

DECLARATION

Vienna Oaks Office Center Condominium

THIS DECLARATION is executed this 24 day of January 1983, by CHESAPEAKE LAND COMPANY OF VIRGINIA, INC., a Virginia corporation (hereinafter called "Declarant").

WITNESSETH:

WHEREAS, Section 55-79.30, et seq., of the 1950 Code of Virginia, as amended, hereinafter referred to as the "Condominium Act," provides for the creation of condominiums in the Commonwealth of Virginia; and

WHEREAS, Declarant is the owner in fee simple of land containing approximately 1.4176 acres, less and except 7,428 square feet dedicated in Deed Book 5537 at page 1800, and to be dedicated for public street purposes, located and situated in Fairfax County, Virginia, as more particularly described in the metes and bounds description attached hereto as Exhibit A and made a part hereof by reference; and

WHEREAS, Declarant has constructed a two and one-half (2-1/2) story office building containing approximately 20,700 square feet of office area; and

WHEREAS, it is the desire and intent of the Declarant to submit the Land and the improvements thereon to a commercial condominium, as provided by the Condominium Act.

NOW THEREFORE, the Declarant does hereby make, declare and publish its desire and intent to submit, and does hereby submit and establish a commercial condominium in accordance with the Condominium Act, upon the Land, and the Declarant does hereby make the following Declaration of Condominium as to the divisions, covenants, restrictions, limitations, conditions and uses to which the aforesaid Land and improvements may be put, and does hereby further declare and establish the following:

BETTIUS ROSENBERGER AND CARTER, P.C. ATTORNEYS AT LAW COURTHOUSE SQUARE 1032 JUDICIAL DRIVE FAIRFAX VIRGINIA 22030 SUITE 100

STATE TAX _____ COUNTY TAX _____ TRANSFER FEE _____ CLEANSING FEE _____ GRANTOR TAX _____ COME _____

4134 RP 03 L 01

ARTICLE I

Submission, Defined Terms

Section 1.1. Submission; Declarant; Property Name.

CHESAPEAKE LAND COMPANY OF VIRGINIA, INC., a Virginia corporation ("Declarant"), owner in fee simple of the land described in Exhibit A attached hereto, located in Fairfax County, Virginia ("Land"), hereby submits the Land, together with all easements, rights and appurtenances thereunto belonging and the improvements erected or to be erected thereon (collectively, the "Property") to the provisions of Chapter 4.2 of Title 55 of the Code of Virginia, as amended, known as the Virginia Condominium Act (the "Condominium Act"), and hereby creates with respect to the Property a condominium, to be known as the "Vienna Oaks Office Center Condominium" (the "Condominium").

Section 1.2. Defined Terms.

1.2.1. Except as otherwise defined in the Condominium Instruments, all capitalized terms have the meanings specified in Va. Code §55-79.41.

1.2.2. "Association" or "Unit Owners Association" means the Unit Owners Association of the Condominium and shall be known as the "Vienna Oaks Office Center Condominium Association."

1.2.3. "Common Element" means all portions of the Condominium not designated as Units.

1.2.4. "Condominium Instruments" means this Declaration, the Condominium By-Laws, and the Condominium Plats and Plans, as the same may be modified or amended from time to time, and as construed and interpreted in accordance with Va. Code §55-79.51.

1.2.5. "Declarant" means Chesapeake Land Company of Virginia, Inc., a Virginia corporation, any successor to its trade or business, and any other entity which, in conjunction with or in lieu of the named Declarant, develops the Condominium.

1.2.6. "Declaration" means this document, as the same may be amended from time to time.

1.2.7. "Limited Common Elements" means those Common Elements designated as such in the Condominium Instruments to be reserved for the exclusive use of one or more, but less than, all Unit owners.

1.2.8. "Mortgagee" means an institutional lender holding a first deed of trust encumbering a Unit.

1.2.9. "Percentage Interest" means the undivided ownership interest in the Common Elements appurtenant to each Unit as set forth in Exhibit C attached hereto, as the same may be amended from time to time.

1.2.10. "Period of Declarant Control" means the period ending on the earliest of (1) the second anniversary of the date of settlement of the first Unit to be sold in any portion of the Condominium, (2) the date when the Declarant ceases to own Units to which at least one-fourth of the Common Element Interests are allocated, or (3) the date specified by the Declarant in a notice to each Unit Owner that the Declarant is relinquishing the rights reserved by the Declarant under the Va. Code §55-79.74(a).

Notwithstanding the foregoing, the resignation of all of the members of the Board of Directors, at a meeting of the Association pursuant to Section 2.4(b) of the By-Laws attached hereto as Exhibit B, shall end the period of Declarant control.

1.2.11. "Plats and Plans" means the Condominium Plats and the Condominium Plans attached hereto as Exhibit D, as the same may be amended from time to time.

1.2.12. "Property" means the Property described in Section 1.1 above.

1.2.13. "Unit" means a Unit as described herein and in the Plats and Plans.

Section 1.3. Exhibits.

All Exhibits referred to in the Condominium Instruments are incorporated into this Declaration as integral parts hereof.

ARTICLE II

Units and Common Elements

Section 2.1. Units.

Attached hereto is Exhibit C listing all of the Units, their identifying numbers, and the Percentage Interest of each Unit in the Common Elements, Common Expenses and Common Profits which are allocated to each Unit on the basis of "size", by dividing the "size" of the Unit by the aggregate of the "sizes" of all Units. The location of Units within the Condominium is shown on the Plats and Plans attached hereto as Exhibit D. The "size" of each Unit is the total number of square feet of floor space contained therein, determined by reference to the dimensions shown on the Plats and Plan. The Percentage Interest shall determine the portion of the votes in the Association and the share of Common Expenses and Common Profits appurtenant to each Unit.

Section 2.2. Unit Boundaries.

The boundaries of each Unit shall be as follows:

2.2.1. The "Lower Boundary" is a horizontal plane represented by the top surface of the unfinished concrete floor of the Unit, extended to intersect the Lateral or Perimetrical Boundaries.

2.2.2.

(a) The "Upper Boundary" of the first story units is a horizontal plane of the top surface of the suspended ceiling, extended to intersect the Lateral or Perimetrical Boundaries.

(b) The "Upper Boundary" of second story units is the horizontal plane represented by the underside of the roofing material (including any plywood or similar material used to form the roof), excluding any structural members and insulation that extend below the underside of said roofing material, extended to intersect the Lateral or Perimetrical Boundaries.

2.2.3. The "Lateral or Perimetrical Boundaries" are vertical planes, represented by the exterior surface of the exterior walls which do not

separate the Unit from any other Unit, and by the center line of the party walls which separate the Unit from any other Unit or the Unit from any Common Area, extended to intersect with each other and with the Upper and Lower Boundaries.

2.2.4. For purposes of defining Unit Boundaries under this Section 2.2, the term "exterior" shall be understood to be from the perspective of the center of the Unit being described and looking outward.

2.2.5. The Unit shall include the heating, air-conditioning, electrical, and plumbing equipment within the boundaries of the Unit and those portions of the heating, air-conditioning, electrical and plumbing equipment servicing such Unit which extend beyond or are located outside the boundaries of that Unit. Any portion of a utility system serving more than one Unit, such as pipes, conduits, and ducts, which is partially within and partially without, or is entirely outside, the Unit being served, is part of the Common Elements. The water supply system serving only one Unit, including the water meter and water line service such Unit, shall be included as part of the Unit served thereby.

Section 2.3. Limited Common Elements.

Limited Common Elements means the Common Elements described as such in the Condominium Act. Any or all parking spaces now existing or hereafter created within the Condominium may be assigned as Limited Common Elements. Such assignments may be made by the Declarant to Unit Owners in deeds to, or recordable agreements with, Unit Owners, as selected by the Declarant, provided, such assignment is made to the extent practicable on a Percentage Interest basis, unless otherwise agreed to by all of the Unit Owners entitled to vote in accordance with the Condominium Instruments, and shall be confirmed by amendments to this Declaration pursuant to Va. Code §55-79.57(c). Upon the termination of the Period of Declarant Control, such assignments may be made only by the Board of Directors of Vienna Oaks Office Center Condominium Association pursuant to Va. Code §55-79.57(c).

Section 2.4. Designation of Reserved Common Elements.

The Board of Directors of the Association shall have the power in its discretion to: (i) designate from time to time any portion of the Common Elements (not designated by Declarant pursuant to Section 2.3. herein) as "Reserved Common Elements"; (ii) grant reserved rights therein to the Association and to any or less than all of the Unit Owners; and (iii) establish a reasonable charge to such Unit Owners for the use and maintenance thereof, provided, such designation and grant is made to the extent practicable on a Percentage Interest basis, unless otherwise agreed to by all of the Unit Owners entitled to vote in accordance with the Condominium Instruments.

Section 2.5. Maintenance Responsibilities.

Notwithstanding the allocation of ownership rights and responsibilities with respect to the Common Elements and the Units, by virtue of the foregoing boundary description, the provisions of the By-Laws, attached hereto as Exhibit B, shall govern the division of maintenance and repair responsibilities between the Unit owners and the Association.

Section 2.6. Relocation of Unit Boundaries and Subdivision of Units.

Relocation of boundaries between Units and subdivision of Units will be permitted subject to compliance with the provisions of Va. Code §§55-79.69 and 55-79.70.

ARTICLE III

Easements

In addition to the easements created by Sections 55-79.60 and 55-79.65 of the Condominium Act, the following easements are hereby granted.

Section 3.1. Easement to Facilitate Sales.

All Units shall be subject to an easement in favor of Declarant pursuant to Section 55-79.66 of the Condominium Act. Declarant reserves the right to use any Units owned by Declarant as models, management offices or sales

offices, and construction offices with parking and traffic incident thereto, until such time as Declarant conveys title thereto to Unit Owners. Declarant reserves the right to relocate the same from time to time within the Property; upon relocation or sale of a model, a management office or sales office, the furnishings thereof may be removed. Declarant further reserves the right to maintain on the Property such advertising signs as may comply with applicable governmental regulations, which may be placed in any location on the Property and may be relocated or removed, all at the sole discretion of Declarant.

Section 3.2. Easement for Ingress and Egress through Common Elements, Access to Units and Support.

3.2.1. Each Unit Owner is hereby granted an easement, in common with each other Unit owner, for ingress and egress through all Common Elements, subject to such reasonable rules, regulations and restrictions as may be imposed by the Unit Owners Association. Each Condominium Unit is hereby burdened with and subjected to an easement for ingress and egress through all Common Elements by persons lawfully using or entitled to the same.

3.2.2. Declarant reserves in favor of Declarant and the Managing Agent and/or any other person authorized by the Board of Directors the right of access to any Unit as provided in Section 55-79.79 of the Condominium Act. In case of emergency, such entry shall be immediate whether the Unit owner is present at the time or not.

3.2.3. Each Unit and Common Elements shall have an easement for lateral and subjacent support from every other Unit and Common Element.

Section 3.3. Special Parking Space Easement.

If necessary, in order to comply with applicable parking ratio requirements of municipal or county ordinances, Unit owners are hereby granted the non-exclusive right to use any of the surface parking spaces on the Land not otherwise assigned.

Section 3.4. Utility Easements.

The Units and Common Elements shall be, and are hereby, made subject to easements in favor of the Declarant, appropriate utility and service companies

and governmental agencies or authorities for such utility and service lines and equipment as may be necessary or desirable to serve any portion of the Property. The easements created in this Section 3.4. shall include, without limitation, rights of Declarant, or the providing utility or service company, or governmental agency or authority to install, lay, maintain, repair, relocate and replace gas lines, pipes and conduits, water mains and pipes, sewer and drain lines, telephone wires and equipment, television equipment and facilities (cable or otherwise), electric wires, conduits and equipment and ducts and vents over, under, through, along and on the Units and Common Elements. Notwithstanding the foregoing provisions of this Section 3.4., unless approved in writing by the Unit owner or Unit owners affected thereby, any such easement through a Unit shall be located either in substantially the same location as such facilities or similar facilities existed at the time of first conveyance of the Unit by the Declarant, or so as not to materially interfere with the use or occupancy of the Unit by its occupants.

Section 3.5. Declarant's Easement to Correct Drainage.

Declarant reserves an easement on, over and under those portions of the Common Elements not located within a Building for the purpose of maintaining and correcting drainage of surface water in order to maintain reasonable standards of health, safety and appearance. The easement created by this Section 3.5 expressly includes the right to cut any trees, bushes, or shrubbery, to grade the soil, or to take any other action reasonably necessary to achieve this purpose, following which the Declarant shall restore the affected property as closely to its original condition as practicable. Declarant under this Section 3.5 makes no warranties of any kind, other than those warranties arising under the Condominium Act or made elsewhere in the Condominium Instruments.

ARTICLE IV

Amendment To Declaration

Section 4.1. Amendment Generally.

This Declaration may be amended only in accordance with the procedures specified in the Condominium Act, including Sections 55-79.71 and 55-79.72 thereof, and the express provisions of this Declaration.

Section 4.2. Rights of Mortgagees.

Subject to any limitations imposed by the Condominium Act and except as set forth below, no amendment of this Declaration may be made without the prior written approval of all record holders of first mortgages on Units, if and to the extent that such approval is required by the Condominium Act or if and to the extent that such amendment would have the effect of (i) terminating or abandoning the Condominium (except for termination or abandonment as a result of a taking of all the Units by eminent domain, or as otherwise required by law); (ii) abandoning, encumbering, selling or transferring the Common Elements, except as otherwise expressly provided in this Declaration; (iii) bringing an action to partition, or subdivide the Common Elements; or (iv) changing the Percentage Interests of any Unit owners; provided, that such written approval may not be unreasonably withheld. Such approval shall not be required with respect to any Amendment pursuant to Articles V and VI below. The granting of easements for public utilities, for other public purposes, and to correct drainage, consistent with the intended use of the Common Elements, shall not be deemed to be a transfer within the meaning of this Section.

ARTICLE V

Right To Lease Or Sell Units

The Declarant shall own in fee simple each Condominium Unit not sold to a purchaser or otherwise transferred. The Declarant shall be entitled to full rights with respect to ownership of any Unit on the same basis as any

other Unit Owner, provided, that such rights shall be in addition to, and not in derogation of, any rights to which the Declarant is entitled under the Act and the Condominium Instruments as the Declarant of the Condominium. Declarant retains the right to enter into leases with any third parties for the occupancy of any of the Units owned by Declarant.

ARTICLE VI

Priority of Mortgagees

Except as specifically provided in the Condominium Instruments, no provision of the Condominium Instruments shall be construed to grant to any Unit owner, or to any other person, any priority over any rights of Mortgagees.

ARTICLE VII

No Obligations

Nothing contained in the Condominium Instruments shall be deemed to impose upon the Declarant or its successors or assigns any obligation of any nature to renovate, build, construct or provide any buildings except to the extent required by the Condominium Act.

ARTICLE VIII

Special Declarant Rights; Transfer

Section 8.1. Special Declarant Rights.

The Special Declarant Rights are those rights reserved for the benefit of the Declarant as provided for in the Condominium Act and the Condominium Instruments, and shall include, but are not limited to, the following rights:

8.1.1. to complete improvements indicated on the Plats and Plans filed with the Declaration;

8.1.2. to maintain sales offices;

- 8.1.3. to maintain management offices;
- 8.1.4. to maintain signs advertising the Condominiums and models;
- 8.1.5. to use easements through the Common Elements for the purpose of making improvements within the Condominium;
- 8.1.6. to appoint or remove any officer of the Unit Owners Association or Board of Directors during any period of Declarant control; and
- 8.1.7. to maintain and operate construction offices.

Section 8.2 Transfer of Special Declarant Rights.

8.2.1. No Special Declarant Rights created or reserved under the Condominium Act or as provided for in the Condominium Instruments may be transferred except by an instrument evidencing the transfer recorded in Fairfax County, Virginia. The instrument is not effective unless executed by the transferor and transferee.

8.2.2. Upon transfer of any Special Declarant Right, the liability of a transferor Declarant is as follows:

(a) A transferor is not relieved of any obligation or liability arising before the transfer and remains liable for warranty obligations imposed upon him by the Condominium Act. Lack of privity does not deprive any Unit owner of standing to bring an action to enforce any obligation of the transferor.

(b) If a transferor retains any Special Declarant Right, or if a successor to any Special Declarant Right is an Affiliate of a Declarant, meaning any person who controls, is controlled by, or is under common control with a Declarant ("Affiliate"), the transferor is subject to liability for all obligations and liabilities imposed on a Declarant by the Condominium Act or by the Condominium Instruments arising after the transfer and is jointly and severally liable with the successor for the liabilities and obligations of the successor which relate to the Condominium.

(c) A transferor who retains no Special Declarant Right has no liability for any act or omission or any breach of a contractual or warranty

obligation arising from the exercise of a Special Declarant Right by a successor Declarant who is not an Affiliate of the transferor.

