

Exhibit C  
to the Declaration

BY LAWS  
OF  
PARKFAIRFAX CONDOMINIUM  
(Alexandria, Virginia)

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## BYLAWS

### ARTICLE I

#### General Provisions

Section 1. Applicability. These Bylaws provide for the governance of the Condominium pursuant to the requirements of Article 3 of the Condominium Act. The Property, located in Alexandria, Virginia, and more particularly described in the Declaration, has been submitted to the provisions of the Condominium Act by recordation simultaneously herewith of the Declaration among the land records of the City of Alexandria, Virginia in Deed Book 847 at Page 508.

Section 2. Office. The office of the Condominium, the Unit Owners Association, and the Board of Directors shall be located at the Property or at such other place as may be designated from time to time by the Board of Directors.

Section 3. Definitions. Capitalized terms used herein without definition shall have the meanings specified for such terms in the Declaration to which these Bylaws are attached as Exhibit C, or if not defined therein, the meanings specified for such terms in section 55-79.41 of the Condominium Act. The following terms have the following meanings in the Condominium Instruments:

(a) "Board of Directors" or "Board" means the executive organ established pursuant to Article III of these Bylaws.

(b) "Limited Common Expenses" means expenses separately assessed against more than one but less than all of the Condominium Units generally in accordance with the use of the services, as permitted by section 55-79.83(b) of the Condominium Act.

(c) "Majority of the Unit Owners" means those Unit Owners owning Condominium Units to which more than fifty percent of the aggregate Percentage Interests actually voted in person or by proxy at a duly convened meeting at which a quorum is present. Any specified percentage of the Unit Owners shall mean the Unit Owners owning Condominium Units to which such percentage of Percentage Interests appertain with respect to the total Percentage Interests voting at such a meeting. Any specified percentage vote of the Mortgagees shall mean a vote by the Mortgagees of Condominium Units to which such percentage of the total number of votes appertain.

(d) "Mortgagee" means an Institutional Lender holding a first mortgage or first deed of trust ("Mortgage") encumbering a Condominium Unit in the Condominium which has notified the Unit Owners Association of its status and has requested all rights under the Condominium Instruments. For purposes of Article VIII only, when any right is to be given to a Mortgagee, the Board of Directors shall also give such right to the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Veterans Administration, the Federal Housing Administration, the farmer's Home Administration, the Government National Mortgage Association and any other public or private secondary mortgage market entity participating in purchasing or guarantying Mortgages if the Board has notice of such participation.

(e) "Officer" means any Person holding office pursuant to Article IV of these Bylaws, but contrary to section 55-79.41(t) of the Condominium Act, shall not mean members of the Board of Directors unless such directors are also officers pursuant to Article IV.

(f) "Percentage Interest" means the number assigned to each Unit by Exhibit D to the Declaration which establishes each Unit's undivided interest in the Common Elements, Common Expenses and common profits and votes in the Unit Owners Association.

(g) "Reserved Common Elements" means Common Elements which have been designated by the Board of Directors for the exclusive use by less than all of the Unit Owners on a temporary basis.

(h) "Unit Owners Association" or "Association" means the unincorporated, non-profit association of all the Unit Owners owning Condominium Units in the Condominium.

## **ARTICLE II**

### Unit Owners Association

Section 1. Composition. The Unit Owners Association shall consist of all of the Unit Owners. For all purposes the Unit Owners Association shall act merely as an agent for the Unit Owners as a group. The Unit Owners Association shall have the responsibility of administering the Condominium, establishing the means and methods of collecting assessments and charges, arranging for the management of the Condominium and performing all of the other acts that may be required or permitted to be performed by the Unit Owners Association by the Condominium Act and the Declaration. Except as to those matters which the Condominium Act specifically requires to be performed by the vote of the Unit Owners Association, the foregoing responsibilities shall be performed by the Board of Directors or Managing Agent as more particularly set forth in Article III of these Bylaws.

Section 2. Annual Meetings. The annual meetings of the Unit Owners Association shall be held at least forty days but not more than fifty days before the beginning of the fiscal year. At such annual meetings the Board of Directors shall be elected by ballot of the Unit Owners in accordance with the requirements of Section 4 of Article III of these Bylaws.

Section 3. Place of Meetings. Meetings of the Unit Owners Association shall be held at the principal office of the Unit Owners Association or at such other suitable place convenient to the Unit Owners as may be designated by the Board of Directors.

Section 4. Special Meetings. The President shall call a special meeting of the Unit Owners Association if so directed by resolution of the Board of Directors or upon a petition signed and presented to the Secretary by Unit Owners of not less than twenty-five percent of the aggregate Percentage Interests. The signatures on such a petition shall be valid for a period of six months after the date of the first such signature. The notice of any special meeting shall state the time, place and purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

Section 5. Notice of Meetings. The Secretary shall notify each Unit Owner of each annual or regularly-scheduled meeting of the Unit Owners at least twenty-one but not more than thirty days, and of each special meeting of the Unit Owners at least seven but not more than thirty days, prior to such meeting, stating the time, place and purpose thereof. The giving of a notice of meeting in the manner provided in this Section and Section 1 of Article XI of the Bylaws shall be considered service of notice.

Section 6. Adjournment of Meetings. If at any meeting of the Unit Owners Association a quorum is not present, Unit Owners of a majority of the Percentage Interests who are present at such meeting in person or by proxy may adjourn the meeting to a time not less than forty-eight hours after the time the original meeting was called.

Section 7. Order of Business. The order of business at all meetings of the Unit Owners Association shall be as follows (except that the election pursuant to agenda item (h) may commence after agenda item (d),

- (a) Roll call.
- (b) Proof of notice of meeting.
- (c) Reading of minutes of preceding meeting.
- (d) Appointment of inspectors of election (when so required ).
- (e) Reports of officers.
- (f) Report of Board of Directors.
- (g) Reports of committees.
- (h) Election of members of the Board of Directors (when so required).
- (i) Unfinished business.
- (j) New business.

Section 8. Voting. (a) Voting at all meetings of the Unit Owners Association shall be on a percentage basis and the percentages of the vote to which each Unit Owner is entitled shall be the Percentage Interest assigned to the Unit in the Declaration. Votes assigned to Condominium Units owned by the Unit Owners Association shall be cast as determined by a majority vote of the Board of Directors. Otherwise, where the ownership of a Unit is in more than one Person, the Person who shall be entitled to cast the vote of such Unit shall be the Person named in a certificate executed by all of the owners of such Unit and filed with the Secretary or in the absence of such named person from the meeting, the person who shall be entitled to cast the vote of such Unit shall be the person owning such Unit who is present. If more than one person owning such Unit is present then such vote shall be cast only in accordance with their unanimous agreement pursuant to section 55-79.77(c) of the Condominium Act. Such certificate shall be valid until revoked by a subsequent certificate similarly executed. Subject to the requirements of section 55-79.72 of the Condominium Act, wherever the approval or disapproval of a Unit Owner is required by the Condominium Act, the Declaration or these Bylaws, such approval or disapproval shall be made only by the Person who would be entitled to cast the vote of such Unit at any meeting of the Unit Owners Association.

(b) Except where a greater number is required by the Condominium Act, the Declaration or these By laws, a Majority of the Unit Owners is required to adopt decisions at any meeting of the Unit Owners Association.

(c) No Unit Owner may vote at any meeting of the Unit Owners Association or be elected to or serve on the Board of Directors if payment of the assessment on the Unit is delinquent more than thirty days and the amount necessary to bring the account current has not been paid at least five business days before the time of such meeting or election.

Section 9. Proxies. A vote may be cast in person or by proxy. Such proxy may be granted by any Unit Owner in favor of only another Unit Owner, a Mortgagee or, in the case of a nonresident Unit Owner, the lessee of such Unit Owner's Unit, or such Unit Owner's attorney or management agent. Proxies shall be duly executed in writing, shall be witnessed, shall be valid only for the particular meeting designated therein and must be filed

with the Secretary before the appointed time of the meeting. Such proxy shall be deemed revoked only upon actual receipt by the person presiding over the meeting of notice of revocation from any of the persons owning such Unit. Except with respect to proxies in favor of a Mortgagee, no proxy shall in any event be valid for a period in excess of one hundred and eighty days after the execution thereof.

Section 10. Quorum. Except as otherwise provided in these Bylaws, the presence in person or by proxy of Unit Owners of twenty-five percent or more of the aggregate Percentage Interests shall constitute a quorum at all meetings of the Unit Owners Association.

Section 11. Conduct of Meetings. The President shall preside over all meetings of the Unit Owners Association and the Secretary shall keep the minutes of the meeting and record in a minute book all resolutions adopted at the meeting, as well as a record of all transactions occurring at the meeting. The President may appoint a person to serve as parliamentarian at any meeting of the Unit Owners Association. The then current edition of Robert's Rules of Order shall govern the conduct of all meetings of the Unit Owners Association when not in conflict with the Declaration, these Bylaws or the Condominium Act. All votes shall be tallied by tellers appointed by the President or other officer presiding over the meeting.

### **ARTICLE III**

#### **Board of Directors**

Section 1. Number and Qualification. The affairs of the Unit Owners Association shall be governed by a Board of Directors. The Board of Directors shall be composed of nine persons, all of whom shall be Unit Owners or spouses of Unit Owners, Mortgagees (or designees of Mortgagees).

Section 2. Powers and Duties. The Board of Directors shall have all of the powers and duties necessary for the administration of the affairs of the Unit Owners Association and may do all such acts and things as are not by the Condominium Act, the Declaration or by these Bylaws required to be exercised and done by the Unit Owners Association. The Board of Directors shall have the power from time to time to adopt any Rules and Regulations deemed necessary for the benefit and enjoyment of the Condominium; provided, however, that such Rules and Regulations shall not be in conflict with the Condominium Act, the Declaration or these By laws. The Board of Directors shall delegate to one of its members or to a person employed for such purpose the authority to act on behalf of the Board of Directors on such matters relating to the duties of the Managing Agent (as defined in Section 3 of this Article), if any, which may arise between meetings of the Board of Directors as the Board of Directors deems appropriate. In addition to the duties imposed by these Bylaws or by any resolution of the Unit Owners Association that may hereafter be adopted, the Board of Directors shall on behalf of the Unit Owners Association:

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

(b) Make assessments against Unit Owners to defray the costs and expenses of the Condominium, establish the means and methods of collecting such assessments from the Unit Owners and establish the period of the installment payment of the annual assessment for Common Expenses. Unless otherwise determined by the Board of Directors, the annual assessment against each Unit Owner for his proportionate share of the Common Expenses shall be payable in equal monthly installments, each such installment to be due and payable in advance on the first day of each month for such month.

