled, shall be filled at the next succeeding meeting of the Members of the Association. Any Director elected to fill a vacancy shall serve as such until the expiration of the term of the Director whose position he was elected to fill. Election of Directors by the Board of Directors to fill a vacancy may be conducted by mail ballot if the Board of Directors so determine.

Section 5.06 - Annual Meeting of the Board. The Board of Directors may meet in order to elect officers and to transact other business at any time after their election as directors, preferably immediately following the annual meeting of the Members. No notice shall be required for such annual meeting if it be held on the same date, and at the same place, and immediately following any annual meeting of the Members. Pursuant to such notice as would suffice for special meetings of the Board of Directors, however, the annual meeting of the Board of Directors may also be held at any other time or place specified in such notice.

Section 5.07 - Regular Meetings. The Board of Directors may from time to time by resolution fix the time and place of their regular meetings. Written notice of such meetings shall not be required unless by resolution of the Board.

Section 5.08 - Special Meetings. The President of the Association or any two or more directors may at any time call a special meeting of the Board of Directors. Notice of each such special meeting shall be required, and it shall contain the date, time and place of the proposed special meeting. Such notice shall be sent to each director; if by mail, addressed to him at his residence or usual place of business and postmarked at least five (5) days before the scheduled date of the meeting; or, if by personal delivery or telegram, at least two (2) days before the scheduled time of the meeting.

Section 5.09 - Waiver of Notice. Any director may waive the notice required by the preceding Section 5.08 by written waiver either before or after the date of the meeting. Any director who attends a meeting, even without notice, shall however be conclusively presumed to have had timely and proper notice thereof unless he attends such meeting for the express purpose of objecting to the improper convening of such meeting.

Section 5.10 - Place. The Board of Directors may by resolution determine the place or places where their meetings may be held in the place or places specified in the notice thereof.

Section 5.11 - Conduct of the Meeting. The President of the Association or a director chosen by a majority of the directors present should the President be absent, shall act as chairman of each meeting of the Board of Directors. The Chairman shall determine the order of business at each meeting. The Secretary of the Association, or in his absence, any person appointed by the Chairman, shall act as Secretary of the meeting.

Section 5.12 - Quorum, Voting. A majority of all the directors shall constitute a quorum if present at any meeting of the Board of Directors. Any business that may properly come before such meeting may thereafter be transacted by the vote of a majority of the directors present at the meeting, and such vote shall be considered the act of the Board. Directors shall have no power as individuals, but shall only act as a Board.

Should a quorum not be present, a majority of the directors present may adjourn the meeting from time to time and from place to place until a quorum may be established.

Section 5.13 - Action Without a Meeting. If a consent in writing setting forth the action proposed to be taken shall be signed by all the directors, such consent shall have the same effect as a unanimous vote of the directors taken at a duly convened meeting thereof. Such consent may be secured either prior or subsequent to the action sought to be validated thereby.

Section 5.14 - Committee. The appointment of a director of any committee, if not sooner terminated, shall automatically terminate upon the expiration of his term as a director of the Association, or upon the earlier cessation for any reason of his membership on the Board of Directors.

Section 5.15 - Summary of Minutes of All Board of Directors' Meetings. The Secretary or his designee shall, upon request of any Member, deliver a written summary of the minutes of each meeting held by the Board of Directors to such Member in a timely fashion.

Section 5.16 - Compensation. Directors of the Association shall not receive any stated salaries for their services, but by resolution of the Board of Directors any director may be reimbursed for his actual expenses incurred in the performance of his duties as director, but nothing herein contained shall be construed to preclude any director from serving the

Association in any other capacity and receiving compensation therefor.

ARTICLE VI COMMITTEES

Section 6.01 - Committees of Directors. The Board of Directors, by resolution adopted by all of the directors in office, may designate one or more committees, each of which shall consist of two or more directors, which committees, to the extent provided in the resolution, shall have and exercise the authority of the Board of Directors in the management of the affairs of the Association; provided, however, that a committee may not (i) approve or recommend to Members action that is required by law to be approved by Members; (ii) fill vacancies on the Board of Directors or on any of its committees; (iii) amend the Articles of Incorporation; (iv) adopt, amend or repeal these Bylaws or the Declaration; or (v) approve a plan of merger not requiring Member approval.