8.2.3. Unless otherwise provided in a mortgage instrument or deed of trust, in case of foreclosure of a mortgage, sales by a trustee under a deed of trust, or sale under Bankruptcy Act or receivership proceedings, of any Units owned by a Declarant in the Condominium, a person acquiring title to all such Units being foreclosed or sold, but only upon his request, succeeds to all Special Declarant Rights, or only to any rights reserved in the Condominium Instruments to maintain models, sales offices and signs. The judgment or instrument conveying title shall provide for transfer of only the Special Declarant Rights requested.

8.2.4. Upon foreclosure, sale by a trustee under a deed of trust, or sale under Bankruptcy Act or receivership proceedings, of all Units in a Condominium owned by a Declarant:

(a) the Declarant ceases to have any Special Declarant Rights,
and

(b) the period of Declarant control as provided in the Condominium Act terminates unless the judgment or instrument conveying title provides for transfer of all Special Declarant Rights to a successor Declarant.

8.2.5. The liabilities and obligations of persons who succeed to Special Declarant Rights are as follows:

(a) A successor to any Special Declarant Right who is an Affiliate of a Declarant is subject to all obligations and liabilities imposed on any Declarant by the Condominium Act or by the Condominium Instruments.

(b) A successor to any Special Declarant Right, other than a successor described in paragraphs (c) or (d) of this Article VIII, Section 8.2.5., who is not an Affiliate of the Declarant, is subject to all obligations and liabilities imposed upon a Declarant by the Condominium Act or the Condominium Instruments, but he is not subject to liability for misrepresentations or warranty obligations on improvements made by any

previous Declarant or made before the Condominium was created, or for a breach of fiduciary obligation by any previous Declarant.

(c) A successor to only a right reserved in the Condominium Instruments to maintain models, sales offices, and signs, if he is not an Affiliate of a Declarant, may not exercise any other Special Declarant Right, and is not subject to any liability or obligation as a Declarant.

(d) A successor to all Special Declarant Rights who is not an Affiliate of a Declarant and who succeeds to those rights pursuant to a deed in lieu of foreclosure or a judgment or instrument conveying title to Units under subsection 8.2.3., may declare his intention in a recorded instrument to hold those rights solely for transfer to another person. Thereafter, until transferring all Special Declarant Rights to any person acquiring title to any Unit owned by the successor, or until recording an instrument permitting exercise of all those rights, that successor may not exercise any of those rights other than the right to control the Board of Directors in accordance with the provisions of the Condominium Act and the Condominium Instruments for the duration of any Period of Declarant Control, and any attempted exercise of those rights is void. So long as a successor Declarant may not exercise Special Declarant Rights under this subsection, he is not subject to any liability or obligation as a Declarant other than liability for the successor's acts and omissions under Section 55-79.74 of the Condominium Act.

8.2.6. Nothing in this Section subjects any successor to a Special Declarant Right to any claims against or other obligations of a transferor Declarant, other than claims and obligations arising under the Act or this Declaration.

ARTICLE IX

Units Subject To Declaration, By-Laws, and Rules and Regulations

Except as may be expressly excluded, all present and future Unit Owners,

tenants and occupants of Units shall be subject to and shall comply with, the provisions of this Declaration, the By-Laws, and the Rules and Regulations, adopted by the Association as they may be amended from time to time. The acceptance of a Deed of conveyance, or the acceptance of title pursuant to the laws of inheritance and devise, or the entering into a Lease, or the entering into occupancy of any Unit shall constitute an agreement that the provisions of this Declaration, the By-Laws and Rules and Regulations, as they may be amended from time to time, are accepted and ratified by such Owner, tenant or occupant, and all of such provisions shall be deemed and taken to be enforceable as equitable servitudes and covenants running with the Land and shall bind any person having at any time any interest or estate in such Unit, as though such provisions are recited and stipulated at length in each and every Deed of conveyance or lease thereof.

ARTICLE X

By-Laws

The administration of the Condominium shall be governed by the By-Laws adopted from time to time by the Unit Owners Association pursuant to this Declaration. The By-Laws shall be in the form attached hereto as Exhibit B until the same are amended in the manner therein provided, and said By-Laws, together with this Declaration and the Exhibits attached hereto, shall be available for examination by all of the Unit Owners, their duly authorized attorneys or agents, at convenient hours on working days that shall be set and announced for general knowledge. No modification or amendment to the By-Laws shall be valid unless such amendment is duly recorded among the land records of Fairfax County, Virginia. Each Unit Owner shall comply strictly with the By-Laws and with the Rules and Regulations adopted pursuant thereto as either of the same may be lawfully amended from time to time. If there are any conflicts or inconsistencies between this Declaration and the By-Laws, then the terms and provisions of this Declaration shall prevail and each

Unit Owner shall vote in favor of such amendment of the By-Laws as shall be necessary to remove such conflicts or inconsistencies. If there are any conflicts between this Declaration and the Rules and Regulations or between the By-Laws and the Rules and Regulations, then the terms of this Declaration or of the By-Laws, as the case may be, shall prevail and the Board of Directors shall adopt such amendments to the Rules and Regulations as shall be necessary to remove such conflicts or inconsistencies. Failure of any Unit Owner to comply with this Declaration, the By-Laws and with the Rules and Regulations adopted pursuant to said By-Laws and any of the same as may be lawfully amended from time to time, shall be ground for an action to recover sums due, for damages or injunctive relief, of both, or for any other relief specified in the Condominium Instruments and the Condominium Act, all or any of which shall be maintainable by the Unit Owners Association, Board of Directors, or Management Agent, as the case may be, or as specified in the By-Laws, or in a proper case by an aggrieved Unit Owner or Owners on his or their own behalf or as a class action.

ARTICLE XI

Miscellaneous

Section 11.1. Compliance with Condominium Act.

Each Condominium Instrument and each amendment thereto is intended to comply with the Condominium Act (Section 55-79.39 through Section 55-79.103 of the Code of Virginia) as the said Act may be amended at the time of the recording of such Condominium Instrument or amendment thereto. Each Condominium Instrument and each amendment thereto shall be construed and interpreted in conformity with the intent expressed by the preceding sentence.

Section 11.2. Captions.

The captions in the Condominium Instruments are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope or intent of any provision thereof.

EXHIBIT "A"

BEGINNING at a point in the southeasterly right-of-way line of Maple Avenue, Route 123, said point being in the northeasterly corner to the property of the Trustees of the Emmanuel Lutheran Church; thence with said right-of-way line N. 49° 24' 37" E. 112.40' to a point; thence running with said right-of-way S. 40° 35' 23" E. 20.55' to a VDH&T monument; thence continuing with said right-of-way N. 49° 24' 37" E. 30.10' to a VDH&T monument; thence N. 40° 35' 23" W. 20.55' to a VDH&T monument; thence continuing with said right-of-way N. 49° 24' 37" E. 53.16' to a point; said point being the northwesterly corner to the property of P.L.B. Properties, Inc.; thence departing said right-of-way and running with said P.L.B. Properties, Inc., S. 40° 21' 20" E. 285.27' to a point in the northwesterly line of Vienna Oaks, Section III; thence with Vienna Oaks, Section III, S. 48° 27' 40" W. 238.94' to an iron pipe, said pipe being the southwesterly corner to the aforementioned Emmanuel Lutheran Church; thence with the said Church N. 31° 51' 28" W. 292.62' to the point of beginning, containing 1.4176 acres.

LESS AND EXCEPT that portion containing 7,428 square feet as dedicated in Deed Book 5537 at page 1800, and to be dedicated to public street purposes.

EXHIBIT "C"

PERCENTAGE INTEREST

<u>Unit #</u>	<u>Square Footage</u>	<u>Percentage Interest</u>
1A	1,500	7.246
1B	1,500	7.246
1C	1,500	7.246
1D	1,500	7.246
1E	1,500	7.246
1F	1,500	7.246
2A	1,950	9.420
2B	1,950	9.420
2C	1,950	9.420
2D	1,950	9.420
2E	1,950	9.420
2F	1,950	9.420

Section 11.3. Gender and Number.

The use of the masculine gender in the Condominium Instruments shall be deemed to include the feminine and neuter genders, and the use of the singular shall be deemed to include the plural, and vice versa, whenever the context so requires.

Section 11.4. Use and Occupancy of Units and Commons.

The occupancy and use of the Units and Common Elements shall at all times comply with applicable zoning and land use regulations of Fairfax County, Virginia, and with the provisions set forth in the Condominium Instruments.

Section 11.5 Pipes, Ducts, Cables, Wires, Conduits, Public Utility Lines and Other Common Elements Located Inside of Units.

Each unit owner shall have an easement in common with the unit owners of all other units to use all pipes, wires, ducts, cables, conduits, public utility lines and other common elements located in any of the other units which serve his unit. Each unit shall be subject to an easement in favor of the unit owners of all other units to use the pipes, ducts, cables, wires, conduits, public utility lines and other common elements serving such other units and located in such unit. The said Board of Directors shall have a right of access to each unit to inspect the same, to remove violations therefrom and to maintain, repair or replace the common elements contained therein or elsewhere in the building.

IN WITNESS WHEREOF, the Declarant has caused this Declaration to be executed on its behalf this 10th day of January, 1983.

CHESAPEAKE LAND COMPANY OF VIRGINIA, INC.

BY: 
PATRICK H. RUPERTUS, President

STATE OF VIRGINIA

COUNTY OF FAYETTE, to-wit:

I, the undersigned, a Notary Public in and for the State and County aforesaid, whose commission as such expires on the 31st day of May, 1983, do hereby certify that PATRICK H. RUPERTUS, as President, of CHESAPEAKE LAND COMPANY OF VIRGINIA, INC., whose name is signed to the foregoing document bearing date on the 10th day of JANUARY, 1983, has signed and acknowledged the same before me in my County and State aforesaid.

GIVEN under my hand and seal this 17th day of JANUARY, 1983.

Paul M. [Signature]
Notary Public

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SCHEDULE A - Chart of Upkeep Responsibilities

BY-LAWS
OF
VIENNA OAKS OFFICE CENTER CONDOMINIUM ASSOCIATION

ARTICLE 1

Introductory Provisions

Section 1.1. Applicability. These By-Laws provide for the governance of Vienna Oaks Office Center Condominium, by a Unit Owners' Association to be known as "Vienna Oaks Office Center Condominium Association." The Condominium is located in Fairfax County, Virginia.

Section 1.2. Definitions. In addition to the definitions indicated or specified by Section 1.2 of the Declaration, in these By-Laws:

(a) The "Association" means Vienna Oaks Office Center Condominium Association.

(b) "Majority Vote" means a simple majority (except where a higher majority is specified) of the votes actually cast at a meeting held pursuant to these By-Laws where (except in the cases provided for in Section 3.6(c), and in the second sentence of Section 2.6 of these By-Laws) the quorum requirements for such meeting are satisfied.

(c) "Upkeep" means care, maintenance, operation, repair, renovation, alteration, remodeling, restoration, replacement, improvement, or any combination thereof.

ARTICLE 2

The Association

Section 2.1. Membership. The membership of the Association shall at all times consist exclusively of all Unit Owners of Units in the Condominium.

Section 2.2. Status and Office of the Association. The Association, and its Board of Directors and Managing Agent when either of them act on behalf of the Association, shall for all purposes act only as agent for the members of the Association as a group. The office of the Association shall be at such place as may be designated from time to time by resolution of the Board of Directors.

Section 2.3. Annual Meetings. The members of the Association shall meet during the second month preceding the beginning of each fiscal year at such time and place as may be fixed from time to time by resolutions of the Board of Directors. No such resolution shall fix a Saturday, Sunday, or legal holiday observed in Virginia as a meeting date.

Section 2.4. Special Meetings.

(a) Special meetings of the Association shall be held if sought (1) by resolution of the Board of Directors, (2) after the period of Declarant control, by a petition signed by the Unit Owners of Units to which a total

of at least three-tenths (3/10) of the votes in the Association are allocated, or (3) while the Declarant is a Unit Owner, by request of the Declarant; provided, that such resolution, petition or request must (1) specify the time and place at which meeting is to be held, (2) either specify a date on which the meeting is to be held which will permit the Secretary to comply with Section 2.5 of these By-Laws, or else specify that the Secretary shall designate the date of the meeting, (3) specify the purpose(s) for which the meeting is to be held, and (4) be delivered to the Secretary.

(b) Not later than the earliest of the three dates specified in the first sentence of Section 1.2.11 of the Declaration, a special meeting of the Association shall be held by request of the Declarant, at which all Directors appointed by the Declarant shall resign, and the Unit Owners shall thereupon elect a new Board of Directors in accordance with Section 3.1 of these By-Laws.

Section 2.5. Notice of Meetings. The Secretary shall give notice to all Unit Owners and Mortgagees of each annual meeting of the Association at least twenty-one (21) days but not more than thirty (30) days, and of each special meeting of the Association at least seven (7) days but not more than thirty (30) days, prior to the meeting. The notice shall specify the place, date and time of the meeting and, in the case of a special meeting, shall also specify the purpose(s) for which the meeting is to be held.

Section 2.6. Quorums. A quorum shall be deemed to be present throughout (i) any meeting of the Association if persons entitled to cast more than one-third (1/3) of the votes in the Association are present at the beginning of such meeting, and (ii) any special meeting of the Association called for the purpose of removing a Director if persons entitled to cast more than one-fourth (1/4) of the votes in the Association are present at the beginning of such meeting. No business shall be transacted in the absence of a quorum other than to adjourn the meeting to a date, time and place agreed by Majority Vote of those present.

Section 2.7. Order of Business. The order of business at meetings of the Association shall be as follows:

- (1) Roll call and ascertainment of a quorum.
- (2) Proof of notice of meeting.
- (3) Reading of minutes of preceding meeting.
- (4) Reports of Officers.
- (5) Appointment of vote tellers (if any vote is to be taken) by the Officer presiding.
- (6) Election of Director (at annual meetings).
- (7) Unfinished business.
- (8) New business.
- (9) Adjournment.

Section 2.8. Conduct of Meetings. The Officer presiding at a meeting of the Association may appoint a person to serve as parliamentarian at that meeting. The latest edition of Robert's Rules of Order shall govern the conduct of all meetings of the Association when not in conflict with the Condominium Instruments or the Condominium Act.

Section 2.9. Voting. Each Unit is hereby allocated a vote in the Association equal to its Percentage Interest, as set forth in the Declaration and the person entitled to cast the vote allocated to that Unit shall be the Unit Owner thereof. If a Unit Owner is more than one person, the vote shall be cast either: (i) by the person named in a certificate executed by all the persons constituting the Unit Owner of such Unit and filed with the

Secretary; or (ii) in the absence of such a certificate, by any such person who is present at the meeting; provided, however, if more than one such person is present, the vote shall be cast only in accordance with their unanimous agreement pursuant to Section 55-79.77(c) of the Code of Virginia. A certificate filed with the Secretary pursuant to this Section shall be valid until its revocation is similarly executed and filed. No person shall be entitled to cast the vote of a Unit against which the Association has perfected a lien and the amount necessary to release such lien has not been paid by the time such vote is to be cast. There shall be no cumulative voting.

Section 2.10. Proxies. Any vote may be cast by a proxy duly executed by or on behalf of the Unit Owner and properly witnessed and dated. Proxies may be granted only to another Unit Owner, the Declarant, the Mortgagee or lessee of the Unit, an Officer, or, in the case of a non-resident Unit Owner, his attorney or authorized agent; provided, however, that no person other than the Declarant, Managing Agent or an Officer shall vote proxies for more than one Unit. A proxy shall be valid only for the meeting designated therein and must be filed with the Secretary at or before the time of such meeting. A proxy shall be void if, before it is exercised, the presiding Officer receives actual notice of revocation from any of the persons who executed it. No proxy shall be valid after adjournment of the first meeting of the Association held on or after the date of that proxy.

ARTICLE 3

Board of Directors

Section 3.1. Number and Term. Until the end of the period of Declarant control, the Board of Directors shall consist of three (3) Directors, all of whom the Declarant shall appoint, remove and replace at such times as the Declarant sees fit to do so. Beginning with the meeting contemplated by Section 2.4(b) of these By-Laws, the Board of Directors shall consist of not less than three (3) nor more than seven (7) Directors elected for one-year terms, except that the term of the Directors elected at the said meeting shall extend until the second following annual meeting of the Association. For one year after the end of the period of Declarant control, the Declarant may appoint from time to time an individual who shall be entitled to notice of all meetings of the Board as if he were a Director and to attend and speak (but not vote) at such meetings. No Unit Owner may be elected as a Director while the Association has a perfected lien against a Unit of which he, individually or with any other person(s), is the Unit Owner.

Section 3.2. Meetings. The Board of Directors shall meet regularly without notice at such intervals, times and places as may be fixed from time to time by resolutions of the Board. Special meetings of the Board shall be held when called by the President or by the other two (2) members thereof, in either case with at least three (3) business days' notice stating the time, place, and purpose(s) of the meeting to the other Director(s). Attendance by a Director at any meeting of the Board of Directors shall constitute a waiver of notice by him of the time, place and purpose of such meeting. If all members are present at any meeting of the Board of Directors, no notice shall be required and any business may be transacted at such meeting.