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

(d) Designate, hire and dismiss the personnel necessary for the maintenance, operation, repair and replacement of the Common Elements and provide services for the Property and, where appropriate, provide for the compensation of such personnel and for the purchase of equipment, supplies and material to be used by such personnel in the performance of their duties, which supplies and equipment shall be deemed part of the Property.

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

(f) Make and amend the Rules and Regulations.

(g) Open bank accounts on behalf of the Unit Owners Association and designate the signatories thereon.

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

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

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

(k) Pay the cost of all authorized services rendered to the Unit Owners Association and not billed to Unit Owners of individual Units or otherwise provided for in Article V, Section 1 and 2 of these By laws.

(l) Keep books with detailed accounts in chronological order of the receipts and expenditures affecting the Property, and the administration of the Condominium specifying the expenses of maintenance and repair of the Common Elements and any other expenses incurred. Such books and vouchers accrediting the entries thereupon shall be available for examination by the Unit Owners, their attorneys, accountants, Mortgagees and authorized agents, during general business hours on working days at the times and in the manner set and announced by the Board of Directors for the general knowledge of the Unit Owners. All books and records shall be kept in accordance with at least good and accepted

accounting practices, and the same shall be audited at least once each year by an independent accountant retained by the Board of Directors who shall not be a resident of the Condominium or a Unit Owner. The cost of such audit shall be a Common Expense.

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

(n) Borrow money on behalf of the Condominium when required in connection with anyone instance relating to the operation, care, upkeep and maintenance of the Common Elements, provided, however, that the consent of at least two-thirds in number and in Percentage Interest of all Unit Owners, obtained at a meeting duly called and held for such purpose in accordance with the provisions of these Bylaws, shall be required to borrow any sum in excess of one percent of the total annual assessment for common expenses for that fiscal year. If any sum borrowed by the Board of Directors on behalf of the Condominium pursuant to the authority contained in this paragraph (n) is not repaid by the Unit Owners Association, a Unit Owner who pays to the creditor a percentage of the total amount due equal to his Percentage Interest in the Condominium shall be entitled to obtain from the creditor a release of any judgment or other lien which such creditor shall have filed or shall have the right to file against such Unit Owner's Condominium Unit and the Unit Owners Association shall not be entitled to assess the Unit for payment of the remaining amount due such creditor.

(o) Acquire, hold and dispose of Condominium Units and mortgage the same if such expenditures and hypothecations are included in the budget.

(p) In its sole discretion, designate from time to time certain Common Elements as "Reserved Common Elements" and impose such restrictions and conditions on the use thereof as the Board of Directors deems appropriate.

(q) Upon receipt of such payment as may be established by the Board of Directors in compliance with section 55-79.97(b) of the Condominium Act, furnish the statement required by section 55-79.97 of the Condominium Act, within ten days after the receipt of a written request therefor from any Unit Owner substantially in the form set forth on Exhibit A to these Bylaws and designated "Certificate for Resale",

(r) Do such other things and acts not inconsistent with the Condominium Act, the Declaration or these Bylaws which the Board of Directors may be authorized to do by a resolution of the Unit Owners Association.

Section 3. Managing Agent. The Board of Directors shall employ for the Condominium a "Managing Agent" at a compensation to be established by the Board of Directors.

(a) Requirements. The Managing Agent shall be a bona fide business enterprise which manages common interest residential communities. Such firm or its principals shall have a minimum of two years experience in real estate community management and shall employ persons possessing a high level of competence in the technical skills necessary to proper management of the Condominium. The Managing Agent must be able to advise the Board of Directors regarding the administrative operation of the Condominium and shall employ personnel expert in the areas of condominium insurance, accounting, contract negotiation, labor relations and condominium regulation.

(b) Duties. The Managing Agent shall perform such duties and services as the Board of Directors shall authorize, including but not limited to the duties listed in paragraphs (a), (c), (d), (e), (h), (l), (j), (k), (l), (m), (q), and (r) of Section 2 of this Article III. The Board of Directors may delegate to the Managing Agent all of the powers granted to the Board of Directors by these Bylaws other than the powers set forth in paragraphs (b), (f), (g), (n), (o), and (p) of Section 2 of this Article III. The Managing Agent shall perform the obligations, duties and services relating to management of the property, the rights of Mortgagees and the maintenance of reserve funds in compliance with the provisions of these Bylaws.

(c) Standards. The Board of Directors shall impose appropriate standards of performance upon the Managing Agent. Unless the Managing Agent is instructed otherwise by the Board of Directors:

(1) the accrual method of accounting shall be employed and expenses required by these Bylaws to be charged to more than one but less than all Unit Owners shall be accounted for and reported separately;

(2) two or more persons shall be responsible for handling cash to maintain adequate financial control procedures,

(3) cash accounts of the Unit Owners Association shall not be commingled with any other accounts,

(4) no remuneration shall be accepted by the Managing Agent from vendors, independent contractors or others providing goods or services to the Unit Owners Association whether in the form of commissions, finders fees, service fees or otherwise, any discounts received shall benefit the Unit Owners Association,

(5) any financial or other interest which the Managing Agent may have in any firm providing goods or services to the Unit Owners Association shall be disclosed promptly to the Board of Directors; and

(6) a monthly financial report shall be prepared for the Unit Owners Association containing:

(A) an Income Statement reflecting all income and expense activity for the preceding month on an accrual basis,

(B) an Account Activity Statement reflecting all receipt and disbursement activity for the preceding month on a cash basis,

(C) an Account Status Report reflecting the status of all accounts in an "actual" versus "projected" (budget) format,

(D) a Balance Sheet reflecting the financial condition of the Unit Owners Association on an unaudited basis,

(E) a Budget Report reflecting any actual or pending obligations which are in excess of budgeted amounts by an amount exceeding the operating reserves or ten percent of a major budget category (as distinct from a specific line item in an expanded chart of accounts), and

(F) a Delinquency Report listing all Unit Owners who are delinquent in paying condominium assessments and describing the status of any actions to collect such assessments.

(d) Limitations. The Unit Owners Association and the Board of Directors shall not undertake “self-management” or fail to employ a Managing Agent without the consent of at least sixtyseven percent of the Unit Owners and at least fifty-one percent of the Mortgagees. Any contract with the Managing Agent must provide that it may be terminated, without payment of a termination fee, without cause on no more than ninety days written notice and with cause on no more than thirty days written notice.

Section 4. Election and Term of Office.

(a) Elections Committee. At least ninety days prior to each annual meeting of the Unit Owners Association, the Board of Directors shall appoint an Elections Committee consisting of at least three Unit Owners. The Elections Committee shall develop election procedures and administer such procedures as are approved by the Board of Directors.

(b) Nominations. Persons qualified to be directors may be nominated for election only by a nominating petition submitted to the Chairman of the Elections Committee at least thirtyfive days before the meeting at which the election is to be held assigned by Unit Owners representing at least twenty Units and either signed by the nominee or accompanied by a document signed by the nominee indicating the willingness to serve as a member of the Board of Directors, provided, however, that additional nominations may be made from the floor at the meeting at which the election is held for each vacancy on the Board of Directors for which no more than one person has been nominated by petition. The nominee must either be present and consent to the nomination or have indicated in writing the willingness to serve.

(c) Qualifications. No person shall be eligible for election as a member of the Board of Directors unless such person is qualified pursuant to Article III, Section 1. No person shall be elected as a member of the Board or shall continue to serve as a member of the Board if such person is more than sixty days delinquent in meeting financial obligations to the Unit Owners Association and a lien has been filed against such person’s Unit.

(d) Term and Succession. Each member of the Board of Directors shall serve for a term of three years. The members of the Board of Directors shall hold office until their respective successors shall have been elected by the Unit Owners Association.

(e) Ward System. Members of the Board of Directors shall be elected based on a ward system with two or more at-large members. Each ward shall be designated on a map of the Condominium by the Board of Directors, such map to be maintained by the Secretary. Each ward shall have substantially similar voting strength and shall elect one member of the Board of Directors from among the Unit Owners owning Condominium Units in that ward. Ward boundaries may be changed only by the Board of Directors and shall be treated as an amendment to these Bylaws.

Section 5. Removal or Resignation of Members of the Board of Directors. At any regular or special meeting duly called, anyone or more of the members of the Board of Directors may be removed with or without cause by a Majority of the Unit Owners, and a Successor may then and there be elected to fill the vacancy thus created. Any director whose removal has been proposed by the Unit Owners shall be given at least seven days notice of the time, place and purpose of the meeting and shall be given an opportunity to be heard at the meeting. A member of the Board

of Directors may resign at any time and shall be deemed to have resigned upon disposition of his Unit as provided for officers in section 55-79.78(a) of the Condominium Act. Except with respect to directors elected at-large, a Successor shall reside in the same ward as the director whose vacancy is being filled.

Section 6. Vacancies. Vacancies in the Board of Directors caused by any reason other than the removal of a director by a vote of the Unit Owners Association shall be filled by a vote of a majority of the remaining Directors at a special meeting of the Board of Directors held for such purpose promptly after the occurrence of any such vacancy, even though the directors present at such meeting may constitute less than a quorum. Each person so elected shall be a member of the Board of Directors until a successor shall be elected for the remainder of the term of the member being replaced at the next annual meeting of the Unit Owners Association. Except with respect to directors elected at-large, a successor shall reside in the same ward as the director whose vacancy is being filled.

Section 7. Organization Meeting. The first meeting of the Board of Directors following the annual meeting of the Unit Owners Association shall be held within fifteen days thereafter at such time and place as shall be fixed by the Board of Directors. No further notice shall be necessary to the newly elected members of the Board of Directors in order legally to constitute such meeting if a majority of the whole Board of Directors is present at the meeting.

Section 8. Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the directors, but such meetings shall be held at least once every two months during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each director, by mail or telegraph, at least three business days prior to the day named for such meeting.

Section 9. Special Meetings. Special meetings of the Board of Directors may be called by the President on three business days notice to each director, given by mail or telegraph, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of at least three directors.