The creation of, delegation of authority to, or action by a committee does not alone constitute compliance by a director with the standards of conduct required of a director.

Section 6.02 - Committee Meetings; Miscellaneous. The provisions of these Bylaws which govern meetings, action without meetings, notice and waiver of notice, and quorum and voting requirements of the Board of Directors shall apply to committees of directors and their members as well.

ARTICLE VII PROPERTY

Section 7.01 - General. The Association shall have the power to acquire and hold property, both real and personal, for the aesthetic, recreational and general civic benefit of the community in accordance with the terms of the Declaration.

Section 7.02 - Common Area. The Association shall have the power to accept the transfer of the legal title to any part of the Property and Club Facilities from the Declarant. Once conveyed to the Association, any such property shall become Common Area. The Association shall have the power to convey or transfer all or any part of the Common Area as provided in the Declaration.

Section 7.03 - Recreational and Other Facilities. The Association shall have the power but not the obligation to purchase, construct, maintain and operate recreational or other facilities for the use and enjoyment of Members or their immediate families, guests and tenants.

Section 7.04 - Easements. The Association shall have the power to grant easements as provided in the Declaration, including, without limitation, the right to grant easements for public utility purposes to any municipality or public utility for the purpose of installation or

maintenance of utilities to serve the Common Area or to serve any Lot, including the extension of said utility to adjacent property.

Section 7.05 - Maintenance and Improvements. The Association shall maintain and may but is not obligated to make improvements to the Common Area as provided in the Declaration.

Section 7.06 - Policing. The Association shall be charged with general supervision and control of the Common Area, and the Board of Directors of the Association shall have the power to (a) adopt and publish any reasonable rules and regulations for (i) the control of such, (ii) the prevention of nuisances within the Property and its Common Area, and (iii) the governance of the use of the Common Area and the personal conduct of the Members and their guests thereon, and (b) to establish penalties for the infraction thereof, which rules, regulations, and penalties are not contrary to the terms of the Declaration.

Section 7.07 - Suspension of Services, Privileges. The Board of Directors of the Association shall have the power to suspend the right to use the Common Area and any of the recreational facilities and services supplied by the Association of any Member during any period in which any assessment against such Member's Lot remains unpaid in accordance with applicable provisions of the Declaration. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) days, for infraction of published rules and regulations.

ARTICLE VIII ARCHITECTURAL CONTROL

Section 8.01 - Architectural Control Board. At the time specified in the Declaration, the Board of Directors of the Association shall appoint the three (3) members of the Architectural Control Board in accordance with the Declaration. Members of the Architectural Control Board may, but need not be, Members of the Association.

Section 8.02 - Purpose. The Architectural Control Board shall exercise the powers set forth in Article VIII of the Declaration.

Section 8.03 - Enforcement. The Association shall have the power to enforce, if necessary, the decisions of the Architectural Control Board whether by injunction or other appropriate action. The Association shall also have the power to enforce all provisions of the Declaration dealing with Architectural Control.

ARTICLE IX ASSESSMENTS

All matters relating to Assessments are set forth in these Bylaws, the Articles of Incorporation and the Declaration.

ARTICLE X
PROPERTY RIGHTS

Each Member's rights of enjoyment of the Common Area and any other property owned by the Association and restrictions thereto are set forth in these Bylaws, the Articles of Incorporation, and the Declaration.

ARTICLE XI
CONTRACTS, CHECKS, DRAFTS, BANK ACCOUNTS, ETC.

Section 11.01 - Power of Board, Agents to Bind Association. Except as prohibited by law, the Declaration, the Articles of Incorporation, or these Bylaws, the Board of Directors may by resolution authorize any agent or agents to enter into any contract, or to execute any instrument in the name of and on behalf of the Association. Any authority so conferred on such agent may be either general or special.