Section 3.3. 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. No business may be transacted in the absence

of a quorum other than to fill a vacancy in the Board and/or to adjourn the meeting to a date, time and place specified by the Director present. One or more members of the Board of Directors may participate in and be counted for quorum and voting purposes at any meeting by means of conference telephone or similar communication equipment by means of which all persons participating in the meeting can hear each other.

Section 3.4. Conduct of Meetings. The latest 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 Condominium Instruments or the Condominium Act. Each decision of the Board of Directors shall be made by a Majority Vote except where a higher majority is specified by these By-Laws.

Section 3.5. Action without Meeting. Any action required or permitted to be taken by the Board of Directors may be taken without a meeting if all of the Directors shall consent in writing to such action. Any such written consent shall be filed with the minutes of the proceedings of the Board.

Section 3.6. Removal, Resignation and Vacancies.

(a) After the period of Declarant control, any Director may be removed with or without cause, by a Majority Vote of the Unit Owners at a special meeting of the Association called for such purpose, and a successor shall thereupon be elected in the same manner. Seven (7) days' notice and an opportunity to be heard at the meeting shall be afforded to any Director whose removal is proposed.

(b) Any Director 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 Code of Virginia.

(c) After the period of Declarant control, any vacancy in the Board of Directors caused by any reason, other than removal pursuant to subsection (a) of this Section, shall be filled by Majority Vote of the remaining Director(s) at a special meeting of the Board of Directors called for such purpose.

(d) Any Director elected to fill a vacancy pursuant to this Section shall be elected to serve for the entire remaining term of his predecessor.

Section 3.7. Powers and Duties.

(a) In addition to such other powers as are conferred on the Board of Directors by the Condominium Act and other provisions of the Condominium Instruments, the Board shall have the power:

(1) to adopt, amend and repeal Rules and Regulations governing the use and operation of the Common Elements and any portions thereof and, to the extent provided by these By-Laws, governing the use of the Units, provided, however, that any such Rules and Regulations in conflict with the Condominium Instruments or any applicable law, ordinance or other governmental regulation shall be void;

(2) to determine the expenditures to be made by the Association and the purpose of each such expenditure;

(3) to borrow money on behalf of the Association, provided, however, that a two-thirds (2/3) Majority Vote at a meeting of the Association shall be required to borrow any sum which exceeds Five Thousand Dollars.

(\$5,000.00) of aggregate borrowed funds outstanding, increased by the percentage increase in the annual budget of the Association from the date of the adoption and approval of the initial budget to the adopted budget as of the date of the borrowing;

(4) to acquire, hold, mortgage and dispose of Condominium Units in the name of the Association, but only if such actions are approved by a two-thirds (2/3) Majority Vote at a meeting of the Association and the maximum number of such Units which may be held by the Association at any one time shall not exceed one (1);

(5) to act on behalf of the Unit Owners with respect to all matters arising out of any eminent domain proceeding affecting any part of the Condominium;

(6) to grant exclusive or nonexclusive licenses for the use of designated Common Elements to the Unit Owners of designated Units in accordance with the provisions of the Declaration and other Condominium Instruments governing same;

(7) to do or cause to be done any other act or thing not inconsistent with Condominium Instruments or any applicable law, ordinance or governmental regulation, which may be authorized by a two-thirds (2/3) Majority Vote at a meeting of the Association;

(b) The Board of Directors shall have the duty to:

(1) enforce or cause to be enforced the provisions of the Condominium Act, the Condominium Instruments, and the Rules and Regulations;

(2) do or cause to be done by an appropriate Officer all acts and things required by the Condominium Act or the Condominium Instruments to be performed by an Officer; and

(3) do or cause to be done any other act or thing not inconsistent with the Condominium Instruments or any law, ordinance or governmental regulation, as may be directed by a two-thirds (2/3) Majority Vote at a meeting of the Association.

(c) Other powers and duties of the Board of Directors are set forth in Sections 2.2, 2.3, 2.4(a), 3.2, 3.5, 3.6(c), 3.6(d), 3.7(d), 3.11, 4.2, 4.3, 4.4, 5.2, 6.1, 6.2, 6.3, 6.4, 7.1, 7.4, 7.5, 7.6, 7.7, 7.8, 7.9, 7.10, (b), (e), (f) (g), (h), (j), (l), and (m), 7.11, 8.1, 8.2, 8.3, 8.4, 8.6, 8.7, 9.1, 9.2, 9.3, 9.4, 9.5, 10.2, 10.3, 11.1, 11.2, and 13.1 of these By-Laws.

(d) The Board of Directors may, by resolution or pursuant to a contract authorized by a resolution of the Board, delegate (with or without conditions) to a Managing Agent and/or to specified Officer(s), the performance of such duties and services as the Board of Directors shall authorize, including, but not limited to, all of the duties listed in the Virginia Condominium Act, the Declaration and these By-Laws; provided, however, where a Managing Agent does not have the power to act under the said Condominium Act, the Declaration or these By-Laws, such duties shall be performed as advisory to the Board of Directors. The Board of Directors may delegate to the Managing Agent all of the powers granted to the Board of Directors by the said Condominium Act, the Declaration and these By-Laws, except the following powers:

- (1) to adopt the annual budget and any amendments thereto or to assess any Common Expenses; and
 - (2) to adopt, repeal or amend any Rules and Regulations; and
 - (3) to designate signatories on Association bank accounts;
- and
- (4) to borrow money on behalf of the Association; and
 - (5) to acquire and pledge Units as security for loans; and
 - (6) to allocate Limited Common Elements;
 - (7) to grant easements affecting the Condominium; and
 - (8) to designate or grant interests in Reserved Common Elements.

Any duties performed by the Managing Agent shall be carried out pursuant to a written contract which must provide that the contract may be terminated with cause on no more than fifteen (15) days' written notice and without cause on no more than ninety (90) days' written notice. The term of any such contract may not exceed one year.

Section 3.8. Compensation. No Director shall receive any compensation from the Association for serving as a Director.

Section 3.9. Validity of Contracts with Interested Directors. No contract or other transaction between the Association and one or more of its Board of Directors or between the Association and any corporation, firm, or association in which one or more of the Board of Directors are directors or officers, or are financially interested, shall be void or voidable because such Director(s) is present at any meeting of the Board of Directors which authorized or approved the contract or transaction or because his or their votes are counted, if the circumstances specified in either of the following subparagraphs exists:

(a) The fact that a member of the Board of Directors is also such a director or officer or has such financial interest is disclosed or known to the Board of Directors and is noted in the minutes thereof, and the Board of Directors authorizes, approves or ratifies the contract or transaction in good faith by a vote sufficient for the purpose without counting the vote or votes of such member or members of the Board of Directors; or

(b) The contract or transaction is made in good faith and is not unconscionable to the Association at the time it is authorized, approved or ratified.

Section 3.10. Inclusion of Interested Members of the Board of Directors in the Quorum. Any member of the Board of Directors holding such director or officer position or having such financial interest in another corporation, firm or association may be counted in determining the presence of a quorum at a meeting of the Board of Directors or a committee thereof which authorizes, approves or ratifies a contract or transaction of the type described in Section 3.9 hereof.

Section 3.11. Fidelity Bonds. The Board of Directors shall require that all officers and employees of the Association, including the Management Agent, handling or responsible for Association funds shall furnish fidelity

bonds in an amount not less than 150% of the annual budget of the Association. The premiums on such bonds shall be paid by the Association and shall be a common expense of the Association.

ARTICLE 4

Officers

Section 4.1. Meaning. For the purposes of this Article only, the term "Officer" does not include any member of the Board of Directors in his capacity as a Director.

Section 4.2. Designation, Appointment and Term. The Officers of the Association shall include a President, a Vice-President, a Secretary, a Treasurer, the members of any committees created by the Board of Directors, and such other Officers having such titles and duties as the Board may from time to time determine by resolution. All Officers shall be appointed by the Board to serve at the pleasure of the Board, except that the Board may give to the chairman of a committee the power to appoint and/or remove other members of his committee. The offices of President, Vice-President and Secretary shall be held by three (3) different individuals, but those individuals or any other individuals may hold any number of other offices. The President, Vice-President and Secretary must be members of the Board of Directors and shall cease to hold their offices when they cease to be Directors.

Section 4.3. Duties. It shall be the duty of:

(1) the President, to preside at meetings of the Association and the Board of Directors; to see to the execution of the resolutions of the Association and the Board and to report to each on any failure of any of its resolutions to be executed; to appoint a Secretary pro tem at any meeting at which the Secretary is absent; to prepare and execute in recordable form the amendments contemplated by the last sentence of Section 7.9 of these By-Laws.

(2) the Vice-President, to act in the place and stead of the President in the event of the President's absence or failure to inability to act;

(3) the Secretary, to keep the minutes and record the resolutions at all meetings of the Association and the Board of Directors; to give notice pursuant to Section 2.5 of these By-Laws to each Unit Owner of each meeting of the Association; to record all amendments to the Condominium Instruments; to give notice pursuant to Section 3.2 of these By-Laws to each Director of each special meetings of the Board; to give each Unit Owner the budgetary and other information specified by Section 7.1(b) through (g) of these By-Laws; to give notice to each Unit Owner of each assessment against his Unit as soon as practicable after the assessment is made; to give notice and a copy of any Rules and Regulations or amendments thereto to each Unit Owner as soon as practicable after the adoption thereof by the Board of Directors; to record amendments pursuant to Section 7.9 of these By-Laws; to give notices relating to insurance as provided in Section 8.1(a) of these By-Laws; to give notices to Mortgagees as provided in Sections 10.2 and 10.3 of these By-Laws; to give any other notices to Unit Owners or to Mortgagees required by these By-Laws or by the Condominium Act; and to make it possible for any Unit Owner to inspect and copy, at reasonable times and by appointment, the minutes of the proceedings of the Association and of the Board; provided, however, that the Board may delegate any of the Secretary's duties to the Managing Agent;

(4) the Treasurer, to collect all assessments and other sums due the Association from each Unit Owner; to open accounts with financial institutions or money market funds designated by the Board and to deposit therein all income of the Association, except that no accounts will be opened with money market funds unless approved by a unanimous resolution of the Board; to disburse the funds of the Association only in accordance with resolutions of the Board of Directors; to keep orderly books showing the income and expenditures of the Association; to make those books available for inspection and copying by any Unit Owner at reasonable times and by appointment; to provide the accounting required by Section 7.1(d) of these By-Laws; and to prepare and deliver to the President or Vice-President the certificate required by Section 7.4 of these By-Laws; provided, however, that the Board may delegate any of the Treasurer's duties to the Managing Agent;

(5) each Officer, to perform such duties as are normally associated with his office in parliamentary organizations, except to the extent (if any) inconsistent with the Condominium Instruments or the Condominium Act, and to perform such other duties as may be assigned to his office by resolution of the Board of Directors.

Section 4.4. Execution of Documents. All agreements, contracts, deeds, leases, checks and other instruments of the Association for expenditures or obligations shall be executed by the President, the Treasurer, or by any other Officer(s) designated from time to time by resolutions of the Board of Directors. The Board may require that instruments involving more than a specified amount of money be signed by two different Officers. The Board may authorize instruments involving less than a specified amount of money to be signed by persons designated by the Managing Agent.

Section 4.5. Compensation of Officers. No Officer shall receive any compensation from the Association for acting as an Officer, except to the extent authorized by a Majority Vote at a meeting of the Association after the period of Declarant control.

ARTICLE 5

Liabilities and Responsibilities of the Association and its Officers and Directors

Section 5.1.

(a) The 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, whether civil, criminal, administrative, arbitratve or investigative (other than an action by or in the right of the Association) by reason of the fact that such person is or was an Officer or Director of the Association, against expenses, including attorneys' fees, judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit, or proceeding, provided that such person acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interest of the Association, and, with respect to any criminal action or proceeding, had no reasonable cause to believe that the conduct in question was unlawful.

(b) The 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 or suit by or in the right of the Association to procure a judgment in its favor by reason of the fact that such person is or was an

Officer or Director of the Association, against expenses, including attorneys' fees, actually and reasonably incurred by such person in connection with the defense or settlement of such action or suit, provided that such person acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interest of the Association, and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his duty to the Association, unless and only to the extent that the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability, but in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which such court shall deem proper.

(c) The liability of any Unit Owner arising out of any conduct by the Officers, Directors or the Managing Agent or out of the aforesaid indemnity in favor of the Officers and Directors or for damages as a result of injuries or damage arising in connection with the Common Elements solely by virtue of his ownership of an interest therein, or for liabilities incurred by the Association, shall be limited to the total liability multiplied by his Common Element Interest.

(d) Every contract or other agreement made on behalf of the Association by Officers and Directors or the Managing Agent, if obtainable, provide that the Officers and Directors or the Managing Agent, as the case may be, are acting only as agents for the 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 Common Element Interest.

(e) The Association shall be responsible for upkeep of the components in accordance with the Chart of Upkeep Responsibilities attached hereto as Schedule A. The Association shall not be liable for any failure of water supply or other utilities, or for injury or damage to any person or property caused by natural elements, or by any Unit Owner or other person, except as otherwise provided in Schedule A hereof. Notwithstanding the foregoing, no Unit Owner or occupant of any Unit shall be relieved hereby of any liability for damages to persons or other Units or any Common Elements which are caused by the negligence of such Unit Owner or occupant of a Unit, except as expressly otherwise provided in the Condominium Instruments. No diminution or abatement of any assessments for Common Expenses shall be claimed or allowed for any reason whatsoever, including (without limitation) inconvenience or discomfort arising from upkeep of the Common Elements or from any action taken by the Association, any Officer(s), Director(s), the Managing Agent or any Unit Owner(s) to comply with any law, ordinance or other governmental regulation or order.

Section 5.2. Directors and Officers Insurance. The Association shall obtain for its benefit and that of its officers and directors such insurance coverage as may be reasonably necessary in order to effectively indemnify the officers and directors of the Association as provided in this Article. The cost of said insurance shall constitute a Common Expense.

Section 5.3. Common or Interested Officers. Each Officer or Director shall exercise his powers and duties in good faith and with a view to the best interest of the Association. No contract or other transaction between the Association and any of its Officers, Directors or between the Association and any person (including the Declarant) in which any of the Officers or Directors or directors or officers, or are pecuniarily or otherwise interested, is either void or voidable because any such Officer or Director is present

at the meeting which authorizes or approves the contract or transaction, or because his vote is counted for such purpose, if:

(a) the fact of the common directorate or interest is disclosed or known to all of the individuals who have authority to, and do in fact, authorize, enter into, or ratify the contract or transaction in question and such knowledge is noted in the minutes; or

(b) the contract or transaction is commercially reasonable to the Association at the time it is authorized, entered into, or ratified.

Any common or interested Officers may be counted in determining the presence of a quorum of any meeting which authorized, approves or ratifies any contract or transaction, and may vote thereat to authorize, enter into, or ratify any contract or transaction with like force and effect as if such Officer were not so interested.

ARTICLE 6

Managing Agent

Section 6.1. Selection. The Board of Directors may, but shall not be obligated to, employ on behalf of the Association a Managing Agent. The contract with the Managing Agent must have a term not in excess of one (1) year and must provide that it may be terminated, without payment of a termination fee or cancellation charge, without cause on no more than ninety (90) days' written notice and with cause on no more than fifteen (15) days' written notice.

Section 6.2. Powers and Duties. Subject to Section 3.7(d) of the By-Laws, any Managing Agent shall have such powers and duties as may be delegated to it or imposed upon it by the Board of Directors pursuant to the Managing Agent's contract.

Section 6.3. Standards. The Board of Directors may impose appropriate standards of performance upon an Managing Agent employed pursuant to Section 6.1 of these By-Laws and, unless instructed otherwise by the Board of Directors and Managing Agent shall:

- (1) employ the accrual method of accounting;
- (2) designate two or more individuals to be responsible for handling cash to maintain adequate financial control procedures;
- (3) not commingle cash accounts of the Association with any other accounts;
- (4) not accept any remuneration from any third persons providing goods or services to the Association, whether in the form of commissions, finder's fees, service fees or otherwise, and shall credit to the benefit of the Association any discounts obtained;
- (5) disclose in advance to the Board of Directors any financial or other interest which the Managing Agent may have in any person providing goods or services to the Association;
- (6) prepare an annual budget for each fiscal year of the Association on an accrual basis with a twelve-month cash flow projection;

(7) prepare quarterly financial reports for the Board of Directors containing:

(i) an Income Statement reflecting all income and expense activity for the preceding quarter on an accrual basis;

(ii) an Account Activity Statement reflecting all receipts and disbursements for the preceding quarter on a cash basis;

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

(iv) a Balance Sheet reflecting the financial condition of the Association on an unaudited basis;

(v) 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 (10%) of a major budget category (as distinct from a specific line item in an expanded chart of accounts); and

(vi) 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.