Section 10. Waiver of Notice. Any director may at any time, in writing, waive notice of any meeting of the Board of Directors, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a director, in person or by telephone communication, at any meeting of the Board of Directors shall constitute a waiver of notice by him of the time, place and purpose of such meeting. If all directors are present at any meeting of the Board of Directors, no notice shall be required and any business may be transacted at such meeting.

Section 11. Quorum of Board of Directors. At all meetings of the Board of Directors a majority of the directors shall constitute a quorum for the transaction of business, and the votes of a majority of the directors present at a meeting at which a quorum is present shall constitute the decision of the Board of Directors. If at any meeting of the Board of Directors there shall be less than a quorum present, a majority of those present may adjourn the meeting from time to time. At any such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice. A member of the Board of Directors who participates in a meeting by means of telephone communication shall be deemed present at the meeting.

Section 12. Compensation. No director shall receive any compensation from the Condominium for acting as such.

Section 13. Conduct of Meetings. The President shall preside over all meetings of the Board of Directors and the Secretary shall keep a minute book of the Board of Directors recording therein all resolutions adopted by the Board of Directors and a record of all transactions and proceedings occurring at such meetings. The then current edition of Robert's Rules of Order shall govern the conduct of the meetings of the Board of Directors when not in conflict with the Declaration, these Bylaws or the Condominium Act.

Section 14. Action Without Meeting. Any action by the Board of Directors required or permitted to be taken at any meeting may be taken without a meeting if all of the members of the Board of Directors shall individually or collectively consent in writing to such action. Any such written consent shall be filed with the minutes of the proceedings of the Board of Directors.

Section 15. Board of Directors as Attorney-in-Fact. The Board of Directors is hereby irrevocably appointed as agent and attorney-in-fact for the unit owners of all of the units and for each of them, to manage, control and deal with the interests of such unit owners in the common elements of the Condominium to permit the Board of Directors to fulfill all of its powers, rights, functions and duties. The Board of Directors is hereby irrevocably appointed as agent and attorney-in-fact for each unit owner, each Mortgagee, other named insureds and their beneficiaries and any other holder of a lien or other interest in the Condominium or the Property to: (i) adjust and settle all claims arising under insurance policies purchased by the Board of Directors, (ii) execute and deliver upon the payment of claims and (iii) act on their behalf in any condemnation proceeding or action or eminent domain pursuant to section 55-79.44 of the Condominium Act, provided, however, that the consent of a Mortgagee shall be required if such Mortgagee notifies the Board of Directors pursuant to Article XI, Section 1 of the Bylaws within thirty days after receipt of notice of the damage pursuant to Article VI, subsection 2(c) of the Bylaws or notice of the taking in condemnation or by eminent domain pursuant to Article VIII, Section 2 of the Bylaws. The Board of Directors may grant and accept easements and licenses pursuant to section 55-79.80(b) of the Condominium Act.

Section 16. Liability of the Board of Directors, Officers, Unit Owners and Unit Owners Association.

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

ownership of a Percentage Interest therein or for liabilities incurred by the Unit Owners Association, shall be limited to the total liability multiplied by his Percentage Interest. Every agreement made by the officers, the Board of Directors or the Managing Agent on behalf of the Unit Owners Association shall, if obtainable, provide that the officers, the members of the Board of Directors or the Managing Agent, as the case may be, are acting only as agents for the Unit Owners' Association and shall have no personal liability thereunder (except as Unit Owners, and that each Unit Owner's liability thereunder shall be limited to the total liability thereunder multiplied by his Percentage Interest. The Unit Owners Association shall Indemnify and hold harmless each of the members of the Covenants Committee from and against all liability to others arising out of the due exercise of their responsibilities unless their action shall have been taken in bad faith or contrary to the provisions of the Condominium Act, the Declaration or these Bylaws. The Unit Owners Association shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding by reason of the fact that such person is or was an officer or director of the Association or a member of the Covenants Committee against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement incurred by such person in connection with such action, suit or proceeding if such person acted in good faith and in a manner such person reasonably believed to be in, or not opposed to, the best interests of the Condominium.

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

Section 17. Common or Interested Directors. Each member of the Board of Directors shall exercise his powers and duties in good faith and with a view to the interests of the Condominium. No contract or other transaction between the Unit Owners Association and any of its directors, or between the Unit Owners Association and any corporation, firm or association in which any of the directors of the Unit Owners Association are directors or officers or are pecuniarily or otherwise interested, is either void or voidable because any such director is present at the meeting of the Board of Directors or any committee thereof which authorizes or approves the contract or transaction, or because his vote is counted for such purpose, if any of the conditions specified in any of the following subparagraphs exists:

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

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

(c) The contract or transaction is commercially reasonable to the Unit Owners Association at the time it is authorized, ratified, approved or executed.

Any common or interested directors may be counted in determining the presence of a quorum of any meeting of the Board of Directors or committee thereof which authorizes, approves or ratifies any contract or transaction, and may vote at the meeting to authorize any contract or transaction with like force and effect as if such director were not such director or officer of such Unit Owners Association or not so interested.

Section 18. Covenants Committee. (a) Purpose. The Board of Directors shall establish a Covenants Committee, consisting of five members appointed by the Board of Directors, each to serve for a term of one year, in order to assure that the Condominium shall always be maintained in a manner:

- (1) providing for visual harmony and soundness of repair,
- (2) avoiding activities deleterious to the esthetic or property values of the Condominium,
- (3) furthering the comfort of the Unit Owners, their guests and tenants, and
- (4) promoting the general welfare and safety of the Condominium community.

(b) Powers. The Covenants Committee shall regulate the external design, appearance, use and maintenance of the Common Elements in accordance with standards and guidelines adopted by the Board of Directors. The Covenants Committee shall have the power to issue a cease and desist request to a Unit Owner, his guests, invitees, or lessees whose actions are inconsistent with the provisions of the Condominium Act, the Condominium Instruments, the Rules and Regulations or resolutions of the Board of Directors (upon petition of any Unit Owner or upon its own motion). The Covenants Committee shall from time to time, as required, provide interpretations of the Condominium Instruments (including adjudications regarding compliance with Article V, Section 8 of these Bylaws), Rules and Regulations and resolutions pursuant to the intents, provisions and qualifications thereof when requested to do so by a Unit Owner or the Board of Directors. Any action, ruling or decision of the Covenants Committee may be appealed to the Board of Directors by any party deemed by the Board of Directors to have, standing as an aggrieved party and a vote of a quorum of the Board of Directors may modify or reverse any such action, ruling or decision.

(c) Authority. The Covenants Committee shall have such additional duties, power and authority as the Board of Directors may from time to time provide by resolution. The Board of Directors may relieve the Covenants Committee of any of its duties, powers and authority either generally or on a case by case basis by vote of a quorum thereof. The Covenants Committee shall carry out its duties and exercise its powers and authority in the manner provided for in the Rules and Regulations or by resolution of the Board of Directors.

## **ARTICLE IV**

### Officers

Section 1. Designation. The principal officers of the Unit Owners Association shall be the President, the Vice President, the Secretary and the Treasurer, all of whom shall be elected by the Board of Directors. The Board of Directors may appoint an assistant treasurer, an assistant secretary and such other officers as in its judgement may be necessary. The President and Vice President shall be members of the Board of Directors. Any other officers may, but need not, be Unit Owners or members of the Board of Directors.

Section 2. Election of Officers. The officers of the Unit Owners Association shall be elected annually by the Board of Directors at the organization meeting of each new Board of Directors and shall hold office at the pleasure of the Board of Directors.

Section 3. Removal of Officers. Upon the affirmative vote of a majority of all members of the Board of Directors any officer may be removed, either with or without cause, and a successor may be elected at any regular meeting of the Board of Directors or at any special meeting of the Board of Directors called for such purpose.

Section 4. President. The President shall be the chief executive officer of the Unit Owners Association, preside at all meetings of the Association and of the Board of Directors, have general and active direction of the business of the Association subject to the control of the Board, see that all orders and resolutions of the Board are carried into effect, and appoint committees from time to time as the President may decide is appropriate to assist in the conduct of the affairs of the Association.

Section 5. Vice President. The Vice President shall take the place of the President and perform the duties of the President whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board of Directors shall appoint some other member of the Board of Directors to act in the place of the President, on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed by the Board at Directors or by the President.

Section 6. Secretary. The Secretary shall keep the minutes of all meetings of the Unit Owners Association and of the Board of Directors, have charge of such books and papers as the Board of Directors may direct, maintain a register setting forth the place to which all notices to Unit Owners and Mortgagees hereunder shall be delivered, ensure that all notices required to be given by the Unit Owners Association are given accordingly, and, in general, perform all the duties incident to the office of secretary.

Section 7. Treasurer. The Treasurer shall have the responsibility for Unit Owners Association funds and securities and shall be responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements, and for the preparation of all required financial data, and be responsible for the deposit of all monies and other valuable effects in the name of the Board of Directors, the Unit Owners Association or the Managing Agent, in such depositories as may from time to time be designated by the Board of Directors, and, in general, perform all the duties incident to the office of treasurer.

Section 8. Execution of Documents. All agreements, contracts, deeds, leases, checks and other instruments of the Unit Owners Association for expenditures or obligations in excess of two tenths percent of the total annual assessment for common expenses for that fiscal year, and all checks drawn upon reserve accounts, shall be executed by any two persons designated by the Board of Directors, at least one of whom is a member of the Board of Directors. All such instruments for expenditures or obligations of two-tenths percent of the total annual assessment for common expenses for that fiscal year or less, except from reserve accounts, may be executed by anyone person designated by the Board of Directors.

Section 9. Compensation of Officers. No officer who is also a director shall receive any compensation from the Unit Owners Association for acting as such officer.

## **ARTICLE V**

### Operation of the Property

Section 1. Determination of Common Expenses and Assessments Against Unit Owners.

(a) Fiscal Year. The fiscal year of the Unit Owners Association shall be October 1 through September 30 unless otherwise determined by the Board of Directors.

(b) Preparation and Approval of Budget.