Section 11.02 - Manner of Signing Required. The Board of Directors may from time to time by resolution determine the officers whose signatures must appear on the various checks, drafts, and other orders for payment executed on behalf of the Association.

Section 11.03 - Deposits. The Board of Directors may from time to time by resolution determine and designate the various banks, trust companies, or other depositories in which the funds of the Association not otherwise employed or invested shall be deposited.

Section 11.04 - Contracts for Management and Maintenance Services. The Board of Directors may, in its discretion, arrange to have the management, maintenance and care-taking functions of the Association or any part thereof performed by a third party or parties pursuant to contract, or the Board of Directors may cause the Association to employ a manager or such other employees as they deem necessary, and prescribe their duties.

ARTICLE XII
GENERAL RESTRICTIONS AND COVENANTS

The Association, or any Owner, shall have the right to enforce by a proceeding at law or in equity, the restrictions, conditions, easements and covenants imposed by the Declaration. Failure by the Association or by any Owner to enforce any covenant, easement, condition, or restriction contained in the Declaration shall in no event be deemed a waiver of the right to do so thereafter.

ARTICLE XIII
AMENDMENTS

Section 13.01 - By the Directors. Subject to Section 13.03 below, the Board of Directors by a majority vote thereof shall have the power to make, alter, amend or repeal the

Bylaws of the Association at any regular or special meeting of the Board. This power shall not be exercised by the Executive Committee or any other committee of directors.

Section 13.02 - By the Members. Subject to Section 13.03 below, at any annual or special meeting of the Members, Bylaws may be adopted, and all Bylaws shall be subject to amendment, alteration, or repeal by a majority of the votes entitled to be cast at such meeting. Pursuant to resolution adopted by a majority of the votes entitled to be cast, the Members may provide that certain Bylaws adopted, approved, or designated by them may not be amended, altered, or repealed, except by a certain specified vote of the Members.

Section 13.03 - Declarant's Approval. No alteration, amendment, or repeal of these Bylaws shall be made (by either the Board of Directors or the Members) without the Declarant's written consent so long as the Declarant is a Class B Member of the Association.

ARTICLE XIV MISCELLANEOUS PROVISIONS

Section 14.01 - Acknowledgement of Priority of Declaration. Notwithstanding any provision of these Bylaws to the contrary, the Declaration is superior to the Bylaws and any provision of these Bylaws which are inconsistent with any provision of the Declaration is void and unenforceable.

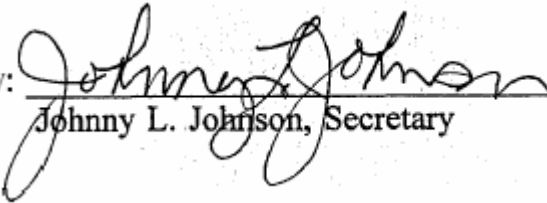
Section 14.02 - Seal. The Association shall have a corporate seal, which seal shall contain the corporate name of the Association, the year of its incorporation and the word "Virginia" and which shall be in such form as may be approved by the Board of Directors.

Section 14.03 - Fiscal Year. The fiscal year of the Association shall begin on the first day of January and end on the last day in December in each year.

Section 14.04 - Offices. The Association shall establish a principal and a registered office. The principal office may, but need not, be at the same place as the registered office. Such additional offices as the business of the Association may require may also be established, and the establishment of all offices, subsequent to the establishment of the initial offices shown in the Articles of Incorporation, shall be pursuant to resolution adopted by the Board of Directors.

The foregoing Bylaws were adopted by the Board of Directors by unanimous consent in lieu of the organizational meeting of the Board of Directors of Fontana Owners Association, Inc., effective September 14, 1998.

FONTANA OWNERS ASSOCIATION, INC.

By:  _____
Johnny L. Johnson, Secretary

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September 14, 1998 (11:22am)