ARTICLE 7

Operation of the Property

Section 7.1. Determination of Common Expenses and Assessments Against Unit Owners.

(a) Fiscal Year. The fiscal year of the Association shall be the calendar year unless otherwise determined by resolution of the Board of Directors.

(b) Preparation and Approval of Budget. Before each annual meeting of the Association (or, during the period of Declarant control, before the beginning of each fiscal year), the Board of Directors shall adopt a budget for the Association containing an estimate of the total amount considered necessary for the next fiscal year to pay the Common Expenses, including (without limitation) reasonable amounts necessary to provide working capital, a general operating reserve, and reserves for contingencies and replacements. If the period of Declarant control has ended, the budget shall be presented and may be modified at the annual meeting of the Association. Within ten (10) days after each annual meeting, the Secretary shall send to each Unit Owner a copy of the budget in a reasonably itemized form setting forth the amount of the Common Expenses and the amounts and due dates of the assessments (and installments thereof) payable by that Unit Owner for each Condominium Unit owned by him.

(c) Reallocation of Assessments. Within thirty (30) days after any change in the number of Units in the Condominium, the Board of Directors shall adjust the budget, allocating assessments against all the Condominium Units, and the Secretary shall send to each Unit Owner a copy of the adjusted budget reflecting the liability of all Condominium Units for Common Expenses for the remainder of the fiscal year; provided, however, that if the assessments necessary to fund the budget will not be modified as to any particular Units, such notification need not be given to the Unit Owners thereof. The amount of assessments attributable to each Condominium Unit shall thereafter

be the amount specified in the adjusted budget until a new budget shall have been adopted by the Board of Directors.

(d) Assessment and Payment of Common Expenses. Subject to the provisions of Section 11.1(a) of these By-Laws, the total amount of the estimated funds required from assessments for the operation of the Association and the Condominium as set forth in any budget or adjusted budget adopted by the Board of Directors shall be assessed against each Unit in proportion to its Percentage Interest. On or before the first day of each fiscal year, and the first day of each of the succeeding eleven (11) months in such fiscal year, each Unit Owner shall be obligated to remit to the Treasurer or the Managing Agent (as determined by the Board of Directors), one-twelfth (1/12) of such assessment. Within thirty (30) days after the end of each fiscal year, the person who served as Treasurer on the last day of that fiscal year shall supply to all Unit Owners an itemized accounting of the Common Expenses for such fiscal year actually paid, together with a tabulation of the amounts collected pursuant to the budget for such 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 expenses and reserves shall be credited pro rata in accordance with the Percentage Interests among the Condominium Units against the next monthly installments due with respect to each such Unit. Any net shortage shall be assessed promptly against the Unit Owners in proportion to their respective Common Element Interests and shall be due either in full with the next monthly assessment due or, if the Board of Directors so determines, in a number of equal monthly installments sufficient to make up the shortage within a period ending not later than the end of the then current fiscal year.

(e) Reserves. The Association shall accumulate 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 (without limitation) the nonpayment of any assessments, the Board of Directors may at any time levy a further assessment, which shall be assessed against the Units in proportion to their respective Percentage Interests and which shall be payable in a lump sum or in installments as the Board may determine. The Secretary shall give notice of any such further assessment to each Unit Owner, giving the reason(s) therefor. All Unit Owners shall be obligated to pay such further assessment either in full with the next monthly installment due or, if the Board of Directors so determines, in a number of equal monthly installments sufficient to make up the shortage within a period ending not later than the end of the then current fiscal year.

(f) Special Assessments. In the event extraordinary expenditures not originally included in the annual budget become necessary during the year, the Board of Directors may at any time levy a special assessment, which shall be assessed against the Condominium Units in proportion to the respective Percentage Interests in the Common Elements appertaining to each of said Units set forth in the Declaration of Condominium, as the same may be amended from time to time. Said special assessments 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 special assessment on all Unit Owners by a statement in writing giving the amount and reason therefor, and such special assessment shall, unless otherwise specified in the notice, become effective with the next monthly payment which is due after the delivery or mailing of such notice of special assessment. All Unit Owners shall be obligated to pay the adjusted monthly amount or, if the special assessment is not payable in installments, the amount of such assessment. The payment

and collection of the assessment made pursuant to the foregoing provisions shall be in accordance with the terms providing for payment and collection of assessments in these By-Laws and the Condominium Act, including without limitation, the right reserved to the Board to accelerate payment of assessments and the right to recovery of attorney's fees and costs.

Notwithstanding anything to the contrary herein contained, any special assessment in excess of fifteen percent (15%) of the total annual budget of the Condominium in any twelve (12) month period shall be effective only with the approval of a majority of the Unit Owners.

(g) Initial Assessments and Capital Contributions.

(1) Upon taking office, the first Board of Directors designated pursuant to these By-Laws shall determine the budget of the Association for the remainder of the fiscal year in which such designation occurs. Assessments made against the Condominium Units pursuant to this subsection shall become due during such period as provided in subsection (d) of this Section, except that the assessments made as provided in this subsection of this Section shall be due and payable in equal monthly installments on the first day of each month remaining in that fiscal year.

(2) The Declarant, as the agent of the Board of Directors, shall collect from the first Purchaser of each Unit at the time of settlement an "initial capital contribution" equivalent to twice the monthly installment payment for the annual Common Expense assessment against such Purchaser's Condominium Unit, based either on the assessments for the then current fiscal year or, if the Declarant's contract of sale with the Purchaser so provided, on the assessments for the fiscal year in which the contract was made. The Declarant will deliver the funds so collected to the Board to provide working capital for the Association. Such funds may be allocated to reserves or used for such other Common Expenses (including, without limitation, any personal property deemed necessary for the operation or maintenance of the Common Elements) as the Board may determine. Any such personal property may include, without limitation, items such as file cabinets, typewriters, other office supplies and equipment, gardening equipment, and snow removal equipment.

(h) Effect of Failure to Prepare or Adopt Budget. Failure or delay in preparing or adopting 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 share of the Common Expenses whenever the same shall be determined and, in the absence of any budget for the then current fiscal year, each Unit Owner shall continue to pay monthly installments at the rate established for the previous fiscal year until delivery of the new monthly installment schedule.

(i) Assessments to Constitute a Lien. All amounts assessed against or otherwise due from a Unit Owner shall constitute a lien against that Unit Owner's Condominium Unit(s) as provided in Section 11.2 of these By-Laws.

(j) Annual Audit. An audit of the accounts of the Association shall be made annually in the manner as the Board of Directors may decide, provided, however, that after having received the Board's audit at the annual meeting, the Unit Owners, by a majority vote, may require that the accounts of the Association be audited as a Common Expense by a public accountant. Upon written request of any institutional holder of a first mortgage, such holder shall be entitled to receive a copy of the annual audited financial statement within sixty (60) days after the end of each fiscal year.

Section 7.2. Liability for Assessments. Each Unit Owner shall be personally liable for all assessments against him or his Condominium Unit(s) and such assessments not paid by the 15th day of each month shall be in default. No Unit Owner may avoid liability for any assessment by waiver, non-use or abandonment of any right or real estate. The new Unit Owner of a Condominium Unit shall be jointly and severally liable with the former Unit Owner thereof for all unpaid assessments against that Condominium Unit which became due before the new Unit Owner acquired title thereto, without prejudice to any right of a successor in title to recover from any of his predecessors in title any amount for which any of the latter was liable.

Section 7.3. Non-Liability for Assessments. No person shall have any liability with respect to assessments or installments thereof becoming due as to a Condominium Unit after he has ceased to be the Unit Owner thereof.

Section 7.4. Certificate as to Status of Payment. Upon written request of any Unit Owner or Purchaser, the Treasurer shall furnish or make available within five (5) business days to the person requesting it a dated and recordable certificate setting forth the amount of any unpaid assessments or installments thereof that have become due as to the Condominium Unit in question as of the date of that certificate. A reasonable charge not to exceed the maximum specified by Section 55-79.84(h) of the Code of Virginia may be fixed from time to time by resolution of the Board of Directors for the issuance of such certificate. Notwithstanding any other provision of these By-Laws, a bona fide Purchaser of a Unit who has relied upon such a certificate shall not be liable for any assessments or installments thereof which became due before the date of that certificate and which are not reflected thereon. If a mortgagee of a first mortgage of record obtains title to a Unit as a result of foreclosure or deed in lieu of foreclosure of a first mortgage, such purchaser, its successor and assigns, shall not be liable for, and such Unit shall not be subject to a lien for the payment of Common Expenses assessed prior to the acquisition of such sale or deed in lieu of foreclosure. Such unpaid share of Common Expenses assessed prior to the acquisition of title to such Unit by such purchaser pursuant to the foreclosure shall be collectible from all Unit Owners, including the purchaser at the foreclosure sale or the grantee of any deed in lieu of foreclosure in proportion to their respective Percentage Interests in the Common Elements.

Section 7.5. Collection of Assessments. The Board of Directors, or the Managing Agent or any Officer(s) at the request of the Board, shall take prompt action to collect any assessments for Common Expenses due from any Unit Owner which remain unpaid for more than thirty (30) days from the due date thereof.

Section 7.6. Upkeep of the Condominium.

(a) Upkeep by the Association. Subject to paragraph (2) of subsection (b) of this Section, the Association (acting through the Board of Directors and/or the Managing Agent) shall be responsible for the Upkeep of all Common Elements, and the cost of such Upkeep shall be a Common Expense.

(b) Upkeep by the Unit Owner.

(1) Each Unit Owner shall be responsible for the Upkeep of his Unit, including keeping it and its equipment, appliances and appurtenances in good order, condition and repair and in a clean and sanitary condition, and shall do all redecorating, painting and varnishing which may at any time be necessary to maintain the good appearance and condition of his Unit. In addition, each Unit Owner shall be responsible for all damage to any other Unit or to any Common Element resulting from his failure to perform any of

the Upkeep 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 a Director or the Managing Agent any defect or need for Upkeep for which the Association is responsible.

(2) The Unit Owner of any Unit to which a Limited Common Element is exclusively assigned shall be responsible for keeping it in a clean, sanitary condition, and maintained in good operating condition and order.

(c) Chart of Upkeep Responsibilities. Notwithstanding the provisions of subsections (a) and (b), specified Upkeep responsibilities shall, to the extent set forth thereon, be governed by the Chart of Upkeep Responsibilities set forth as Schedule A attached hereto.

(d) Manner of Repair and Replacement. All repairs and replacements shall be substantially similar to the original construction and installation and shall be of the same or better quality.

Section 7.7. Personnel and Equipment. The Board of Directors, and the Managing Agent and any Officer(s) to the extent authorized by the Board, may, on behalf of the Association in connection with the operation and Upkeep of the Condominium and the operation of the Association, employ and dismiss any persons and purchase any equipment, supplies or material. Such equipment, supplies and material, to the extent that any of it remains personal property rather than becoming part of the Condominium, shall be the property of the Association.

Section 7.8. Additions, Alterations or Improvements by Board of Directors. Except during the period of Declarant control, whenever in the judgment of the Board of Directors it is desirable to make additions, alterations or improvements to the Common Elements costing in the aggregate more than Five Thousand Dollars (\$5,000.00) during any period of twelve consecutive months, the making of such additions, alterations or improvements shall be approved by a Majority Vote at a meeting of the Association. The dollar limitation fixed by this Section shall increase annually by a percentage equal to the percentage increase in the annual budget of the Association. Notwithstanding the foregoing, and notwithstanding any other provision of these By-Laws, if the Board determines that additions, alterations or improvements to the Common Elements are exclusively or substantially exclusively for the benefit of the Unit Owner(s) requesting the same, the cost thereof shall be assessed exclusively against such requesting Unit Owner(s) pursuant to Section 55-79.83(a) or (b) of the Code of Virginia in such proportions as they jointly approve or, if they are unable to agree thereon, in such proportions as may be determined by the Board.

Section 7.9. 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. 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 any Common Element, without the prior written consent of the Board. The Board shall answer any written request by a Unit Owner for approval of a proposed structural addition, alteration or improvement to such Unit Owner's Unit within thirty (30) days after receipt of such request. 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 or on behalf of the Association, and provided consent has been given by the Board, then the application shall be executed on behalf of the Association only by the

President or such other Officer as the Board may by resolution designate, without, however, incurring any liability on the part of the Association or any Officer(s) to any contractor, subcontractor or materialman on account of such addition, alteration or improvement, or to any person having claim for personal injury or property damage arising therefrom. Subject to the approval of the Board and the Unit Owner(s) and any Mortgagee(s) of the affected Unit(s), and to the Declaration, any Unit may be subdivided or the boundaries between adjoining Units may be relocated. The Secretary shall record any necessary amendments to the Condominium Instruments to effect such action as provided in Sections 55-79.69 or 55-79.70 of the Code of Virginia. The Declarant shall have the right to make such alterations or subdivisions without the consent of the Board, and the President of the Association, on behalf of the Board, shall execute any application or authorization required.

Section 7.10. Restrictions on Use of Units and Common Elements.

(a) Each Unit and each Common Element shall be used for non-residential purposes only.

(b) Nothing shall be done or kept in any Unit or in the Common Elements which will increase the rate of insurance for the Condominium except pursuant to a prior resolution 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 could result in the cancellation of insurance on the Condominium or any part thereof, or which would be in violation of any applicable law, ordinance, or other governmental regulation. No waste shall be committed in any Unit or in the Common Elements.

(c) No improper, offensive or unlawful use shall be made of the Condominium or any part thereof, and all applicable laws, ordinances and other governmental regulations, including zoning and land use regulations, shall be complied with by and at the sole expense of the Unit Owner(s) and/or the Association having responsibility for Upkeep of the affected portion(s) of the Condominium.

(d) 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 in accordance herewith.

(e) No Unit Owner shall obstruct any of the Common Elements, nor shall any Unit Owner store anything upon any of the Common Elements except within any areas designated for such storage by resolution of the Board of Directors. Vehicular parking upon the Common Elements shall be subject to the Rules and Regulations. Nothing shall be constructed or altered in, or removed from, the Common Elements except in accordance with the Rules and Regulations or other resolutions of the Board of Directors.

(f) No Unit Owner shall rent or lease a Unit other than on a written form of lease providing that failure of the lessee to comply with the Condominium Instruments and the Rules and Regulations shall constitute a default under the lease and that, in the event of such default, the Board of Directors or any Officer designated by the Board shall have the power as attorney-in-fact for the Unit Owner to terminate the lease and bring summary eviction proceedings against the tenant if such default is not cured within seven (7) days of sending written notice of the default to the Unit Owner. The Board of Directors may provide a suggested standard form lease for use by Unit Owners. Each Unit Owner shall, promptly following the execution of any lease of a Unit, forward a conformed copy thereof to the Secretary. The provisions of this subsection shall not apply to the Declarant.

(g) Except for such signs as may be posted by the Declarant while the Declarant is a Unit Owner or if otherwise permitted by the Declaration, no signs shall be posted in any place within the Condominium visible from any portion of the Common Elements except pursuant to a prior resolution of the Board of Directors.

(h) No Unit Owner shall install any other equipment of any kind or nature whatsoever which will or may necessitate any changes, replacements or additions to the Condominium's water system, plumbing system, heating system, air-conditioning system or the electrical system, without the prior written consent of the Board of Directors.

(i) Refuse and bagged garbage shall be deposited in the area provided therefor by the Association. The Association shall be responsible for disposing of only that refuse and bagged garbage which has been deposited in such areas designated by the Association.

(j) The Board of Directors of the Association may retain a pass-key to all Units. No Unit Owner or occupant shall alter any lock or install a new lock, without the written consent of the Board of Directors of the Association. Where such consent is given, the Unit Owner shall provide the Association with an additional key for the use of the Association, pursuant to its right of access.

(k) No Unit Owner shall make or permit any disturbing noises by himself, his family, his servants, employees, agents, visitors and licensees, nor do or permit anything by such persons that will interfere with the rights, comforts or convenience of other Unit Owners.

(l) No radio or television installation, or other wiring, shall be made without the written consent of the Board of Directors. Any antenna or aerial erected or installed on the exterior walls of a Unit or on the Limited Common Elements or Common Elements of the Condominium, which includes the roof, without the consent of the Board of Directors, in writing, is liable to removal and disposal thereof without notice and at the cost of the Unit Owner for whose benefit the installation was made.