(i) At least seventy-five days before the beginning of the fiscal year, the Board of Directors shall adopt a budget for the Unit Owners Association containing an estimate of the total amount considered necessary to pay the cost of maintenance, management, operation, repair and replacement of the Common Elements and those parts of the Units as to which it is the responsibility of the Board of Directors to maintain, repair and replace, and the cost of wages, materials, insurance premiums, services, supplies and other expenses that may be declared to be Common Expenses by the Condominium Act, the Declaration, these Bylaws or a resolution of the Unit Owners Association and which will be required during the ensuing fiscal year for the administration, operation, maintenance and repair of the Property and the rendering to the Unit Owners of all related services; and

(ii) Such budget shall also include such reasonable amounts as the Board of Directors considers necessary to provide working capital, a general operating reserve and reserves for contingencies and replacements. At least forty-five days before the beginning of the fiscal year, the Board of Directors shall send to each Unit Owner a copy of the budget in a reasonably itemized form which sets forth the amount of the Common Expenses and any special assessment payable by each Unit Owner. Such budget shall constitute the basis for determining each Unit Owner's assessment for the Common Expenses of the Unit Owners Association.

(c) Assessment and payment of Common Expenses. Subject to the provisions off Section 1(a) of Article IX hereof, the total amount of the estimated funds required from assessments for the operation of the Property set forth in the budget adopted by the Board of Directors shall be assessed against each Unit Owner in proportion to his respective Percentage Interest and shall be a

lien against each Unit Owner's Unit as provided in Article IX, Section 2 at these Bylaws. On or before the first day of each fiscal year, and the first day of each of the succeeding eleven months in such fiscal year, each Unit Owner shall be obligated to pay to the Board of Directors or the Managing Agent (as determined by the Board of Directors), one-twelfth of such assessment. Within ninety days after the end of each fiscal year (or as soon thereafter as possible), the Board of Directors shall supply to all Unit Owners and to each Mortgagee an itemized accounting of the Common Expenses for such fiscal year actually incurred and paid, together with a tabulation of the amounts collected pursuant to the budget adopted by the Board of Directors for each fiscal year, and showing the net amount over or short of the actual expenditures plus reserves. Any amount accumulated in excess of the amount required for actual expense and reserves shall, at the discretion of the Board of Directors, either be placed in a special account to be expended solely for the general welfare of the Unit Owners or be credited according to each Unit Owner's Percentage Interest to the next monthly installments due from Unit Owners under the current fiscal year's budget, until exhausted. Any net shortage shall be assessed promptly against the Unit Owners in accordance with their Percentage Interests and shall be payable either: (1) in full with payment of the next monthly assessment due, or (2) in not more than six equal monthly installments, as the Board of Directors may determine.

(d) Reserves. The Board of Directors shall build up and maintain reasonable reserves for working capital, operations, contingencies and replacements. Extraordinary expenditures not originally included in the annual budget which may become necessary during the year shall be charged first against such reserves. If the reserves are inadequate for any reason, including non-payment of any Unit Owner's assessment, the Board of Directors may at any time levy a further assessment, which shall be assessed against the Unit Owners according to their respective Percentage Interests, and which may be payable in a lump sum or in installments as the Board of Directors may determine. The Board of Directors shall serve notice of any such further assessment on all Unit Owners by a statement in writing giving the amount and reasons therefor, and such further assessment shall, unless otherwise specified in the notice, become effective with the next monthly payment which is due more than ten days after the delivery of such notice of further assessment. All Unit Owners shall be obligated to pay the adjusted monthly amount or, if such further assessment is not payable in installments, the amount of such assessment. Such assessment shall be a lien as of the effective date as set forth in the preceding paragraph (c).

(e) Effect of Failure to Prepare or Adopt Budget. The failure or delay of the Board of Directors to prepare or adopt a budget for any fiscal year shall not constitute a waiver or release in any manner of a Unit Owner's obligation to pay his allocable share of the Common Expenses as herein provided whenever the same shall be determined and, in the absence of any annual budget or adjusted budget, each Unit Owner shall continue to pay each monthly installment at the monthly rate established for the previous fiscal year until notice of the monthly payment which is due more than ten days after such new annual or adjusted budget shall have been delivered.

(f) Accounts. All sums collected by the Board of Directors with respect to assessments against the Unit Owners or from any other source may be commingled into a single fund or may be held for each Unit Owner in accordance with his Percentage Interest.

Section 2. Payment of Common Expenses. Each Unit Owner shall pay the Common Expenses assessed by the Board of Directors pursuant to the provisions of Section 1 of this Article V. No Unit Owner may exempt himself from liability for his contribution toward Common Expenses by waiver of the use or enjoyment of any of the Common Elements or by abandonment of the Unit. No Unit Owner shall be liable for the payment of any part of the Common Expenses assessed against the Unit subsequent to the date of recordation of a conveyance by such Unit Owner in fee of such Unit. Prior to or at the time of any such conveyance, all liens, unpaid charges and assessments shall be paid in full and discharged. The purchaser of a Unit shall be jointly and severally liable with the selling Unit Owner for all unpaid assessments against the latter for the proportionate share of the Common Expenses up to the time of such recordation, without prejudice to the purchaser's right to recover from the selling Unit Owner amounts paid by the purchaser therefor: provided, however, that any such purchaser shall be entitled to a statement setting forth the amount of the unpaid assessments against the selling Unit Owner within five days following a written request therefor to the Board of Directors or Managing Agent and such purchaser shall not be liable for, nor shall the Unit conveyed be subject to a lien for, any unpaid assessments in excess of the amount therein set forth, and provided, further, that each Mortgagee who comes into possession of a Condominium Unit by virtue of foreclosure or by deed or assignment in lieu of foreclosure, or any purchaser at a foreclosure sale, shall take the Condominium Unit free of any claims for unpaid assessments or charges against such Unit which accrue prior to the time such Mortgagee comes into possession thereof, except for claims for a pro rata share of such assessments or charges resulting from a pro rata reallocation of such assessments or charges to all Condominium Units including the mortgaged Condominium Unit.

Section 3. Collection of Assessments. The Board of Directors, or the Managing Agent at the request of the Board of Directors, shall take prompt action to collect any assessments for Common Expenses due from any Unit Owner which remain unpaid for more than thirty days from the due date for payment thereof. Any assessment, or installment thereof, not paid within ten days after due shall accrue a late charge in the amount of Ten Dollars, or such other amount as may be established from time to time by the Board of Directors.

Section 4. Statement of Common Expenses. The Board of Directors shall promptly provide any Unit Owner, contract purchaser or Mortgagee so requesting the same in writing with a written statement of all unpaid assessments for Common Expenses due from such Unit Owner. The Board of Directors may impose a reasonable charge for the preparation of such statement to cover the cost of preparation to the extent permitted by the Condominium Act.

Section 5. Maintenance, Repair, Replacement and Other Common Expenses.

(a) By the Board of Directors. The Unit Owners Association through its Board of Directors shall be responsible for the maintenance, repair and replacement (unless, if in the opinion of not less than sixty percent of the Board of Directors such expense was necessitated by the negligence, misuse or neglect of a Unit Owner) of all of the Common Elements (including the Limited Common Elements) as defined herein or in the Declaration, whether located inside or outside of the Units, the cost of which shall be charged to all Unit Owners as a Common Expense, provided, however, that each Unit Owner shall perform

normal maintenance on the Limited Common Elements appurtenant to such Unit Owner's Unit and any portion of the remaining Common Elements which the Board of Directors pursuant to the Rules and Regulations has given him permission to utilize, including without limitation the items enumerated in subsection (b) hereof.

(b) By the Unit Owner.

(1) Each Unit Owner shall keep the Unit and its equipment, appliances and appurtenances in good order, condition and repair and in a clean and sanitary condition. In addition, each Unit Owner shall be responsible for all damage to any other Units or to the Common Elements resulting from such Unit Owner's negligence or failure to make any of the repairs required by this Section. Each Unit Owner shall perform his responsibility in such manner as shall not unreasonably disturb or interfere with the other Unit Owners. Each Unit Owner shall promptly report to the Board of Directors or the Managing Agent any defect or need for repairs for which the Board of Directors is responsible.

(2) The Unit Owner of any Unit to which a Limited Common Element patio or attic is appurtenant shall perform the normal maintenance for such Limited Common Element. The Unit Owner shall also perform the normal maintenance for the stoop, stairway, breezeway and walkway serving his Unit, including keeping it in a clean and sanitary condition, free and clear of snow, ice and any accumulation of water and shall also make all repairs thereto caused or permitted by his negligence, misuse or neglect. All structural repair or replacement shall be made by the Board of Directors as a Common Expense, as provided in subsection (a) above.

(3) Any Unit Owner permitted by the Board of Directors to use a specific portion of the Common Elements for storage is responsible for the maintenance and care of such portion and shall use such portion in a safe and sanitary manner.

(c) Chart of Maintenance Responsibilities. Notwithstanding the general provisions for maintenance set forth in subsections (a) and (b) above, specific maintenance responsibilities and the costs attributable thereto shall, to the extent set forth thereon, be determined pursuant to the Chart of Maintenance Responsibilities attached as Exhibit H hereto.

(d) Manner at Repair and Replacement. All repairs and replacements shall be substantially similar to the original construction and installation and shall be of first-class quality. The method of approving payment vouchers for all repairs and replacements shall be determined by the Board of Directors. Section 6. Additions, Alterations or Improvements by the Board of Directors. Whenever in the judgment of the Board of Directors the Common Elements shall require additions, alterations or improvements costing in excess of one percent of the total annual assessment for common expenses for that fiscal year during any period of twelve consecutive months, the making of such additions, alterations or improvements shall be approved by a majority of the Unit Owners, and the Board of Directors shall proceed with such additions, alterations or improvements and shall assess all Unit Owners for the cost thereof as a Common Expense. Any additions, alterations or improvements costing one percent of the total annual assessment for common expenses for that fiscal year or less during any period of twelve consecutive months may be made by the Board of Directors without approval of the Unit Owners and the cost thereof shall constitute a Common Expense. Notwithstanding the foregoing, if, in the opinion of not less than eighty percent of the members of the Board of Directors,

such additions, alterations or improvements are exclusively or substantially exclusively for the benefit of the Unit Owner or Unit Owners requesting the same, such requesting Unit Owners shall be assessed therefor in such proportion as they jointly approve or, if they are unable to agree thereon, in such proportions as may be determined by the Board of Directors.