(m) 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 7.11. Right of Access. Pursuant to Section 55-79.79(a) of the Code of Virginia, there is hereby reserved a right of access through each Unit for the benefit of the Board of Directors, the Managing Agent, any person(s) authorized by the Board or Managing Agent, and any group of the foregoing, for the purpose of enabling the exercise and discharge of their and the Association's powers and duties, including (without limitation) making inspections, correcting any condition originating in a Unit and threatening another Unit or the Common Elements, Upkeep of the Common Elements within a Unit or elsewhere in the Condominium, and correcting any condition which violates any provision of the Condominium Instruments, the Rules and Regulations, or any Mortgage. Requests for entry shall be made in advance, and any such entry shall be made at a time reasonably convenient to the Unit Owner, provided, however, that in case of an emergency such right of entry shall be immediate, whether the Unit Owner is present at the time or not, and no notice or permission shall be necessary. Notwithstanding the

foregoing, no cause of action of any kind whatsoever shall arise against the Board of Directors, the Managing Agent, any persons authorized by the Board or Managing Agent, the Association, or any group of the foregoing, on account of their failure to inspect or otherwise ascertain any defects or conditions associated therewith, which occur in the Unit.

Section 7.12. Disclaimer of Bailee Liability. Neither the Association, the Board of Directors, any other Officer(s), the Managing Agent, nor any Unit Owner(s) shall be considered as a bailee of any personal property placed anywhere within the Condominium and shall not be responsible for the security of such personal property or for any loss thereof or damage thereto from any cause, whether or not attributable to negligence, except to the extent covered by insurance in excess of any applicable deductible.

ARTICLE 8

Insurance

Section 8.1. Authority to Purchase.

(a) Except as otherwise provided in Section 8.5 of these By-Laws, all insurance policies relating to the Condominium shall be purchased by or on behalf of the Association. Neither the Association, any Officer(s), the Managing Agent, nor the Declarant shall be liable for failure to obtain any coverages required by this Article due to the unavailability of such coverages from reputable insurance companies, or if such coverages are so available only at demonstrably unreasonable cost. The Secretary shall, pursuant to Section 55-79.81(b) of the Code of Virginia, promptly furnish to each Unit Owner written notice of the procurement, subsequent changes in, and the termination of all insurance coverage obtained on behalf of the Association.

(b) Each such policy shall provide, to the extent reasonably available at reasonable rates, that:

(1) the insurer waives any right to claim by way of subrogation against the Declarant, the Association, the Officers, the Managing Agent, the Unit Owners, and their respective agents, employees and invitees;

(2) such policy shall not be cancelled, invalidated or suspended due to the conduct of any Officer(s), Unit Owner(s), Managing Agent, or any invitee, agent, officer, or employee of any of the foregoing without a prior demand in writing to the Board of Directors or the Managing Agent (whichever is applicable) that the defect be cured, followed by failure to so cure the defect within sixty (60) days after such demand; and

(3) such policy shall not be cancelled or substantially modified for any reason (including nonpayment of premium) without at least sixty (60) days prior written notice to the Board of Directors and the Managing Agent and, in the case of physical damage insurance, to all Mortgagees; and

(4) that the net proceeds of such policies shall be payable to the Insurance Trustee designated hereunder; and

(5) that the Master Insurance policy shall contain a standard mortgage clause in favor of each Mortgagee of a Unit to the extent of the portion of the coverage of the Master policy allocated to such Unit, which shall provide that the loss, if any, thereunder shall be payable to such Mortgagee and the Unit Owner 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, if one is designated; and

(6) That the "no control" clause be part of the Master policy which states that coverage must not be prejudiced by (a) any act or neglect of the Owners of Condominium Units when such act or neglect is not within the control of the Association or (b) any failure of the Association to comply with any warranty or condition regarding any portion of the premises over which the Association has no control; and

(7) the Declarant, so long as Declarant shall own any Unit(s), shall be protected by all such policies as a Unit Owner.

(c) 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 acceptable to the Mortgagees holding first mortgages or first deeds of trust on a majority of the Units.

Section 8.2. 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, windstorm, sprinkler leakage (if applicable), debris removal, cost of demolition and water damage endorsements, and such other coverages as may be appropriate under such "all-risk" policy, insuring all of the Units and the bathroom and kitchen fixtures, service machinery, and other appliances and apparatuses installed therein by the Declarant, and all of the Common Element improvements (other than improvements such as curbs, gutters, and other items not normally insured). Such insurance shall cover the interests of the 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 as Insurance Trustee contained in Section 8.6 and 8.7 of these By-Laws), and shall be in an amount equal to one hundred percent (100%) of the then current replacement cost of the Condominium (exclusive of land, excavations, foundations and other items normally excluded from such coverage), without deduction for depreciation, such amount to be determined annually by the Board of Directors with the assistance of the Managing Agent, the insurance company affording such coverage, and (if the Board so resolves) a qualified appraiser of real estate.

(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 Section 9.5 of these By-Laws not to do so and, in such event, that the insurer shall pay on the basis of the agreed amount endorsement;

(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 Unit Owner, occupant, or other person if such act or neglect is not within the control of the insured, nor by any failure of the insured or any other person to comply with any warranty or condition concerning any portion of the Condominium not controlled by the insured);

(ii) "contingent liability from operation of building laws or codes";

(iii) "increased cost of construction" or "condominium replacement cost"; and

(iv) "agreed amount" or elimination of co-insurance clause;

(3) that any "no other insurance" clause excludes individual Unit Owners' policies from its operation so that the physical damage policy purchased on behalf of the Association 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 on behalf of the Association hereunder be brought into contribution with insurance purchased by individual Unit Owners or their Mortgagees unless otherwise required by law; and

(4) that a duplicate original of such policy, all renewals thereof, and any subpolicies or certificates and endorsements issued thereunder, together with proof of payment of premiums, shall be delivered by the insurer to any Mortgagee whose request therefor is received by the insurer at least thirty (30) days prior to expiration of the then current policy.

Section 8.3. Liability Insurance. The Board of Directors shall obtain and maintain comprehensive general liability insurance (including, without limitation, coverage of all Officers and Directors against libel, slander, false arrest, invasion of privacy, and Directors and Officers' Liability coverage) and property damage insurance in such limits and with such deductibles as the Board may from time to time determine, insuring the Association, each Officer, Director, the Managing Agent, each Unit Owner and the Declarant against liability to the public or to the Unit Owners (and their invitees, agents, employees and members of their households) 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 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 Association; (iv) deletion of the normal products exclusion with respect to events sponsored by the Association; and (v) a "severability of interest" endorsement which shall preclude the insurer from denying liability to a Unit Owner because of negligent acts or omissions of the Association, any Officer(s), or any other Unit Owner(s). The Board shall review such limits once a year, but in no event shall such insurance be less than One Million Dollars (\$1,000,000.00) covering all claims for bodily injury or property damage arising out of one occurrence. Reasonable amounts of "umbrella" or excess liability insurance in excess of the primary limits shall also be obtained in an amount not less than Three Million Dollars (\$3,000,000.00).

Section 8.4. Other Insurance. The Board of Directors shall obtain and maintain:

(a) adequate fidelity coverage to protect against dishonest acts on the part of Officers, agents and employees of the Association and all others who handle or are responsible for handling funds of the Association. Such fidelity bonds shall: (i) name the Association as an obligee; (ii) be written in an amount not less than the total annual assessments for Common Expenses for the then current fiscal year; 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;

or any other Unit Owner(s). The Board shall review such limits once a year, but in no event shall such insurance be less than One Million Dollars (\$1,000,000.00) covering all claims for bodily injury or property damage arising out of one occurrence. Reasonable amounts of "umbrella" or excess liability insurance in excess of the primary limits shall also be obtained in an amount not less than Three Million Dollars (\$3,000,000.00).

Section 8.4. Other Insurance. The Board of Directors shall obtain and maintain:

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(b) workmen's compensation insurance if and to the extent necessary to meet the requirements of law; and

(c) such other insurance or coverage as the Board of Directors may determine or as may be required from time to time by resolutions of the Association.

Section 8.5. Separate Insurance. Each Unit Owner shall, at his own expense, obtain insurance for his own Unit and for his own benefit, including insurance coverage on his personal property, for his personal liability, and on any improvements made by him to his Unit under coverage normally called "tenant's improvements and betterments coverage;" provided, however, that no Unit Owner shall acquire or maintain insurance coverage so as to decrease the amount which the Association may realize under any insurance policy, or to cause any insurance coverage in favor of the Association to be brought into contribution with insurance coverage obtained by a Unit Owner. All policies obtained by Unit Owners individually shall contain waivers of subrogation against insureds under the Master policy and other such policies obtained pursuant to this Article VIII. No Unit Owner shall obtain separate insurance on the Condominium except as provided in this Section.

Section 8.6. Insurance Trustee. All physical damage insurance policies purchased by or on behalf of the Association shall be for the benefit of the Association, the Unit Owners, and their Mortgagees, as their respective interests may appear, and shall provide that all proceeds of such policies shall be paid in trust to the Board of Directors as Insurance Trustee to be applied pursuant to the terms of Article 9 of these By-Laws. 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 stated in Article 9 of these By-Laws, for the benefit of the insureds and their beneficiaries thereunder.

Section 8.7. Board of Directors as Agent. The Board of Directors as Insurance Trustee is hereby irrevocably constituted as agent for the Association, each Unit Owner, each Mortgagee, other named insureds and their beneficiaries, and any other holder of a lien or other interest in the Condominium, to adjust and settle all claims arising under insurance policies purchased by the Board and to execute and deliver releases upon the payment of claims. The Insurance Trustee shall not be liable for the payment of premiums, the renewal of the policies, the sufficiency of coverage, the form or content of the policies, the correctness of any amounts received by it on

laws, ordinances, and other governmental regulations, and using, to the extent feasible, such contemporary materials and technology as may then be available.

Section 9.2. Cost Estimates. Immediately after a fire or other casualty causing damage to any building, the Board of Directors shall obtain reliable and detailed estimates of the costs of the repair and restoration contemplated by Section 9.1 of these By-Laws to a condition as good as that existing before such casualty. Such costs shall include professional fees and premiums for such bonds as the Board of Directors as Insurance Trustee may determine to be necessary.

Section 9.3. Insufficiency of Insurance Proceeds. 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 insurance proceeds are insufficient for the payment of the costs thereof, the amount necessary to complete such reconstruction and repair may be obtained from the appropriate reserve for replacements and/or a special assessment therefor may be levied, as the Board of Directors shall decide.

Section 9.4. Disbursements of Construction Funds.

(a) Construction Fund and Disbursement Thereof. Any proceeds of insurance collected on account of any casualty, any sums appropriated by the Board of Directors from reserves, and any sums received from collections of special assessments on account of such casualty, shall constitute a construction fund which shall be disbursed in payment of the costs of repair and reconstruction in the following manner:

(1) If the estimated cost of reconstruction and repair is less than Twenty-Five Thousand Dollars (\$25,000.00), the construction fund shall be disbursed in payment of such costs upon resolutions of the Board of Directors; provided, however, that upon the written request of one-fifth (1/5) of the Mortgagees (based upon one vote for each first deed of trust or first mortgage owned), such fund shall be disbursed in accordance with the following paragraph (2).

(2) If the estimated cost of reconstruction and repair is Twenty-Five Thousand Dollars (\$25,000.00) or more, then the construction fund shall be disbursed in payment of such costs upon resolutions of the Board of Directors following or contingent upon approval of an architect qualified to practice in Virginia and employed by the Board 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, and stating that: (i) the sums requested in payment are justly due and owing to the persons requesting them, and such sums do not exceed the value of the services and materials furnished; (ii) there is no other outstanding indebtedness known to such architect for the services and materials described; and (iii) 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 the requested sums.

(b) Surplus. If there is a balance in the construction fund after the payment of all of the costs of the repair and reconstruction for which the construction fund is established, such balance shall be credited to all Unit Owners in proportion to their respective Percentage Interests against their respective liabilities for assessments then due or thereafter becoming due.

(c) Priority of Common Elements Over Unit. If the damage is to both Common Elements and Units, the construction fund 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 Board of Directors as Insurance Trustee shall be entitled to rely upon a certificate executed by the President or Vice President, and the Secretary, certifying: (1) whether the damaged Property is required to be repaired or reconstructed; (2) the name of the payee and the amount to be paid with respect to each disbursement from the construction fund; and (3) all other matters concerning the holding and disbursing of any construction fund. Any such certificate shall be delivered to the Board of Directors as Insurance Trustee promptly upon request.

Section 9.5. When Repair or Reconstruction Is Not Required. If the Board of Directors resolves not to repair insubstantial damage to the Common Elements, the Board of Directors shall cause to be removed all debris, with the site of the damage restored to a condition compatible to the extent feasible with the remainder of the Condominium, and the balance of any insurance proceeds received on account of such damage shall be credited to all Unit Owners in proportion to their respective Common Element Interests against their respective liabilities for assessments then due or thereafter becoming due. If the Condominium shall be terminated pursuant to Section 55-79.72 of the Code of Virginia, the net assets of the Association shall be divided by the Board of Directors among all Unit Owners in proportion to their respective Percentage Interests. Distributions of such net assets to each respective Unit Owner shall be made after first paying out of the share of each Unit Owner, to the extent sufficient therefor, the amount of any unpaid liens on his Unit in the order of priority of such liens.

ARTICLE 10

Mortgagees

Section 10.1. Notice to Board of Directors. A Unit Owner who gives a first deed of trust or first mortgage encumbering his Unit shall notify the Board of Directors of the name and address of his Mortgagee and shall file a conformed copy of the note and the deed of trust or mortgage with the Board of Directors who shall maintain such information in a book entitled "Mortgagees of Units".

Section 10.2. Notice of Damages, Condemnation. The Board of Directors shall timely notify: (i) the first Mortgagee of a Unit whenever damage to the Unit covered by the mortgage exceeds \$1,000, or whenever the Unit or portion thereof is made the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority; and (ii) all Mortgagees whenever damage to the Common Elements exceeds \$10,000, or whenever the Common Elements or any portion thereof is made the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority.

Section 10.3. Other Rights of Mortgagees.

(a) Each Mortgagee shall, upon request, be entitled to notice from the Secretary of any failure by the Unit Owner of the encumbered Unit to pay an assessment for Common Expenses or any other default of such Unit Owner.

(b) The Board of Directors shall give written notice to a Unit Owner of any default by the Unit Owner in the performance of any obligations under the Act or Condominium Instruments, and, if such default is not cured within sixty (60) days, shall promptly send a copy of such notice to each holder of a mortgage covering such Unit whose name and address has theretofore been furnished to the Board of Directors.

(c) Each Unit Owner and each First Mortgagee shall be permitted to examine the books of account of the Condominium at reasonable times and upon reasonable notice, on a business day, but not more often than once a month.

(d) The Board of Directors shall notify all First Mortgagees in writing of the termination of any management contract within ten (10) days of receipt or issuance of any notice of such termination by either the Association or the Managing Agent. Notwithstanding the foregoing, the prior written approval of at least two-thirds of all First Mortgagees shall be required to effectuate any decision by the Association to terminate professional management and assume self-management of the Condominium.

(e) Each First Mortgagee shall be entitled to receive, upon request, a copy of the annual audited financial statement within sixty (60) days following the end of the Association's fiscal year.

(f) Unless at least two-thirds (2/3) of the First Mortgagees (based upon one vote for each first mortgage owned) have given their prior written approval, the Association shall not:

(1) change any Unit's Common Element Interest except as permitted by the Declaration;

(2) partition, subdivide, encumber, sell or transfer the Common Elements of the Condominium (the granting of easements for public utilities or for other public purposes consistent with the intended use of the Common Elements shall not be deemed a transfer within the meaning of this clause) except as may be permitted by the Declaration;

(3) by act or omission seek to abandon or terminate condominium status of the project except as provided by statute in case of substantial loss to the Units and Common Elements of the Condominium;

(4) modify the method of determining and collecting assessments or allocating distributions of casualty insurance proceeds or condemnation awards;

(5) use the proceeds of casualty insurance for any purpose other than replacement, repair or reconstruction of the Units or Common Elements except as permitted by the Condominium Act.

(g) As used in this Article and generally in the Declaration and By-Laws and as further defined in the Condominium Instruments and the Act, "First Mortgage" and the term "Mortgagee" includes the holder of a note secured by a First Deed of Trust or Mortgage encumbering a unit and recorded among the land records of Fairfax County, Virginia, and the term "Mortgage" includes any Deed of Trust recorded among the said land records.

(h) All mortgagees or their representatives shall be entitled to attend meetings of the Association and shall have the right to speak thereat. In addition thereto, all Mortgagees shall have the right to examine the books and records of the Condominium and require the submission of annual financial reports and other budgetary information.

(i) Except as otherwise permitted by the Condominium Instruments, the prior written approval of two-thirds (2/3) of all institutional holders of First Mortgages will be required for any material amendment to the Declaration or By-Laws of the Association.

ARTICLE 11

Compliance and Default

Section 11.1. Relief. Each Unit Owner shall comply with all provisions of the Condominium Act, the Condominium Instruments, and the Rules and Regulations, 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 Code of Virginia, the Association, acting through any of its Officers or through the Managing Agent, shall be entitled to the following relief:

(a) Additional Liability. Each Unit Owner shall be liable for the expense of all Upkeep by the Association rendered necessary by his act, neglect or carelessness or the act, neglect or carelessness of any of his employees, agents or licensees, but only to the extent that such expense is not covered by the proceeds of insurance maintained by or on behalf of the Association. 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.

(b) Costs and Attorney's Fees. In any proceeding 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 attorneys' fees as may be determined by the court.

(c) No Waiver or Rights. The failure of the Association, any Officer(s), Directors or any Unit Owner(s) to enforce any provision of the Condominium Act or the Condominium Instruments shall not constitute a waiver of the right of the Association, any Officer, Directors or any Unit Owner to enforce such provision in the future. All rights, remedies and privileges granted to the Association, any Officer(s), or any Unit Owner(s) pursuant to any provision of the Condominium Act or the Condominium Instruments shall be deemed to be cumulative, and the exercise of any one or more thereof shall not be deemed to constitute an election of remedies, nor shall it preclude the persons) exercising the same from exercising such other rights, remedies and privileges as may be granted to such person(s) by the Condominium Instruments or by law.

(d) Interest and Late Charges. If a Unit Owner fails to pay in full any assessment for a period in excess of fifteen (15) days from the due date, the principal amount unpaid shall bear interest from the date due until paid at the rate of eighteen percent (18%) per annum or at such other lawful rate as may be fixed from time to time by resolutions of the Board of Directors. Except as otherwise determined by resolution of the Board, any assessment or installment thereof not paid within five (5) days after becoming due shall accrue a late charge in the amount of Fifteen Dollars (\$15.00) or such other amount as may be established from time to time by resolution of the Board of Directors.

(e) Abating Violations Within Units. Any violation under the Condominium Act, the Condominium Instruments or the Rules and Regulations shall give the Board of Supervisors, the Officers, the Managing Agent, any person(s) authorized by the Board or the Managing Agent, and any group of

the foregoing, the right, in accordance with Section 7.11 of these By-Laws, to enter the Unit in which, or as to which, such violation exists and summarily to abate and remove, at the expense of the Unit Owner thereof, any condition that may exist therein constituting such a violation.

(f) Legal Proceedings. Violation of any provision of the Condominium Act, the Condominium Instruments, or the Rules and Regulations shall be grounds for relief, including (without limitation) an action or suit: (i) to recover any sums due, (ii) for damages, (iii) for injunctive relief, (iv) to foreclose the lien for assessments, (v) any other relief provided for by the Condominium Act or the Condominium Instruments, (vi) for any other remedy available at law or in equity, and (vii) for any combination of any of the foregoing, all of which relief may be sought by the Association, Directors, any Officer(s), the Managing Agent and in any appropriate case, by any aggrieved Unit Owner(s), and shall not constitute an election of remedies.

(g) Fines. The Board of Directors may levy reasonable fines against any Unit Owner for any violation of the Condominium Act, Condominium Instruments, or the Rules and Regulations, not to exceed one percent of such Unit Owner's annual assessment for each separate violation. No fine may be levied unless and until the Unit Owner is given written notice of such violation; provided, however, that each day thereafter that such violation continues shall constitute a separate violation. Written request by the Unit Owner for a hearing on such violation(s) prior to the imposition of a fine therefor shall suspend the imposition of such fine until such hearing is held. Fines imposed pursuant to this subsection shall be treated as an assessment for the purposes of this Article.

Section 11.2. Lien for Assessments.

(a) Every assessment made against a Condominium Unit or the Unit Owner thereof pursuant to these By-Laws is a lien against that Condominium Unit as provided in Section 55-79.84 of the Code of Virginia, which lien shall be effective as of the date such assessment is made. Any Officer, Director or the Managing Agent may file or record such other or further notice of such lien or such other document with respect thereto as may be required by the aforesaid Code Section or by other law 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 (2) 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 that assessment may thereupon be declared due and payable in full by the service of notice to that effect upon the defaulting Unit Owner by any Officer or by the Managing Agent.

(c) The lien for assessments may be enforced and foreclosed in any manner provided by law by any proceeding in the name of the Association, Directors or by an Officer(s) or the Managing Agent acting on behalf of the Association.

Section 11.3. Subordination and Mortgage Protection. Notwithstanding any other provision of the Condominium Instruments, the lien for any assessment levied pursuant to these By-Laws upon any Unit (and any fines, interest on assessments, late charges or the like) shall be subordinate to the rights of a Mortgagee; provided, however, that such subordination shall apply only to assessments and other charges which have become due and payable

prior to a sale or transfer of such Unit pursuant to a decree of foreclosure, or any deed or assignment in lieu of foreclosure. Such sale or transfer shall not relieve the new Unit Owner of that Unit from liability for any assessments thereafter becoming due, the lien for which shall have the same effect and be enforced in the same manner as provided herein.

ARTICLE 12

Amendments to By-Laws

Section 12.1 Amendments. These By-Laws may not be modified or amended except as provided in Section 55-79.72 of the Condominium Act; provided, however, that until the expiration of the maximum time permitted by Section 55-79.74(a) of the Condominium Act, (i) Section 2.3. of Article 2, (ii) Section 2.9. of Article 2, (iii) Section 3.1. of Article 3, and (iv) Section 12.1 of this Article 12. may not be amended without the consent in writing of the Declarant, so long as the Declarant shall be the Unit Owner of Units representing twenty-five (25) percent or more of the aggregate Percentage Interests of the Condominium. All amendments to the By-Laws shall be prepared and recorded by the Secretary.

Section 12.2. Approval of Mortgagees. These By-Laws contain provisions concerning various rights, priorities, remedies and interests of Mortgagees. Such provisions in these By-Laws 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 By-Laws impairing or affecting such rights, priorities, remedies or interests of a Mortgagee shall be adopted unless at least sixty-six and two-thirds (66-2/3) percent of the Mortgagees (based on one (1) vote for each mortgage owned) have given their prior written approval.

ARTICLE 13

Miscellaneous

Section 13.1. Notices. All notices, demands, requests, bills, statements or other communications contemplated by these By-Laws shall be in writing and shall be deemed to have been duly given or served 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 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 two or more persons living at different addresses, each such person who so designates an address in writing and files with the Secretary shall be entitled to receive all notices hereunder.

Section 13.2. Captions. The captions herein are inserted only for convenience and reference, and in no way define, limit or describe the scope of these By-Laws or the intent of any provision thereof.

Section 13.3. Gender. The use of the masculine gender in these By-Laws shall be deemed to include the feminine and neuter genders and the use of the singular shall be deemed to include the plural, and vice versa, whenever the context so requires.

Section 13.4. Construction. These Condominium Instruments are intended to comply with all of the applicable provisions of the Condominium Act and shall be so interpreted and applied.

Section 13.5. Condemnation. In the event of a taking in condemnation or by eminent domain, the provisions of Section 55-79.44, Code of Virginia, as amended, shall prevail and govern.

**AMENDMENT TO THE BY-LAWS AND DECLARATION OF
VIENNA OAKS OFFICE CENTER CONDOMINIUM**

THIS AMENDMENT is made as of the 1ST day
of July, 2004 by the Vienna Oaks Office Center
Condominium, and shall become effective upon it being
recorded in the Fairfax County land records.

WITNESSETH THAT:

WHEREAS, a Declaration of Condominium to be known as
Vienna Oaks Office Center Condominium was recorded among the land
records of Fairfax County, Virginia at Deed Book 5724, page 0780
et seq., thereby creating the Association, located in Fairfax
County, Virginia; and

WHEREAS, the By-Laws of the Vienna Oaks Office Center
Condominium was recorded as an attachment to the Declaration at
Deed Book 5724, page 0813; and

WHEREAS, the Board of Directors recommended that the By-
Laws and Declaration of the Association be amended at an annual
meeting or special meeting for the purpose of amending the By-
Laws and Declaration to provide for certain changes pertaining to
the interest charged on delinquent accounts, late fees charges on
delinquent accounts, the right of the Association to accelerate
assessments for the balance of the annual year in the event of a
delinquency and other matters noted in Article 7, Section 7.1 (f)
of this amendment.

WHEREAS, the By-Laws provided for amendment of the By-Laws at Article 12, Section 12.1 of the By-Law by a vote of not less than twenty five percent (25%) of the unit owners at any annual meeting or special meeting called for such purpose, provided that all particulars required by law to be set forth in the By-Laws shall be embodied in these By-Laws and all modifications or amendments shall be set forth in an amendment to the Declaration and duly recorded as part of the Declaration, and;

WHEREAS, the Declaration provides at Article IX of the Declaration recorded at Deed Book 5724 at page 0802 that the Declaration may be amended by an instrument recorded in the Clerk's Office of the Fairfax County Circuit Court and executed by not less than 25 percent of the percentage of undivided interest in the project of the unit owners of units; provided, that the common interest appurtenant to each unit as expressed in this Declaration shall have a permanent character and shall not be altered without the consent of all of the unit owners affected, expressed in an amended Declaration duly recorded and;

WHEREAS, the requirements to amend the Declaration and By-Laws as set out above have been complied with and the following amendments are hereby made to the Declaration and By-Laws of the Association.

Article VIII is added to the By-Laws and the Declaration as noted below and any provision or paragraph of the Declaration or By-Laws that is inconsistent with the amendment is controlled by this Amendment which will be effective to both the Declaration and the By-Laws of the Association. Any provision or paragraph which can be read consistently with this provision shall still be valid. It is the intent of the Amendment that the documents of the Association be read as one document so much as possible.

ARTICLE VIII

COLLECTION OF ASSESSMENTS

Section 1. **Assessments Owed By Unit Owner.**

Assessments shall mean any expenses to be paid by the unit owners in the Declaration and or By-Laws of the Association.

Section 2. Late fees.

If the unit owner fails to pay any fee required to be paid in Article 11, Section 11.1 (d) of the By-Laws within ten days of the due date, the Board of Directors may charge a late fee of \$60.00 (smaller units) and \$75.00 (larger units) for each delinquent payment. The Board of Directors may alter the late fee at any time by entry of a resolution that a different fee is appropriate. The Board may alter this late fee at any future time as the Board of Directors determines is appropriate by execution of a new resolution. Any such resolution shall set forth the amount of the late fee and the date it is to become effective if the sum is changed from the amount noted in this Amendment.

Section 3. Interest Charge.

In the event the assessments are accelerated pursuant to this Article, an interest charge of 18% per annum shall be charged on any account that is delinquent from the date of delinquency until paid. Should this interest rate not be enforceable at law for any reason, the court shall grant the highest rate which is allowable by law.

Section 4. **Acceleration of Assessments.**

1. Right of Association to Accelerate Assessments.

If an account is delinquent for more than sixty days, the assessments for the balance of the fiscal year of the Association may be accelerated by the Board of Directors. The Board of Directors has determined that any account that stays delinquent for more than sixty days shall be referred to an attorney for collection if the account exceeds more than what would be the monthly assessment for the unit.

2. Notice to Delinquent Owner.

The Association may send any number of notices that the Board of Directors feels is appropriate. However, in order to accelerate the assessments, the Association attorney, Board of Directors or managing agent need only send one notice to the delinquent owner that the account has been delinquent more than 60 days. Any such notice shall give the unit owner thirty days to bring the account current.

3. Where Notice Shall be Mailed.

The notice shall be mailed to the last known address of the unit owner who is delinquent by the Board of Directors, Management Company or attorney. The acceleration shall become effective if payment is not made within thirty days of mailing the letter. The account will be accelerated after the 30 days even if the unit owner does not receive the letter at the last known mailing address.

4. When Account Not Brought Current Within Thirty Days.

If the account is not brought current within thirty days after the letter is sent as noted above, the account will automatically be accelerated.

Section 5. **Costs**

The unit owner shall be responsible to pay any and all costs that the Association shall incur in attempting to collect any portion of an outstanding assessments or other charge noted in the Association documents that are owed by the unit owner. The following is a list of some of the costs that the unit owner shall be responsible for if the costs are incurred by the Association. This is not a complete list but is merely a partial list of costs included. Any costs to the Association in collection shall be the responsibility of the unit owner who is delinquent.

1. Copying, return payment charges and other administrative costs to the Association. Administrative charges shall include any fees that the Association has agreed to pay to a management company or attorney for the Association in collecting delinquent debts. It will also include any reasonable charge that the Association establishes in attempting to collect the debt through its employees. The administrative charge will also include any fee that the Association has agreed to pay to the management agent or employee of the managing agent to appear in court for purposes of collecting a delinquency. Attorney fees in delinquent collection cases where suit is filed shall be reasonable attorney fees but not less than 25% of the outstanding delinquency at the time that suit is filed. If the attorney charges any demand letter charge that fee shall be added to the charges of the unit owner along with any pass through postage charges of the attorney.

2. Compliance costs associated with enforcing rules, regulations or the documents of the Association. This would include any postage charges, fees charged by management or employees or the attorney in enforcing compliance with the rules of the Association, including all court costs.

3. The costs of mailing and other administrative charges incurred by the Association's legal agent regarding collection of a delinquent assessment. If a bad check is given by the delinquent owner and the check is returned, the costs incurred by the attorney shall be added to the account as a cost of collection.

4. Mailing and processing charges for any notifications shall be in the amount determined by the Association where the Association sends out any notice through its employees. Should the Association have charges as a result of the Association's attorney or managing agent mailing such notice, the charge to be assessed to the account shall be the charge incurred by the Association for the management agents or attorney's fee for such service. All postage charges billed to the Association from the managing agent or attorney shall also be specially assessed against the account.

5. Lien fees. These costs shall include the costs incurred for filing a lien and for release of the lien as established by the Commonwealth of Virginia plus the costs of having the attorney file and release such liens. The costs of the lien release fees will be added to the account prior to release so that a record may be maintained of all fees to be paid by the debtor.

6. Foreclosure costs. The costs of any foreclosure, or suit to enforce a creditors bill shall be added to the debtors account. This will include the costs that the attorney charges to the Association at an hourly rate of \$150.00 per hour for his service, plus all filing fees of the action and service fees. It will also include any court reporter's fee or Commissioner's fee that is charged as a result of the action. Any costs of transcripts of the proceeding will also be charged to the account of the unit owner. The hourly rate for foreclosure actions by the attorney will be at \$150.00 per hour.

7. Any costs charged as a result of a sheriff's levy and or sale. This will include any notification fees charged by the sheriff, any indemnification bond required by the sheriff and any related charge as a result of a sale of the debtor's property.

This instruments signed by the unit owners of the Association was received by the Association on the 15th day of July, 2004 at an annual or special meeting called for the purpose of amending the By-Laws and Declaration of the Association.

NOW THEREFORE, pursuant to and in compliance with the Declaration and By-Laws of the Association the Declaration and By-Laws are amended to revise Article 11, Section 11.1 (d).

The undersigned lot owners have approved the Amendment attached to this document:

UNIT OWNER:

UNIT OWNER:

2553

S. Woodas Dean

?

Joe Job

William D. ...

Peggy Langford

Thomas J. Wenckom

Joe Bagg

[Empty lined area for unit owner information]

[Empty lined area for unit owner information]

2571
2572

2566

2563

2557

The undersigned, President and Secretary of the Board of Directors hereby certify that not less than 25% of the unit owners appeared at an annual meeting or special meeting called for the purpose of amending the By-Laws and Declaration. The President and Secretary further certify that not less than 25% of the percentage of undivided interest in the project of the unit owners of units have executed this amendment consenting to the amendment and that all other requirements for the By-Laws and Declaration to be amended have been complied with by the Association.

IN WITNESS WHEREOF, the Vienna Oaks Office Center Condominium have caused this Amendment to be executed by the President and Secretary of the Vienna Oaks Office Center Condominium as of the date first written above.

By 
President

ATTEST:

Secretary

State of Virginia :
County of Fairfax :

I, the undersigned, a Notary Public in and for the State of Virginia, do hereby certify that Glenn Gerald whose name is signed to the foregoing instrument has acknowledged the same before me as President of the Vienna Oaks Office Center Condominium in the aforesaid jurisdiction.

Given under my hand and seal this 1st day of July, 2004.

Shirley F Bennett (SEAL)
NOTARY PUBLIC

My Commission Expires: 4/30/05

State of Virginia :
County of Fairfax :

I, the undersigned, a Notary Public in and for the State of Virginia, do hereby certify that _____ whose name is signed to the foregoing instrument has acknowledged the same before me as Secretary of the Vienna Oaks Office Center Condominium in the aforesaid jurisdiction.

Given under my hand and seal this ____ day of _____, _____.

(SEAL)
NOTARY PUBLIC

My Commission Expires: _____

Resolutions

Vienna Oaks Office Center

Resolution 101 (01.11.2006):

The Vienna Oaks Office Center Condo Board hereby resolves that the entire building be deemed a "Smoke-Free" building, that all smoking take place at least 15 feet from the building and all tobacco, butts, physical residue be disposed of by the smoker, placed in the proper receptacle but not visibly left on the grounds as trash.

Resolution 102 (01.10.2007):

The Vienna Oaks Office Center Condo Board hereby resolves that in keeping with the Condominium Covenants any changes to the exterior of the building will have to come before the Board and gain approval of the same prior to executing any such change.