Section 7. Additions, Alterations or Improvements by the Unit Owners. No Unit Owner shall make any structural addition, alteration or improvement in or to his Unit without the prior written consent of the Board of Directors or the Covenants Committee, as appropriate. No Unit Owner shall paint or alter the exterior of his Unit, including the doors and windows, nor shall any Unit Owner paint or alter the exterior of any building, without the prior written consent of the Board of Directors or the Covenants Committee, as appropriate. The Board of Directors or the Covenants Committee, as appropriate, shall be obligated to answer any written request by a Unit Owner for approval of a proposed structural addition, alteration or improvement in such Unit Owner's Unit within forty-five days after such request, and failure to do so within the stipulated time shall constitute a consent by the Board of Directors or the Covenants Committee to the proposed structural addition, alteration or improvement. If any application to any governmental authority for a permit to make any such structural addition, alteration or improvement in or to any Unit requires execution by the Unit Owners Association, and provided consent has been given by the Board of Directors, then the application shall be executed on behalf of the Unit Owners Association by the Board of Directors only, without however incurring any liability on the part of the Board of Directors or any of them to any contractor, subcontractor or materialman on account of such addition, alteration or improvement, or to any person having claim for Injury to person or damage to property arising therefrom. Subject to the approval of any Mortgagee of such affected Units, the Board of Directors and any Unit Owner affected, any Unit may be subdivided or may be altered so as to relocate the boundaries between such Unit and any adjoining Units. The Secretary shall record any necessary amendment to the Declaration to effect such action as provided in sections 55-79.69 or 55-79.70 of the Condominium Act.

Section 8. Restrictions on Use of Units; Rules and Regulations.

(a) Restrictions. Each Unit and the Common Elements shall be occupied and used as follows:

(1) Except for the areas of the Condominium designated for commercial and recreational use and except as provided in the Declaration, no Unit shall be used for other than housing and the related common purposes for which the Property was designed. The Board of Directors may permit reasonable, temporary non-residential uses from time to time.

(2) Nothing shall be done or kept in any Unit or in the Common Elements which will increase the rate of Insurance for the Property or any part thereof applicable for residential use without the prior written consent of the Board of Directors. No Unit Owner shall permit anything to be done or kept in his Unit or In the Common Elements which will result in the cancellation of insurance and the Property or any part thereof or which would be in violation of any law, regulation or administrative ruling. No waste will be committed an the Common Elements. (3) No improper, offensive or unlawful use shall be made of the Property or any part thereof, and all valid laws. zoning ordinances and regulatlons of all governmental agencies having Jurisdiction thereof shall be observed. All laws, orders,

rules, regulations or requirements of any governmental agency having jurisdiction thereof relating to any portion of the Property shall be complied with, by and at the sole expense of the Unit Owner or the Board of Directors, whichever shall have the obligation to maintain or repair such portion of the Property, and, if the latter, then the cost of such compliance shall be a Common Expense.

(4) No Unit Owner shall obstruct any of the Common Elements nor shall any Unit Owner store anything upon any of the Common Elements (except those areas designated for such storage by the Board of Directors) without the approval of the Board of Directors. Nothing shall be altered or constructed in or removed from the Common Elements except upon the prior written consent of the Board of Directors or the Covenants Committee, as appropriate.

(5) The Common Elements shall be used only for the furnishing of the services and facilities for which the same are reasonably suited and which are incident to the use and occupancy of the Units.

(6) No residential Unit shall be rented for transient or hotel purposes or in any event for an initial period of less than six months. No portion of any Unit (other than the entire Unit) shall be leased for any period, provided, however, the entire Unit may be occupied by housemates. No Unit Owner shall lease a Unit other than on a written form of lease. (i) requiring the lessee to comply with the Condominium Instruments and Regulations, (ii) providing that failure to comply constitutes a default under the lease, and (iii) providing that the Board of Directors has the power to terminate the lease or to bring summary proceedings to evict the tenant in the name of the lessor thereunder after forty-five days prior written notice to the Unit Owner, in the event of a default by the lessee in the performance of the lease. The Board of Directors may provide or require the use of a standard form lease for use by Unit Owners. Each Unit Owner of a Condominium Unit shall, promptly following the execution of any lease of a Condominium Unit, forward a conformed copy thereof to the Board of Directors. The foregoing provisions of this subparagraph, except the restriction against use for hotel or transient purposes, shall not apply to Units owned by the Unit Owners Association or to a Mortgagee in possession of a Unit as a result of a foreclosure or other judicial sale or as a result of any proceeding in lieu of foreclosure.

(7) Trailers, campers, recreational vehicles or boats may be parked on the Property only in parking areas designated exclusively for such purposes by the Board of Directors. No junk or derelict vehicle or other vehicle on which current registration plates are not displayed shall be kept upon any of the Common Elements. Vehicular parking upon the Common Elements may be regulated or assigned, by the Board of Directors. Except in use as designated by the Board of Directors, vehicle repairs other than (i) emergency maintenance, (ii) ordinary light maintenance (excluding fluid changes and other operations which might soil the Common Elements) and (iii) normal cleaning, are not permitted on the Common Elements.

(8) The maintenance, keeping, boarding and/or raising of animals, livestock, poultry or reptiles of any kind, regardless of number, shall be and is prohibited within any Unit or upon the Common Elements, except that the keeping of small, orderly domestic pets (e.g., dogs, cats or caged birds) not to exceed one per Unit without the approval of the Board of Directors, is permitted, subject to the Rules and Regulations adopted by the Board of Directors, provided, however, that such

pets are not kept or maintained for commercial purposes or for breeding and provided, further, that any such pet causing or creating a nuisance or unreasonable disturbance or noise may be permanently removed from the Property upon ten days written notice from the Board of Directors. Such pets shall not be permitted upon the Common Elements unless accompanied by an adult and unless carried or leashed. No pet may be leashed to any stationary object on the Common Elements for periods in excess of fifteen minutes. Unit Owners shall remove pet waste from the Common Elements promptly. Pets are not permitted within the recreational areas. Any Unit Owner who keeps or maintains any pet upon any portion of the Property shall be deemed to have indemnified and agreed to hold the Condominium and each Unit Owner free and harmless from any loss, claim or liability of any kind or character whatever arising by reason of keeping or maintaining such pet within the Condominium. All pets shall be registered with the Board of Directors and shall otherwise be registered and inoculated as required by law.

(9) No signs of any character shall be erected, posted or displayed upon, in, from or about any Unit or Common Elements without the prior written approval of the Board of Directors. The provisions of this subparagraph shall not be applicable to a Mortgagee who comes into possession of any Unit by reason of any remedies provided for in the mortgage, foreclosure of any mortgage or any deed of trust or other proceeding in lieu of foreclosure.

(10) Sufficient carpeting or rugs, with padding, shall be maintained on floor surfaces (excluding kitchens, closets and bathrooms) in Units located over other Units to adequately reduce transmission of sound between Units. Washers, dryers and other major appliances may not be installed in a Unit except in compliance with standards and guidelines adopted by the Board of Directors.

(11) No Unit shall be subject to or used for any timesharing, cooperative, licensing or other arrangement that would entail weekly, monthly, or any other type of revolving or periodic Occupancy by multiple owners, cooperatives, licensees, or timesharing participants.

(b) Changes to Rules and Regulations. Each Unit and the Common Elements shall be occupied and used in compliance with the Rules and Regulations which may be promulgated and amended by the Board of Directors. Copies of the Rules and Regulations shall be furnished by the Board of Directors to each Unit Owner. Amendments to the Rules and Regulations shall be conspicuously posted prior to the time when the same shall become effective and copies thereof shall be furnished to each Unit Owner upon request.

Section 9. Right of Access. By acceptance of the deed of conveyance, each Unit Owner thereby grants a right of access to the Unit, as provided by section 55-79.79(a) of the Condominium Act and Article IV, Section 2(b) of the Declaration, to the Board of Directors or the Managing Agent, or any other person authorized by the Board of Directors or the Managing Agent, or any group of the foregoing, for the purpose of enabling the exercise and discharge of their respective powers and responsibilities, including without limitation making inspections, correcting any condition originating in the Unit or in a Common Element to which access is obtained through the Unit and threatening another Unit or the Common Elements, performing installations, alterations or repairs to the mechanical or electrical services or the Common Elements in the Unit or elsewhere in the Property or to correct any condition which violates any Mortgage, provided, however, that requests for entry are made in advance and that any such

entry is at a time reasonably convenient to the Unit Owner. In case of an emergency, such right of entry shall be immediate, whether the Unit Owner is present at the time or not. Each Unit Owner shall provide a working copy of all Unit keys to the Unit Owners Association.

Section 10. Utility Charges. The cost of utilities serving the Condominium not individually metered to each Unit shall be a Common Expense.

Section 11. Parking Spaces. All parking spaces designated as such on the Plats and Plans shall be used by the Unit Owners for self-service parking purposes on a "first come, first served" basis, except as the Board of Directors may otherwise determine, provided, however, that no Unit Owner shall park more than one vehicle (owned or leased by such Unit Owner, a member of his family or a tenant residing in his Unit) on the Common Element parking spaces without the prior written consent of the Board of Directors. The cost of maintenance and repair of all parking areas shall be a Common Expense.

Section 12. Use of Common Elements. No Unit Owner shall place or cause or permit to be placed on or in the stairways or other Common Elements (other than in the areas designated as storage areas) any furniture, packages or objects of any kind, unless otherwise provided by the Board of Directors.

Section 13. Storage Cubicles, Disclaimer of Bailee Liability. The storage cubicles are Common Elements and may be assigned to Units by appropriate resolution of the Board of Directors (unless such cubicles have been assigned as Limited Common Elements). The Board of Directors, the Unit Owners Association, any Unit Owner and the Declarant shall not be considered a bailee, however, of any personal property stored on the Common Elements (including property located in storage cubicles and vehicles parked on the Condominium), whether or not exclusive possession of the particular area is given to a Unit Owner for storage purposes, and shall not be responsible for the security of such personal property or for any loss or damage thereto, whether or not due to negligence, except to the extent covered by insurance in excess of the applicable deductible.

## **ARTICLE VI**

### **Insurance**

Section 1. Authority to Purchase. (a) Except as otherwise provided in Section 5 of this Article VI, all insurance policies relating to the Property shall be purchased by the Board of Directors. Neither the Board of Directors nor the Managing Agent nor the Declarant shall be liable for failure to obtain any coverages required by this Article VI or for any loss or damage resulting from such failure if such failure is due to the unavailability of such coverages from reputable insurance companies, or if such coverages are so available only at demonstrably unreasonable cost.