Resolution 103 (01.10.2007):

The Vienna Oaks Office Center Condo Board hereby resolves that any move in or move out trash (including paper, boxes, furniture, machines, etc.) be removed by the tenant or owner and not be placed in or around the existing dumpster. The dumpster is to be used by all the occupants for normal and daily trash (never for large items, furniture or machines of any type) and is not to be overloaded by the same. Likewise, in office 'makeovers' where existing occupants have excessive trash, boxes or have machines in replacement, those items would qualify under the same description as above. Offenders (or owners should the offender be a Tenant) may be fined \$100.00 per offense and the cost of removal.

Resolutions

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VIENNA OAKS OFFICE CENTER CONDOMINIUM ASSOCIATION

Policy Resolution 17 – 03

(Resolution Related to Enforcement of the Condominium Instruments)

WHEREAS, Article IX of the Declaration of Vienna Oaks Office Center Condominium dated January 4, 1983 and recorded in the land records of Fairfax County, Virginia in Deed Book 5724 at Page 0790, as amended from time to time (“Declaration”) states that all “Unit Owners, tenants and occupants of Units shall be subject to and shall comply with, the provisions of this Declaration, the By-Laws, and the Rules and Regulations, adopted by the Association as they may be amended from time to time”: and

WHEREAS, Article 3, Section 3.7(a)(1) of the By-Laws of Vienna Oaks Office Center Condominium Association (“By-Laws”) empowers the Board of Directors of the Vienna Oaks Office Center Condominium Association (“Board” and “Association,” respectively) to “adopt, amend and repeal Rules and Regulations governing the use and operation of the Common Elements and any portions thereof...”: and

WHEREAS, Article 11, Section 11.1(g) of the By-Laws empowers the Board to “levy reasonable fines against any Unit Owner for any violation of the Condominium Act, Condominium Instruments, or the Rules and Regulations not to exceed one percent of such Unit Owner’s annual assessment for each separate violation. No fine may be levied unless and until the procedures as required by the Condominium Act have been followed. The Board may assess the Unit Owner for the maximum amount as permitted by the Condominium Act and fines imposed pursuant to this subsection shall be treated as an assessment for the purposes of this Article”; and

WHEREAS, the Board has determined that it is in the best interests of the Association to establish policies and procedures related to due process and enforcement actions;

NOW THEREFORE BE IT RESOLVED that the Board adopts the following rules and regulations regarding enforcement of the Condominium Instruments:

I. Informal Resolution

The Board and its managing agent will typically strive to resolve instances of non-compliance by means of informal, personal contact, telephone or written reminders or any other method which is deemed appropriate to remedy non-compliance with as little inconvenience to all parties. However, if such attempts are not appropriate or if, in the sole discretion of the Board or management, formal enforcement is necessary, the citation and hearing process set forth below may be invoked.

II. Complaint

- A. Any unit owner, tenant, or resident who requests that the Board take action to enforce the Declaration. By-Laws or rules and regulations adopted thereto (“Governing Documents”) shall complete a written complaint, which may be sent via an email, containing the following information;
 - 1. The complainant’s name and unit number,
 - 2. The date and approximate time of the alleged violation,
 - 3. A description of the alleged violation.

Management and the Board of Directors shall also have the right to identify violations.

- B. A Board member or management shall investigate to determine whether there is a possible violation.
- C. The person making the complaint may choose to remain anonymous, unless said violation results in a hearing, in which case the complainant may be called to testify. Similarly, if the complaint is verified by management independent of the complaint, management may act as the complainant.

III. Demand

If determined appropriate, a written demand letter or “Cease and Desist” letter will be mailed, via regular and certified mail, to the alleged violator stating the alleged violation, the action required to abate or remedy the violation, and a specific date by which the alleged violation must be abated or remedied and/or not repeated. The time frame for compliance with the cease and desist shall be reasonable based on the circumstances.

IV. Notice of Hearing

- A. If the alleged violation is not abated or remedied within the time specified in the demand, a hearing shall be scheduled.
- B. Notice of a hearing shall, at least 14 days in advance thereof, be hand delivered or mailed by registered or certified United States mail, return receipt requested, to such unit owner.
- C. The notice of hearing shall specify:
 - 1. The time, date and place of the hearing;
 - 2. That the unit owner shall be given an opportunity to be heard and to be represented by counsel before the Board;

3. The alleged violation, citing applicable provisions of the Governing Documents violated; and,
4. That monetary charges for violation of the Governing Documents may be imposed of up to Fifty Dollars (\$50.00) for a single offense or Ten Dollars (\$10.00) per day, up to a maximum of ninety (90) days, or as otherwise specified in the Act, for any offense of a continuing nature.
5. That the Association may file legal action in general district or circuit court seeking relief, including injunctive relief, arising from any violation of the condominium instruments or duly adopted rules and regulations
6. An invitation to the hearing shall be sent to the person(s) originating the complaint.

V. Hearing

- A. The Board constitutes the hearing panel and the hearing shall be scheduled at a reasonable and convenient time and place within the Board's discretion.
- B. The hearing need not be conducted according to the technical rules of evidence applied in a court of law. The hearing shall provide the alleged violator with an opportunity to be heard, to present witnesses and testimony on his or her behalf and to be represented by counsel.
- C. The chairperson may, in his or her reasonable discretion, impose specific procedures governing the hearing in order to expedite the proceedings and/or to ensure that a fair and thorough hearing occurs.
- D. The hearing shall be conducted in closed session unless the alleged violator requests that the hearing be open (although the Board may choose to deliberate in closed session after the hearing) to unit owners and residents. During the course of any hearing held, the Board, within its discretion, may afford those residents involved with the dispute or violation an opportunity to be heard within reasonable time limits.
- E. Upon conclusion of the hearing (whether the hearing is closed or open) the Board will reconvene in open session and vote on the enforcement action(s) to be taken which may include, but not be limited to, monetary charges and/or service suspension. The Board's decision shall be sent to the unit owner within seven (7) days of the hearing and shall be hand delivered or mailed by registered or certified United States mail, return receipt requested

- F. Should a monetary charge be imposed on the alleged violator, the fine will be treated as an assessment against the Unit, even if the alleged violator is a guest or tenant subject to a lease. The charge shall be subject to collection action in the same manner as an assessment.

VI. Records.

Management shall keep copies of all correspondence relative to rules violations in the unit owner's file or in a separate file on rules violations. Minutes of each hearing or meeting may be kept.

VII. Other Remedies.

The Board of Directors holds each unit owner legally responsible for ensuring that their tenants, guests or invitees comply with the Governing Documents.

The procedures outlined in this Resolution may be applied to all violations of the Governing Documents, but do not preclude the Association from exercising other enforcement procedures and remedies authorized by the Governing Documents, including, but not limited to, the initiation of suit or self-help remedies. The Board of Directors reserves the power to assign all of its powers and responsibilities herein to a standing or special committee of its choice or to its manager or managing agent.

This policy supersedes and replaces and other previously adopted rules and regulations related to due process procedures concerning enforcement cases.

The effective date of this resolution shall be the date of adoption.

Fairfax County Land Records Cover Sheet

Instruments

BY LAWS MODIFICATION

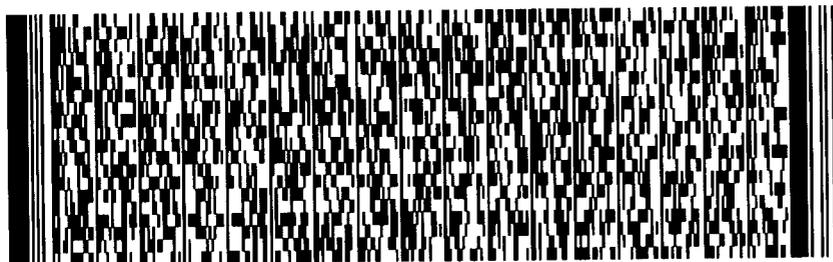
Grantor(s)

VIENNA OAKS OFFICE CENTER CONDOMINIUM ASSOCIATION_I_N

Grantee(s)

VIENNA OAKS OFFICE CENTER CONDOMINIUM ASSOCIATION_I_N

Consideration	0.00	Consideration %	100
Tax Exemption		Amount Not Taxed	
DEM Number		Tax Map Number	
Original Book	5724	Original Page	
Title Company			Title Case
Property Descr.	VIENNA OAKS OFFICE CENTER CONDOMINIUM		
Certified	No	Copies	1
		Page Range	1-36



Print Cover Sheet

Prepared By and Return To:
Rees Broome, PC
8133 Leesburg Pike, Ninth Floor
Vienna, Virginia 22182

DEED OF AMENDMENT TO THE BYLAWS OF THE
VIENNA OAKS OFFICE CENTER CONDOMINIUM ASSOCIATION

THIS DEED OF AMENDMENT to the Bylaws of **VIENNA OAKS OFFICE CENTER CONDOMINIUM ASSOCIATION** is made this 22 day of January, 2010 by Glenn D. Gerald, President of **VIENNA OAKS OFFICE CENTER CONDOMINIUM ASSOCIATION** ("Association").

W I T N E S S E T H:

WHEREAS, pursuant to the Virginia Condominium Act (§55.79.39 et seq.) and the terms of the Association Declaration and Bylaws, as amended, which were originally recorded among the land records of Fairfax County, Virginia, in Deed Book 5724, Page 790, et seq., the Association may, from time to time, alter and amend the Bylaws governing the operations and affairs of the Vienna Oaks Office Center Condominium Association; and

WHEREAS, the Board of Directors of the Vienna Oaks Office Center Condominium Association proposed certain amendments to the Bylaws of the Vienna Oaks Office Center Condominium Association for submission to the Owners for approval as required by the Bylaws and §55-79.71 of the Virginia Condominium Act; and

WHEREAS, Owners representing at least Two-thirds (2/3) of the votes in the Association approved amendments to the existing Bylaws of the Vienna Oaks Office Center Condominium Association and as more fully described in Exhibit A to this Deed of Amendment; and

WHEREAS, pursuant to the §55-79.71 of the Virginia Condominium Act, the President and Principal Officer of Vienna Oaks Office Center Condominium Association has executed a certification, attached hereto as Exhibit B, affirming that the requisite majority of Co-Owners have ratified the amendments to the Bylaws (attached hereto as Exhibit A).

NOW THEREFORE, pursuant to the approval and ratification of individual Owners representing at least Two-thirds (2/3) of the votes in the Vienna Oaks Office Center Condominium Association, and as evidenced by the Certification of the President

attached hereto as Exhibit B, the existing Bylaws recorded as Exhibit B to the Declaration in Deed Book 5724, Page 790, et seq., among the land records of Fairfax County, Virginia, are hereby amended by repealing the existing Bylaws and replacing the same with the Bylaws attached hereto as Exhibit A.

IN WITNESS WHEREOF, the President of the Vienna Oaks Office Center Condominium Association has executed this Amendment to the Vienna Oaks Office Center Condominium Association Bylaws this 22 day of January 2010.

VIENNA OAKS OFFICE CENTER CONDOMINIUM ASSOCIATION

By: *Glenn D. Gerald*
Glenn D. Gerald
President

STATE OF VIRGINIA:
COUNTY OF FAIRFAX:

I, the undersigned Notary Public in and for the county and state aforesaid, do hereby certify that Glenn D. Gerald whose name is signed to the foregoing Deed of Amendment as President and who has provided me with sufficient personal identification, has acknowledged the same before me in my county aforesaid.

Given under my hand this 22nd day of January, 2010.



Aveh Rashidi-Yazd
Notary Public

Aveh Rashidi-yazd
Printed Name

7090061
Registration Number

My Commission Expires:
May 31, 2011

EXHIBIT A

BY-LAWS

OF

VIENNA OAKS OFFICE CENTER CONDOMINIUM ASSOCIATION

(Fairfax County, Virginia)

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BY-LAWS
OF
VIENNA OAKS OFFICE CENTER-CONDOMINIUM ASSOCIATION

ARTICLE 1.
Introductory Provisions

Section 1.1. Applicability. These By-Laws provide for the governance of Vienna Oaks Office Center Condominium, by a Unit Owners' Association to be known as "Vienna Oaks Office Center Condominium Association." The Condominium is located in Fairfax County, Virginia.

Section 1.2. Definitions. In addition to the definitions indicated or specified by Section 1.2 of the Declaration, in these By-Laws:

- (a) "Association" means Vienna Oaks Office Center Condominium Association.
- (b) "Majority Vote" means a simple majority except where a higher majority is specified, of the votes actually cast at a meeting held pursuant to these By-Laws where the quorum requirements for such meeting are satisfied.
- (c) "Upkeep" means care, maintenance, operation, repair, renovation, alteration, remodeling, restoration, replacement, improvement, or any combination thereof.

ARTICLE 2.
The Association

Section 2.1. Membership. The membership of the Association shall at all times consist of all Unit Owners of record of Units located within the Association.

Section 2.2. Status and Office of the Association. The Association, and its Board of Directors and Managing Agent when either of them act on behalf of the Association, shall for all purposes act only as agent for the members of the Association as a group. The office of the Association shall be at such place as may be designated from time to time by the Board of Directors, but shall always be at a location within Fairfax County, Virginia.

Section 2.3. Annual Meetings. The members of the Association shall meet at least once each fiscal year at such time and place as may be determined by the Board of Directors. The meeting shall not be held on a Saturday, Sunday, or legal holiday observed in Virginia.

Section 2.4. Special Meetings.

It shall be the duty of the President to call a special meeting of the Association if so directed by resolution of the Board of Directors, or upon a petition signed by the Unit Owners of not less than thirty percent (30%) of the total votes in the Association. Such petition must specify the purpose(s) for which the meeting is to be held and be delivered to the Secretary.

Section 2.5. Notice of Meetings. The Secretary shall give notice to all Unit Owners of each meeting of the Association at least twenty-one (21) days but not more than thirty (30) days prior to the meeting. The notice shall specify the place, date and time of the meeting and, in the case of a special meeting, shall also specify the purpose(s) for which the meeting is to be held.

Section 2.6. Quorums. A quorum shall be deemed to be present at any meeting of the Association if persons entitled to cast at least one-third (1/3) of the votes in the Association are present in person or by proxy when the meeting is called to order. If a special meeting of the Association is called for the purpose of removing a Director, then a quorum shall be deemed to be present at such meeting if persons entitled to cast at least one-fourth (1/4) of the votes in the Association are present in person or by proxy when the meeting is called to order. No business shall be transacted in the absence of a quorum other than to adjourn the meeting to a date, time and place agreed by Majority Vote of those present.

Section 2.7. Order of Business. The order of business at all annual meetings of the Association shall be as follows unless otherwise specified in the notice of meeting or agreed by the Unit Owners present:

- (1) Call to Order/Proof of Quorum.
- (2) Proof of notice of meeting.
- (3) Reading of minutes of preceding meeting.
- (4) Reports of Officers.
- (5) Appointment of vote tellers (if any vote is to be taken) by the Officer presiding.
- (6) Election of Director (at annual meetings).
- (7) Unfinished business.
- (8) New business.
- (9) Adjournment.

Section 2.8. Conduct of Meetings. The Officer presiding at a meeting of the Association may appoint a person to serve as parliamentarian at that meeting. The latest edition of Robert's Rules of Order shall govern the conduct of all meetings of the Association when not in conflict with the Governing Documents or the Condominium Act.

Section 2.9. Voting. Each Unit is hereby allocated a vote in the Association equal to its Percentage Interest as set forth in the Declaration and the person entitled to cast the vote allocated to that Unit shall be the Unit Owner thereof. If a Unit Owner is more than one person, the vote shall be cast either: (i) by the person named in a certificate executed by all the persons constituting the Unit Owner of such Unit and filed with the Secretary; or (ii) in the absence of

such a certificate, by any such person who is present at the meeting; provided, however, if more than one such person is present, the vote shall be cast only in accordance with their unanimous agreement. A certificate filed with the Secretary pursuant to this Section shall be valid until its revocation is similarly executed and filed. No Unit Owner shall be entitled to cast the vote of a Unit if the Unit Owner is more than sixty (60) days past due in the payment of any financial obligation to the Association and/or the Association has recorded a lien against the Unit and the amount necessary to release such lien has not been paid by the time such vote is to be cast. There shall be no cumulative voting.

Section 2.10. Proxies. Any vote may be cast by a proxy duly executed by or on behalf of the Unit Owner and properly witnessed and dated. Proxies may be granted only to another Unit Owner the Mortgagee or lessee of the Unit, an Officer, or, in the case of a non-resident Unit Owner, his attorney or authorized agent; provided, however, that no person other than the Managing Agent or an Officer shall vote proxies for more than one Unit. A proxy shall be valid only for the meeting designated therein and must be filed with the Secretary at or before the time of such meeting. A proxy shall be void if, before it is exercised, the presiding Officer receives actual notice of revocation from any of the persons who executed it. No proxy shall be valid after adjournment of the first meeting of the Association held on or after the date of that proxy unless otherwise stated in the proxy.