(b) Each such policy shall provide that:

(1) The insurer waives any right to claim by way of subrogation against the Declarant, the Unit Owners Association, the Board of Directors, the Managing Agent or the Unit Owners, and their respective agents, employees, tenants, guests and, in the case of the Unit Owners, the members of their households,

(2) Such policy shall not be cancelled, invalidated or suspended due to the conduct of any Unit Owner (Including such Unit Owner's guests, tenants, agents and employees) or of any member, officer or employee of the Board of Directors or the Managing Agent without a prior demand in writing that the Board of Directors or the Managing Agent cure the defect and neither shall have so cured such defect within sixty days after each demand:

(3) Such policy may not be cancelled or substantially modified (including cancellation for nonpayment of premium) without at least sixty days prior written notice to the Board of Directors, the Managing Agent and all Mortgagees. (c) The Declarant, so long as Declarant shall own any Unit, shall be protected by all such policies as a Unit Owner.

(d) All policies of insurance shall be written by reputable companies licensed to do business in the Commonwealth of Virginia. Physical damage policies shall be in form and substance and with carriers acceptable to a majority of the Mortgagees.

(e) The deductible, if any, on any insurance policy purchased by the Board of Directors shall be a common expense, provided, however, that the Association may, pursuant to Article V, subsection 5 (a) of these Bylaws, assess any deductible amount necessitated by the negligence, misuse or neglect of a Unit Owner against such Unit Owner.

Section 2. Physical Damage. Insurance. (a) The Board of Directors shall obtain and maintain a blanket, "all-risk" form policy of fire Insurance with extended coverage, vandalism, malicious mischief, sprinkler leakage (If applicable), debris removal and water damage endorsements, Insuring the entire Property (including all of the Units and the bathroom and kitchen fixtures initially Installed therein by the Declarant and the replacements thereto Installed by the Declarant but not Including furniture, wall coverings, Improvements and additions, furnishings or other personal property supplied or installed by Unit Owners), together with all air conditioning equipment and other service machinery contained therein and covering the interests of the Unit Owners Association, the Board of Directors and all Unit Owners and their Mortgagees, as their Interests may appear, (subject, however, to the loss payment and adjustment provisions in favor of the Board of Directors and the Insurance Trustee contained In Sections 6 and 7 of this Article VII, In an amount equal to 100% of the then current replacement cost of the Property (exclusive of the Land, excavations, foundations and other items normally excluded from such coverage), without deduction for depreciation (such amount to be redetermined annually by the Board of Directors with the assistance of the Insurance company affording such coverage). The Board of Directors shall also obtain and maintain each coverage on all real and personal property owned by the Unit Owners Association. (b) Such policy shall also provide :

(1) A waiver of any right of the insurer to repair, rebuild or replace any damage or destruction, if a decision is made pursuant to these Bylaws not to do so;

(2) The following endorsements (or equivalent) : (i) "no control" (to the effect that coverage shall not be prejudiced by any act or neglect of any occupant or Unit Owner or their agents when such act or neglect is not within the control of the insured, or the Unit Owners collectively; nor by any

failure of the insured, or the Unit Owners collectively, to comply with any warranty or condition with regard to any portion of the Condominium over which the insured, or the Unit Owners collectively, have no control), (ii) “cost of demolition”, (iii) “contingent liability from operation of building laws or codes”, (iv) “increased cost of construction”, (v) “condominium replacement cost”, and (vi) “agreed amount” or elimination of coinsurance clause; and

(3) That any “no other insurance” clause expressly exclude individual Unit Owners’ policies from its operation so that the physical damage policy purchased by the Board of Directors shall be deemed primary coverage and any individual Unit Owners’ policies shall be deemed excess coverage, and in no event shall the insurance coverage obtained and maintained by the Board of Directors hereunder provide for or be brought into contribution with insurance purchased by individual Unit Owners or their Mortgagees, unless otherwise required by law.

(c) A duplicate original of the policy of physical damage insurance, all renewals thereof, and any sub-policies or certificates and endorsements issued thereunder together with proof of payment of premiums shall be delivered by the insurer to any Mortgagee requesting the same at least thirty days prior to expiration of the then current policy. Prior to obtaining any policy of physical damage insurance or any renewal thereof the Board of Directors shall obtain an appraisal from an insurance company, or such other source as the Board of Directors may determine, of the current replacement cost of the Property (exclusive of the Land, excavations, foundations and other items normally excluded from such coverage), without deduction for depreciation, for the purpose of determining the amount of physical damage insurance to be secured pursuant to this Section 2. All Mortgagees shall be notified promptly of any event giving rise to a claim under such policy arising from damage to the Common Elements in excess of one percent of the current replacement cost of the Property. The Mortgagee of a Unit shall be notified promptly of any event giving rise to a claim under such policy arising from damage to such Unit.

Section 3. Liability Insurance. The Board of Directors shall obtain and maintain comprehensive general liability (including libel, slander, false arrest and invasion of privacy coverage) and property damage liability insurance in such limits as the Board of Directors may from time to time determine, insuring each member of the Board of Directors; the Managing Agent, each Unit Owner and the employees of the Association against any liability to the public or to the Unit Owners (and their guests, tenants, agents and employees) arising out of, or incident to the ownership and/or use of the Common Elements. Such insurance shall be issued on a comprehensive liability basis and shall contain: (i) a cross liability endorsement under which the rights of a named insured under the policy shall not be prejudiced with respect to his action against another named insured, (ii) hired and non-owned vehicle coverage, (iii) host liquor liability coverage with respect to events sponsored by the Unit Owners Association, (iv) deletion of the normal products exclusion with respect to events sponsored by the Unit Owners Association, and (v) a “severability of interest” endorsement which shall preclude the insurer from denying liability coverage to a Unit Owner because of negligent acts of the Unit Owners Association or of another Unit Owner. The Board of Directors shall review such limits once each year, but, in no event shall such insurance be less than One Million Dollars covering all claims for bodily injury or property damage arising out of one occurrence. Reasonable amounts of “umbrella” liability insurance in excess of the primary limits shall also be obtained in an amount not less than Four Million Dollars.

Section 4. Other Insurance. obtain and maintain: The Board of Directors shall

(a) adequate fidelity coverage to protect against dishonest acts on the part of officers, directors, trustees and employees of the Unit Owners Association and all others who handle, or are responsible for handling, funds of the Unit Owners Association, including the Managing Agent. Such fidelity bonds shall, (i) name the Unit Owners Association as an obligee, (ii) be written in an amount not less than one-half the total annual condominium assessments for the year or the current amount required by the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, whichever is greatest, and (iii) contain waivers of any defense based upon the exclusion of persons who serve without compensation from any definition of "employee" or similar expression,

(b) if required by any governmental or quasigovernmental agency including without limitation the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation, flood insurance in accordance with the then applicable regulations of such agency,

(c) workers' compensation insurance it and to the extent necessary to meet the requirements of law (including a voluntary employees endorsement and an "all states" endorsement)

(d) pressure, mechanical and electrical equipment including air-conditioning equipment coverage on a comprehensive form in an amount not less than Five Hundred Thousand Dollars per accident per location,

(e) directors and officers liability insurance in an amount not less than One Million Dollars, and

(f) such other insurance as the Board of Directors may determine or as may be requested from time to time by a Majority of the Unit Owners.

Section 5. Separate Insurance. Each Unit Owner shall have the right, at his own expense, to obtain insurance for his own Unit and for his own benefit and to obtain insurance coverage upon his personal property and for his personal liability as well as upon any improvements made by him to his Unit under coverage normally called "tenants' improvements and betterments coverage", provided, however, that no Unit Owner shall be entitled to exercise his right to acquire or maintain such insurance coverage so as to decrease the amount which the Board of Directors, on behalf of all Unit Owners, may realize under any insurance policy maintained by the Board of Directors or to cause any insurance coverage maintained by the Board of Directors to be brought into contribution with insurance coverage obtained by a Unit Owner. No Unit Owner shall obtain separate insurance policies on the Condominium except as provided in this Section 5.

Section 6. Insurance Trustee.

(a) All physical damage insurance policies purchased by the Board of Directors shall be for the benefit of the Unit Owners Association, the Unit Owners and their Mortgagees, as their interests may appear, and shall provide that all proceeds of such policies shall be paid in trust to the Board as "Insurance Trustee" to be applied pursuant to the terms of Article VII.

(b) The sole duty of the Board of Directors as Insurance Trustee shall be to receive such proceeds as are paid to it and to, hold the same in trust for the purposes elsewhere stated in these Bylaws, for the benefit of the insureds and their beneficiaries thereunder.

## ARTICLE VII

### Repair and Reconstruction After Fire or Other Casualty

Section 1. When Repair and Reconstruction are Required. Except as otherwise provided in Section 4 of this Article, in the event of damage to or destruction of all or any of the buildings as a result of fire or other casualty, the Board of Directors, under the direction of the Insurance Trustee, shall arrange for and supervise the prompt repair and restoration of the Buildings (including any damaged Units, and the floor coverings, kitchen or bathroom fixtures and appliances initially installed therein by the Declarant, and replacements thereof installed by the Declarant, but not including any furniture, furnishings, fixtures, equipment or other personal property supplied or installed by the Unit Owners in the Units). Notwithstanding the foregoing, each Unit Owner shall have the right to supervise the redecorating of the Unit.

Section 2. Procedure for Reconstruction and Repair.

(a) Cost Estimates. Immediately after a fire or other casualty causing damage to any building, the Board of Directors under the direction of the Insurance Trustee shall obtain reliable and detailed estimates of the cost of repairing and restoring such building (including any damaged Units and any floor coverings and kitchen and bathroom fixtures and appliances initially installed by Declarant, and the replacements thereof installed by Declarant, but not including any other furniture, furnishings, fixtures or equipment installed by the Unit Owner in the Unit) to a condition as good as that existing before such casualty. Such costs may also include professional fees and premiums for such bonds as the Insurance Trustee determines to be necessary.

(b) Assessments. If the proceeds of insurance are not sufficient to defray such estimated costs of reconstruction and repair, or if upon completion of reconstruction and repair the funds for the payment of the costs thereof are insufficient, the amount necessary to complete such reconstruction and repair may be obtained from the appropriate reserve for replacement funds and/or shall be deemed a Common Expense and a special assessment therefor shall be levied.

(c) Plans and Specifications. Any such reconstruction or repair shall be substantially in accordance with the original construction of the Property, subject to any modifications required by changes in applicable governmental regulations, and using contemporary building materials and technology to the extent feasible; provided, however, that other action may be taken if approved by at least fifty-one percent of the Mortgagee.

Section 3. Disbursements of Construction Funds.

(a) Construction Fund and Disbursement. The proceeds of insurance collected on account of casualty, and the sums received by the Board of Directors or Insurance Trustee from collections of assessments against Unit Owners on account of such casualty, shall constitute a construction fund which shall be disbursed in payment of the costs of reconstruction and repair in the following manner:

(1) If the estimated cost of reconstruction and repair is less than five percent of the total annual assessment for common expenses for that fiscal year, then the construction fund shall be disbursed in payment of such costs upon order of the Board of Directors.

(2) If the estimated cost of reconstruction and repair is five percent of the total annual assessment for common expenses for that fiscal year or more, then the construction fund shall be disbursed in payment of such costs upon approval of an architect qualified to practice in Virginia and employed by the Insurance Trustee to supervise such work, payment to be made from time to time as the work progresses. The architect shall be required to furnish a certificate giving a brief description of the services and materials furnished by various contractors, subcontractors, materialmen, the architect and other persons who have rendered services or furnished materials in connection with the work stating that: (a) the sums requested by them in payment are justly due and owing and that such sums do not exceed the value of the services and materials furnished, (b) there is no other outstanding indebtedness known to such architect for the services and materials described; and (c) the cost as estimated by such architect for the work remaining to be done subsequent to the date of such certificate does not exceed the amount of the construction fund remaining after payment of this sum so requested.

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

(c) Common Elements. When the damage is to both Common Elements and Units, the insurance proceeds shall be applied first to the cost of repairing those portions of the Common Elements which enclose and service the Units, then to the cost of repairing the other Common Elements and thereafter to the cost of repairing the Units.

(d) Certificate. The Insurance Trustee shall be entitled to rely upon a certificate executed by the President or Vice President, and the Secretary, certifying: (i) whether the damaged Property is required to be reconstructed and repaired, (ii) the name of the payee and the amount to be paid with respect to disbursement from any construction fund whether surplus funds to be distributed are less than the assessments paid by the Unit Owners, and (iii) all other matters concerning the holding and disbursing of any construction fund. Any such certificate shall be delivered to the Insurance Trustee promptly after request.

Section 4. When Reconstruction Is Not Required. In the event the Board of Directors elects not to repair insubstantial damage to the Common Elements, any insurance proceeds received on account of such damage shall be distributed among all Unit Owners in proportion to their respective Percentage Interest. If the Condominium shall be terminated pursuant to section 55-79.72 of the Condominium Act, the net assets of the Condominium together with the net proceeds of insurance policies, if any, shall be divided by the Board of Directors or the Insurance Trustee, as the case may be, among all Unit Owners in proportion to their respective Percentage Interests, after first paying out of the share of each Unit Owner, to the extent sufficient therefor, the amount of any unpaid liens on the Unit in the order of priority of such liens.

## **ARTICLE VIII**

### **Mortgages**

Section 1. Notice to Board of Directors. A Unit Owner who mortgages the Unit shall notify the Board of Directors of the name and address of the Mortgagee and shall file a conformed copy of the note and Mortgage with the Board of Directors.

Section 2. Notice of Default, Casualty or Condemnation. The Board of Directors when giving notice to any Unit Owner of a default in paying an assessment for Common Expenses (which remains uncured for sixty days) or any other default, shall simultaneously send a copy of such notice to the Mortgagee of such Unit. Each Mortgagee shall also be promptly notified of any casualty when required by Section 2(c) of Article VI hereof of all actions taken under Article VII and of any taking in condemnation or by eminent domain and actions of the Unit Owners Association with respect thereto.

Section 3. Notice of Amendment of Declaration or Bylaws. The Board of Directors shall give notice to all Mortgagees at least seven days prior to the date on which the Unit Owners, in accordance with the provisions of these Bylaws, materially amend the Condominium Instruments.

Section 4. Notice of Change in Management. The Board of Directors shall give notice to all Mortgagees thirty days prior to undertaking self-management or changing the Managing Agent.

Section 5. Mortgagees Approvals. Unless all Mortgagees shall have given their prior written approval, neither the Unit Owners Association nor any Unit Owner shall:

(a) Change the Percentage Interest or obligations of any Unit

(b) Subdivide, partition or relocate the boundaries of any Unit encumbered by a Mortgage or the Common Elements of the Condominium,

(c) By act or omission withdraw the submission of the Property to the Condominium Act, except as provided by the Condominium Instruments or the Condominium Act.

Section 6. Other Rights of Mortgagees. All Mortgagees or their representatives shall be entitled to attend meetings of the Unit Owners Association and shall have the right to speak thereat. All such Mortgagees shall have the right to examine the Condominium Instruments, Rules and Regulations and books and records of the Condominium, and to require the submission of annual financial reports and other budgetary information.

## **ARTICLE IX**

### **Compliance and Default**

Section 1. Relief. Each Unit Owner shall be governed by, and shall comply with all of the terms of the Condominium instruments and the Condominium Act as any of the same may be amended from time to time. In addition to the remedies provided in section 55-79.53 of the Condominium Act, a default by a Unit Owner shall entitle the Unit Owners Association, acting through its Board of Directors or through the Managing Agent, to the following relief,

(a) Additional Liability. Each Unit Owner shall be liable for the expense of all maintenance, repair or replacement rendered necessary by his act, neglect or carelessness or the act, neglect or carelessness of any member of such Unit Owner's family or such Unit Owner's employees, tenants, guests, agents or licensees, but only to the extent that such expense is not covered by the proceeds of insurance carried by the Board of Directors. Such liability shall include any increase in casualty insurance rates occasioned by use, misuse, occupancy or abandonment of any Unit or its appurtenances. Nothing contained herein, however, shall be construed as modifying any waiver by any insurance company of its rights of subrogation. Any costs, including without limitation legal fees, incurred as a result of a failure to comply with the Condominium Act, Condominium Instruments or Rules and Regulations by any Unit Owner may be assessed against such Unit Owner's Unit.

(b) Costs and Attorney's Fees. In any proceedings arising out of any alleged default by a Unit Owner, the prevailing party shall be entitled to recover the costs of such proceeding and such reasonable attorney's fees as may be determined by the court.

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

(d) Interest. In the event of a default by any Unit Owner in paying any sum assessed against his Condominium Unit other than for Common Expenses which continues for a period in excess of fifteen days, interest at the rate not to exceed the lower of the maximum permissible interest rate which may be charged by a Mortgagee under a Mortgage at such time or eighteen percent per annum may be imposed in the discretion of the Board of Directors upon the principal amount unpaid from the date due until paid.

(e) Abating and Enjoining Violations by Unit Owners. The violation of any of the Rules and Regulations adopted by the Board of Directors, the breach of any Bylaw contained herein or the breach of any provision of the Declaration or the Condominium Act shall give the Board of Directors the right, in addition to any other rights set forth in these Bylaws: (i) to enter the Unit in which, or as to which, such violation or breach exists and summarily to abate and remove, at the expense of the defaulting Unit Owner, any structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions hereof, and the Board of Directors shall not thereby be deemed guilty in any manner of trespass, or (ii) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity the continuance of any such breach.

(f) Legal Proceedings. Failure to comply with any of the terms of the Declaration, these Bylaws and the rules and regulations shall be grounds for relief, including without limitation, an action to recover any sums due for money damages, injunctive relief, foreclosure of the lien for payment of all assessments, any other relief provided for in these Bylaws or any combination thereof and any other relief afforded by a court of competent jurisdiction, all of which relief may be sought by the Unit Owners Association, the Board of Directors, the Managing Agent or, if appropriate, by any aggrieved Unit Owner and shall not constitute an election of remedies.

(g) Fines. In accordance with section 55-79.84(b)(2) of the Condominium Act, the Board of Directors and the Covenants Committee may levy reasonable fines against Unit Owners for violations of the Rules and Regulations, the Condominium Instruments or the Condominium Act. No fine may be levied for more than one percent of such Unit Owner's annual assessment for any one violation, but each day a violation continues, after notice is given to the Unit Owner, is a separate violation. If a Unit Owner requests in writing a hearing before the fine is imposed, the imposition of the fine shall be suspended until the hearing is held. Fines are special assessments and shall be collectible as such.

#### Section 2. Lien for Assessments.

(a) The total annual assessment of each Unit Owner for Common Expenses or any special assessment or any other sum duly levied (including without limitation fines, interest, late charges, etc.), made pursuant to these Bylaws, is hereby declared to be a lien levied against the Condominium Unit of such Unit Owner as provided in section 55-79.84 of the Condominium Act, which lien shall, with respect to annual assessments, be effective on the first day of each fiscal year of the Condominium and, as to special assessments and other sums duly levied, on the first day of the next month which begins more than ten days after delivery to the Unit Owner of notice of such special assessment or levy. The Board of Directors or the Managing Agent may file or record such other or further notice of any such lien, or such other or further document, as may be required by the aforesaid section of the Condominium Act or by the laws of the Commonwealth of Virginia to confirm the establishment and priority of such lien.

(b) In any case where an assessment against a Unit Owner is payable in installments, upon a default by such Unit Owner in the timely payment of any two consecutive installments, the maturity of the remaining total of the unpaid installments of such assessments may be accelerated, at the option of the Board of Directors, and the entire balance of the annual assessment may be declared due and payable in full by the service of notice to such effect upon the defaulting Unit Owner and the Mortgagee by the board of Directors or the Managing Agent.

(c) The lien for assessments may be enforced and foreclosed in the manner provided by the laws of the Commonwealth of Virginia by action in the name of the Board of Directors, or the Managing Agent, acting on behalf of the Unit Owners Association. During the pendency of such suit the Unit Owner shall be required to pay a reasonable rental for the Unit for any period prior to sale pursuant to any judgment or order of any court having jurisdiction over such sale. The plaintiff in such proceeding shall have the right to the appointment of a receiver, if available under the laws of the Commonwealth of Virginia.

(d) A suit to recover a money judgment for unpaid contributions may be maintained without foreclosing or waiving the lien securing the same, and a foreclosure may be maintained notwithstanding the pendency of any suit to recover a money judgment.

Section 3. Supplemental Enforcement of the Lien. In addition to the proceedings at law or in equity for the enforcement of the lien established by the Declaration, these Bylaws or the Condominium Act; all of the Unit Owners may be required by the Board of Directors to execute bonds conditioned upon the faithful performance and payment of the installments of the lien established thereby and may likewise be required to secure the payment of such obligations by a declaration of trust recorded among the land records of the City of Alexandria, Virginia, granting unto a trustee or trustee appropriate powers to the end that, upon default in the performance of such bond each declaration of trust may be foreclosed by such trustee or trustees acting at the direction of the Board of Directors. In the event any such bonds have been executed and such declaration of trust is recorded, then any subsequent purchaser of a Unit shall take title subject thereto and shall assume the obligations therein provided for.

Section 4. Subordination and Mortgage Protection. Notwithstanding any other provisions hereof to the contrary, the lien of any assessment levied pursuant to these Bylaws upon any Unit (and any penalties, interest on assessments, late charge or the like) shall be subordinate to, and shall in no way affect the rights of a Mortgagee holding a Mortgage made in good faith for value received, provided, however, that such subordination shall apply only to assessments which have become due and payable prior to a sale or transfer of such Unit pursuant to foreclosure, or any proceeding in lieu of foreclosure. Such sale or transfer shall not relieve the purchaser of the Unit at such sale from liability for any assessments thereafter becoming due, nor from the lien of any such subsequent assessment, which lien shall have the same effect and be enforced in the same manner as provided herein.

## **ARTICLE X**

### Amendments to Bylaws

Section 1. Amendments. These Bylaws may not be modified or amended except as provided in section 55-79.72 of the Condominium Act. All amendments to the Bylaws shall be prepared and recorded by the Secretary.

Section 2. Approval of mortgagees. These Bylaws contain provisions concerning various, rights, priorities, remedies and interests of Mortgagees. Such provisions in these Bylaws are to be construed as covenants for the protection of such Mortgagees on which they may rely in making loans secured by Mortgages. Accordingly, no amendment or modification of these Bylaws impairing or affecting such rights, priorities, remedies or interests of a Mortgagee shall be adopted without the prior written consent of such Mortgagee.

## **ARTICLE XI**

### Miscellaneous

Section 1. Notices. All notices, demands, bills, statements or other communications under these Bylaws shall be in writing and shall be deemed to have been duly given if delivered personally or sent by United States mail, postage prepaid (pursuant

to section 55-79.75 of the Condominium Act), or if notification is of a default or lien, sent by registered or certified United States mail, return receipt requested, postage prepaid, (i) if to a Unit Owner, at the address which the Unit Owner shall designate in writing and file with the Secretary or, if no such address is designated, at the address of the Unit of such Unit Owner, or (ii) if to the Unit Owners Association, the Board of Directors, or to the Managing Agent, at the principal office of the Managing Agent or at such other address as shall be designated by notice in writing to the Unit Owners pursuant to this Section. If a Unit is owned by more than one Person, each such Person who so designates an address in writing to the Secretary shall be entitled to receive all notices hereunder.

Section 2. Captions. The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of these Bylaws or the intent of any provision thereof.

Section 3. Gender. The use of the masculine gender in these Bylaws shall be deemed to include the feminine and neutral genders and the use of the singular shall be deemed to include the plural, and vice versa, whenever the context so requires.

Section 4. Construction. These Condominium Instruments are intended to comply with all of the applicable provisions of the Virginia Condominium Act and shall be so interpreted and applied.

PARKFAIRFAX CONDOMINIUM  
MAINTENANCE RESPONSIBILITIES

I	II	III	IV	V
ITEMS	GENERAL COMMON ELEMENTS UNDER ASSOCIATION RESPONSIBILITY	LIMITED COMMON ELEMENTS UNDER ASSOCIATION RESPONSIBILITY	UNIT COMPONENTS UNDER ASSOCIATION RESPONSIBILITY	CERTAIN OTHER COMPONENTS UNDER UNIT OWNER'S RESPONSIBILITY WITHOUT RESPECT TO OWNERSHIP OF THE COMPONENT
Grounds, including all landscaped & paved areas & other improvements thereon lying outside of the main walls of the buildings with the exceptions noted herein.	All, in all regards	Landscape maintenance and replacement except for plantings and improvements installed by Unit Owner or Occupant	--	Routine cleaning and any repair, replacement or maintenance of plantings and improvements on patios
Building, exterior roof, vertical walls, foundations.	All, in all regards with the exceptions noted herein.	--	--	--
Doors, main & rear entry	All, in all regards.	Painting of exterior of door and portions of door and door frame which are not exposed to interior of Unit.	--	Unit side of door, all door hardware, weather stripping and door sill.
Windows	All, in all regards.	Exterior painting, caulking and glazing only.	--	Routine cleaning and repair of windows and window mechanisms serving a Unit.
Storm windows & screens (storm doors if applicable)	All which do not serve a Unit, in all regards	--	--	All which serve the Unit in all regards. Replacements to be of the same color, grade and style.
Exterior stoops, stairways, breezeways & walkways	Repair and replacement	--	--	Routine cleaning; ice & snow removal by Unit Owners served thereby.

PARKFAIRFAX CONDOMINIUM  
MAINTENANCE RESPONSIBILITIES

I	II	III	IV	V
ITEMS	GENERAL COMMON ELEMENTS UNDER ASSOCIATION RESPONSIBILITY	LIMITED COMMON ELEMENTS UNDER ASSOCIATION RESPONSIBILITY	UNIT COMPONENTS UNDER ASSOCIATION RESPONSIBILITY	CERTAIN OTHER COMPONENTS UNDER UNIT OWNER'S RESPONSIBILITY WITHOUT RESPECT TO OWNERSHIP OF THE COMPONENT
Plumbing and related systems and components thereof.	All, in all regards	Repairs to portions of plumbing system outside boundaries of the Unit but serving only one Unit, except for damage or malfunction caused by the occupants of the Unit.	Only to the extent that a malfunction or threat of the same has originated outside the Unit in which the malfunction occurs or may occur. Also damage caused to such Unit from causes initially occurring outside that Unit	All portions within a Unit serving only that Unit, including fixtures and appliances attached thereto. Water damage to a Unit, when the primary source of the problem is through negligence of the occupants of that Unit.
Electrical and related system, and components thereof, including fixtures	All, in all regards	--	--	All electrical and related systems and components thereof serving only one Unit, including exterior fixtures serving primarily one Unit.
Heating and cooling systems.	Systems serving only Common Elements, all, in all regards	--	--	Systems serving only one Unit, all, in all regards.
Attics	All, in all regards, except individual storage spaces.	--	--	All improvements installed by the Unit Owner
Storage	All which do not serve a Unit, in all regards	--	--	Routine cleaning of individual storage spaces.

## Approved Interpretation of Gray Areas of Responsibilities

### Area #1

- a. The Association is responsible for the replacement or repair of door sills, if proper upkeep is followed by the Unit Owner. However, the Unit Owner is responsible for weather stripping and the threshold.
- b. The Unit Owner is responsible for painting, varnishing or staining the interior of the door sill to ensure proper upkeep. If painting, varnishing or staining is not done, and the door sill must be replaced, Parkfairfax will replace the door sill at the Unit Owner's expense. The Unit Owner is responsible for reporting damages to the door sill (or doors) to the Association Office so that it may respond in a timely fashion
- c. The Unit Owner is responsible for screen doors and their maintenance and replacement, as these are defined as an upgrade which do not have to be added to the unit.
- d. The Association is responsible for the cost of replacement or repair of rotted or swollen doors due to exterior causes. The Association may use whatever doors that it considers acceptable.

### Area #2

- a. The Unit Owner is responsible for regular care and maintenance of window casings inside the case windows. If the Unit Owner takes the preventative maintenance steps suggested by the Association, then the Association is responsible for replacing rusted out window casings.
- b. The Association is responsible for maintenance and repair of the outside of the casement windows and for the repair and replacement of the hinges. The Unit Owner is responsible for replacement or repair of glass and handles unless the Association is the cause of the breakage.

### Area #3

- a. The Unit Owner is responsible for immediately reporting initial indications of plaster and floor damage. The Association is responsible for repairs of plaster and floor damage due to roof or gutter leaks.

#### Area #4

The Unit Owner is responsible for buckled floors due to:

- a. Owner installed appliances
- b. lack of ventilation or heat
- c. high interior humidity.

The Unit Owner is also responsible for maintaining sufficient heat in the unit to prevent pipes from freezing.

#### Area #5

The Unit Owner is responsible for repairs and maintenance to plumbing from all sinks, tubs, and toilets, including water lines, to a point one (1) inch inside the walls or floors. The Association is responsible for all other plumbing repairs and maintenance except for damage or malfunction caused by the occupants of the unit.

#### Area #6

- a. Virginia Power is responsible to provide and maintain electrical service to the outside electrical breaker. The Association is responsible for the outside electrical breaker. The Unit Owner is responsible for repair and maintenance of all unit electrical circuits, wiring, from the outside electrical breaker to the unit, and all fixtures.
- b. The Association is responsible for any damage to electrical wiring caused by conditions in the crawl space or attic other than bringing Unit Owner improvements up to the electrical code.
- c. The Unit Owner is responsible for the repairs and maintenance to any modifications of the electrical system.

#### Area #7

- a. The Association is responsible for caulking air conditioner sleeves to the brickwork and for repair or replacement of the air conditioner sleeves unless damaged by the Unit Owner or his contractor.
- b. The Unit Owner is responsible for maintenance of air conditioners and for ensuring the proper tilt of the air conditioner.

#### Area #8

- a. The Association is responsible for the repair of settlement cracks and consequential damage, excluding Unit Owner upgrades, due to the structural problems. Association

maintenance staff will determine if the cracks are due to normal conditions of wear or age, or are caused by structural problems.

- b. The Unit Owner is responsible for the repair of cracks due to normal conditions of wear or age.

#### Area #9

- a. The Unit Owner is responsible for damage resulting from negligent use of the attic or from unauthorized structural modifications.
- b. The Association is responsible for the replacement of ceilings at the attic floor level caused by a problem with attic joists, settlement, or construction flaw.
- c. The Association is responsible for the replacement of ceilings of a downstairs unit.

#### Area #10

- a. The Unit Owner is responsible for repair and maintenance of the gas lines to a point one (1) inch inside the walls or floors.
- b. The Unit Owner is also responsible for reporting to the gas company any detection of a gas problem within the unit.
- c. The Association is responsible for all other gas lines up to the meter.