ARTICLE 3. Board of Directors

Section 3.1. Number and Term. The Board of Directors shall consist of not less than three (3) nor more than seven (7) Directors elected for one-year terms, No Unit Owner may be elected as a Director if the Unit Owner is more than sixty (60) days past due in the payment of any financial obligation to the Association and/or the Association has recorded a lien against the Unit and the amount necessary to release such lien has not been paid by the time such vote is to be cast..

Section 3.2. Meetings. The Board of Directors shall meet regularly. Notice of the time, date and place of each meeting of the Board shall be published where it is reasonably calculated to be available to a majority of the Unit Owners. A Unit Owner may make a request to be notified on a continual basis of any such meetings either by e-mail or first class mail. Such request shall be made at least once a year in writing and it shall include the Unit Owner's name, address, zip code and/or e-mail address. Notice of the time, date, and place shall be sent to the Unit Owner by first class or e-mail, pursuant to the Unit Owner's request. Special meetings of the Board shall be held when called by the President or by at the request of two (2) members thereof, in either case with at least three (3) business days' notice stating the time, place, and purpose(s) of the meeting to the other Director(s). Emergency meetings may be called by the President or at the request of two members of the Board and shall be held as the President may schedule. Notice, reasonable under the circumstances, of the special or emergency Board meetings shall be given to the Unit Owners. Attendance by a Director at any meeting of the Board of Directors shall constitute a waiver of notice by him of the time, place and purpose of such meeting.

Section 3.3. 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. No business may be transacted in the absence of a quorum other than to fill a vacancy in the Board and/or to adjourn the meeting to a date, time and place specified by the Director present. One or more members of the Board of Directors may participate in and be counted for quorum and voting purposes at any meeting by means of conference telephone or similar communication equipment by means of which all persons participating in the meeting can hear each other.

Section 3.4. Conduct of Meetings. The latest 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 Governing Documents or the Condominium Act. Each decision of the Board of Directors shall be made by a Majority Vote except where a higher majority is specified by these By-Laws.

Section 3.5. Action without Meeting. Any action required or permitted to be taken by the Board of Directors may be taken without a meeting if all of the Directors shall consent in writing to such action. Any such written consent shall be filed with the minutes of the proceedings of the Board.

Section 3.6. Removal, Resignation and Vacancies.

(a) Any Director may be removed with or without cause, by a Majority Vote of the Unit Owners at a special meeting of the Association called for such purpose, and a successor shall thereupon be elected in the same manner. Notice and an opportunity to be heard at the meeting shall be afforded to any Director whose removal is proposed.

(b) Any Director may resign at any time and shall be deemed to have resigned upon disposition of his Unit

(c) Any vacancy in the Board of Directors caused by any reason, other than removal pursuant to subsection (a) of this Section, shall be filled by Majority Vote of the remaining Director(s) at a meeting of the Board of Directors.

(d) Any Director elected to fill a vacancy pursuant to this Section shall be elected to serve for the entire remaining term of his predecessor.

Section 3.7. Powers and Duties.

(a) In addition to such other powers as are conferred on the Board of Directors by the Condominium Act and other provisions of the Condominium Instruments, the Board shall have the power:

(1) to adopt, amend and repeal Rules and Regulations governing the use and operation of the Common Elements and any portions thereof and, to the extent provided by these By-Laws, governing the use of the Units, provided, however, that any such Rules and Regulations in conflict with the Condominium Instruments or any applicable law, ordinance or other governmental regulation shall be void;

(2) to determine the expenditures to be made by the Association and the purpose of each such expenditure;

(3) to borrow money on behalf of the Association, provided, however, that a two-thirds (2/3) Majority Vote at a meeting of the Association shall be required to borrow any sum which exceeds Ten Thousand Dollars (\$10,000.00) of aggregate borrowed funds outstanding;

(4) to acquire, hold, mortgage and dispose of Condominium Units in the name of the Association, but only if such actions are approved by a two-thirds (2/3) Majority Vote at a meeting of the Association and the maximum number of such Units which may be held by the Association at any time shall not exceed one (1);

(5) to act on behalf of the Unit Owners with respect to all matters arising out of any eminent domain proceeding affecting any part of the Condominium;

(6) to grant exclusive or nonexclusive licenses for the use of designated Common Elements to the Unit Owners of designated Units in accordance with the provisions of the Declaration and other Condominium Instruments governing same;

(7) to do or cause to be done any other act or thing not inconsistent with Condominium Instruments or any applicable law, ordinance or governmental regulation, which may be authorized by a two-thirds (2/3) Majority Vote at a meeting of the Association;

(b) The Board of Directors shall have the duty to:

(1) enforce or cause to be enforced the provisions of the Condominium Act, the Condominium Instruments, and the Rules and Regulations;

(2) do or cause to be done by an appropriate Officers all acts and things required by the Condominium Act or the Condominium Instruments to be performed by an Officer; and

(3) do or cause to be done any other act or thing not inconsistent with the Condominium Instruments or any law, ordinance or governmental regulation, as may be directed by a two-thirds (2/3) Majority Vote at a meeting of the Association.

(c) The Board of Directors may delegate (with or without conditions) to a Managing Agent and/or to specified Officer(s), the performance of such duties and services as the Board of Directors shall authorize, including, but not limited to, all of the duties listed in the Virginia Condominium Act, the Declaration and these By-laws; provided, however, where a Managing Agent does not have the power to act under the said Condominium Act, the Declaration or these By-laws, such duties shall be performed as advisory to the Board of Directors. The Board of Directors may delegate to the Managing Agent all of the powers granted to the Board of Directors by the said Condominium Act, the Declaration and these By-laws, except the following powers:

- (1) to adopt the annual budget and any amendments thereto or to assess any Common Expenses; and .
- (2) to adopt, repeal or amend any Rules and Regulations; and
- (3) to designate signatories on Association bank accounts; and
- (4) to borrow money on behalf of the Association; and
- (5) to acquire and pledge Units as security for loans; and
- (6) to allocate Limited Common Elements;
- (7) to grant easements affecting the Condominium; and
- (8) to designate or grant interests in Reserved Common Elements.

Any duties performed by the Managing Agent shall be carried out pursuant to a written contract which must provide that the contract may be terminated with cause on no more than fifteen (15) days' written notice and without cause on no more than ninety (90) days' written notice. The term of any such contract may not exceed one year.

Section 3.8. Compensation. No Director shall receive any compensation from the Association for serving as a Director.

Section 3.9. Validity of Contracts with Interested Directors. No contract or other transaction between the Association and one or more of its Board of Directors or between the Association and any corporation, firm, or association in which one or more of the Board of Directors are directors or officers, or are financially interested, shall be void or voidable because such Director(s) is present at any meeting of the Board of Directors which authorized or approved the contract or transaction or because his or their votes are counted, unless the circumstances specified in either of the following subparagraphs exists:

(a) The fact that a member of the Board of Directors is also such a director or officer or has such financial interest is disclosed or known to the Board of Directors and is noted in the minutes thereof, and the Board of Directors authorizes, approves or ratifies the contract or transaction in good faith by a vote sufficient for the purpose without counting the vote or votes of such interested member or members of the Board of Directors; or

(b) The contract or transaction is made in good faith and is not unconscionable to the Association at the time it is authorized, approved or ratified.

Section 3.10. Inclusion of Interested Members of the Board of Directors in the Quorum. Any member of the Board of Directors holding such director or officer position or having such financial interest in another corporation, firm or association may be counted in determining the

presence of a quorum at a meeting of the Board of Directors or a committee thereof which authorizes, approves or ratifies a contract or transaction of the type described in Section 3.9 hereof.

Section 3.11. Fidelity Bonds/Insurance. To the extent reasonably available, blanket fidelity insurance shall be required to be maintained by the Board of Directors for all officers, directors, managers, trustees, employees and volunteers of the Council and all other persons handling or responsible for funds held or administered by the Council, whether or not they receive compensation for their services. Where the Board of Directors has delegated some or all of the responsibility for the handling of funds to a managing agent, such managing agent shall be covered by its own fidelity insurance policy which must provide the same coverage as fidelity insurance maintained by the Board of Directors. Except for fidelity insurance that a managing agent obtains for its personnel, all other fidelity insurance policies shall name the Council as the insured and should have their premiums paid as a common expense by the Council. Fidelity insurance obtained by a managing agent shall name the Council as an additional insured. The total amount of fidelity coverage required shall be sufficient to cover the maximum funds (including reserve funds) that will be in the custody of the Council or managing agent at any time while the fidelity insurance policy is in force, but must at least equal the sum of three (3) months aggregate assessments on all Units within the Condominium plus any reserves. Fidelity insurance policies shall contain waivers by the insurers of all defenses based upon the exclusion of persons serving without compensation from the definition of "employees", or similar terms or expressions. The fidelity insurance policies shall provide that they cannot be canceled or substantially modified (including cancellation for non-payment of premium) without at least thirty (30) days prior written notice to the Council

ARTICLE 4. Officers

Section 4.1. Meaning. For the purposes of this Article only, the term "Officer" does not include any member of the Board of Directors in his capacity as a Director.

Section 4.2. Designation, Appointment and Term. The Officers of the Association shall include a President, a Vice-President, a Secretary, a Treasurer, the members of any committees created by the Board of Directors, and such other Officers having such titles and duties as the Board may from time to time determine by resolution. All Officers shall be appointed by the Board to serve at the pleasure of the Board, except that the Board may give to the chairman of a committee the power to appoint and/or remove other members of his committee. The offices of President, Vice-President and Secretary shall be held by three (3) different individuals, but those individuals or any other individuals may hold any number of other offices. The President, Vice-President and Secretary must be members of the Board of Directors and shall cease to hold their offices when they cease to be Directors.

Section 4.3. Duties. It shall be the duty of:

(1) the President, to be the chief executive officer of Association, preside at meetings of the Association and the Board of Directors; and have all of the general powers and

duties which are incident to the office of President of a nonstock corporation organized under the laws of Virginia, including the execution of the resolutions of the Association and the Board of Directors and to report to each on any failure of any of its resolutions to be executed; to appoint a Secretary pro tem at any meeting at which the Secretary is absent; to prepare and execute in recordable form the amendments contemplated by Section 7.9 of these By-Laws.

(2) the Vice-President, to act in the place and stead of the President in the event of the President's absence or failure to inability to act; and shall also perform such other duties as shall from time to time be imposed upon him by the Board of Directors or by the President

(3) the Secretary, to keep the minutes and record the resolutions at all meetings of the Association and the Board of Directors; to give notice to each Unit Owner of each meeting of the Association and the Board; to record all amendments to the Condominium Instruments; to give notice to each Director of each special meetings of the Board; to give each Unit Owner the budgetary and other financial information specified in these By-Laws; to give notice to each Unit Owner of each assessment against his Unit as soon as practicable after the assessment is made; to give notice and a copy of any Rules and Regulations or amendments thereto to each Unit Owner as soon as practicable after the adoption thereof by the Board of Directors; to record amendments to the Governing Documents; to give notices relating to insurance; to give notices to Mortgagees as requested; to give any other notices to Unit Owners or to Mortgagees required by these By-Laws or by the Condominium Act; and to make it possible for any Unit Owner to inspect and copy, at reasonable times and by appointment, the minutes of the proceedings of the Association and of the Board; provided, however, that the Board may delegate any of the Secretary's duties to the Managing Agent;

(4) the Treasurer, to collect all assessments and other sums due the Association from each Unit Owner; to open accounts with financial institutions or money market funds designated by the Board and to deposit therein all income of the Association, except that no accounts will be opened with money market funds unless approved by a unanimous resolution of the Board; to disburse the funds of the Association only in accordance with resolutions of the Board of Directors; to keep orderly books showing the income and expenditures of the Association; to make those books available for inspection and copying by any Unit Owner at reasonable times and by appointment; to provide the accounting required by these By-Laws; and to prepare and deliver to the President or Vice-President the certificate documents as required by these By-Laws; provided, however, that the Board may delegate any of the Treasurer's duties to the Managing Agent;

(5) each Officer, to perform such duties as are normally associated with his office in parliamentary organizations, except to the extent (if any) inconsistent with the Condominium Instruments or the Condominium Act, and to perform such other duties as may be assigned to his office by resolution of the Board of Directors.

Section 4.4. Execution of Documents. All agreements, contracts, deeds, leases, checks and other instruments of the Association for expenditures or obligations shall be executed by the President, the Treasurer, or by any other Officer(s) designated from time to time by resolutions

of the Board of Directors. The Board may require that instruments involving more than a specified amount of money be signed by two different Officers. The Board may authorize instruments involving less than a specified amount of money to be signed by persons designated by the Managing Agent.

Section 4.5. Compensation of Officers. No Officer shall receive any compensation from the Association for acting as an Officer.

ARTICLE 5.

Liabilities and Responsibilities of the Association and its Officers and Directors

Section 5.1.

(a) The 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, whether civil, criminal, administrative, arbitrative or investigative (other than an action by or in the right of the Association) by reason of the fact that such person is or was an Officer or Director of the Association, against expenses, including attorneys' fees, judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit, or proceeding, provided that such person acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interest of the Association.

(b) The 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 or suit by or in the right of the Association to procure a judgment in its favor by reason of the fact that such person is or was an Officer or Director of the Association, against expenses, including attorneys' fees, actually and reasonably incurred by such person in connection with the defense or settlement of such action or suit, provided that such person acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interest of the Association, and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his duty to the Association, unless and only to the extent that the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability, but in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which such court shall deem proper.

(c) The liability of any Unit Owner arising out of any conduct by the Officers, Directors or the Managing Agent or out of the aforesaid indemnity in favor of the Officers and Directors or for damages as a result of injuries or damage arising in connection with the Common Elements solely by virtue of his ownership of an interest therein or for liabilities incurred by the Association shall be limited to the total liability multiplied by his Common Element Interest.

(d) Every contract or other agreement made on behalf of the Association by Officers and Directors or the Managing Agent, if obtainable, provide that the Officers and Directors or the Managing Agent, as the case may be, are acting only as agents for the 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 Common Element Interest.

(e) The Association shall be responsible for upkeep of the components in accordance with the Chart of Upkeep Responsibilities attached hereto as Schedule A. The Association shall not be liable for any failure of water supply or other utilities, or for injury or damage to any person or property caused by natural elements, or by any Unit Owner or other person, except as otherwise provided in Schedule A hereof. Notwithstanding the foregoing, no Unit Owner or occupant of any Unit shall be relieved hereby of any liability for damages to persons or other Units or any Common Elements, which are caused by the negligence of such Unit Owner or occupant of a Unit, except as expressly otherwise provided in the Condominium Instruments. No diminution or abatement of any assessments for Common Expenses shall be claimed or allowed for any reason whatsoever, including (without limitation) inconvenience or discomfort arising from upkeep of the Common Elements or from any action taken by the Association, any Officer(s), Director(s), the Managing Agent or any Unit Owner(s) to comply with any law, ordinance or other governmental regulation or order.

Section 5.2. Directors and Officers Insurance. The Association shall obtain for its benefit and that of its officers and directors such insurance coverage as may be reasonably necessary in order to effectively indemnify the officers and directors of the Association as provided in this Article. The cost of said insurance shall constitute a Common Expense.

Section 5.3. Common or Interested Officers. Each Officer or Director shall exercise his powers and duties in good faith and with a view to the best interest of the Association. No contract or other transaction between the Association and any of its Officers, Directors or between the Association and any person in which any of the Officers or Directors or directors or officers or are pecuniarily or otherwise interested, is either void or voidable because any such Officer or Director is present at the meeting which authorizes or approves the contract or transaction, or because his vote is counted for such purpose, if:

(a) the fact of the common directorate or interest is disclosed or known to all of the individuals who have authority to, and do in fact, authorize, enter into, or ratify the contract or transaction in question and such knowledge is noted in the minutes; or

(b) the contract or transaction is commercially reasonable to the Association at the time it is authorized, entered into, or ratified.

ARTICLE 6. Managing Agent

Section 6.1. Selection. The Board of Directors may, but shall not be obligated to, employ on behalf of the Association a Managing Agent. The contract with the Managing Agent must have a term not in excess of one (1) year and must provide that it may be terminated, without payment of a termination fee or cancellation charge, without cause on no more than ninety (90) days' written notice and with cause on no more than fifteen (15) days' written notice.

Section 6.2. Powers and Duties. Subject to Section 3.7(c) of the By-Laws, any Managing Agent shall have such powers and duties as may be delegated to it or imposed upon it by the Board of Directors pursuant to the Managing Agent' s contract.

Section 6.3. Standards. The Board of Directors shall impose appropriate standards of performance upon a Managing Agent employed by the Association and, unless instructed otherwise by the Board of Directors the Managing Agent shall:

- (1) employ the accrual method of accounting;
- (2) designate two or more individuals to be responsible for handling cash to maintain adequate financial control procedures;
- (3) not commingle cash accounts of the Association with any other accounts;
- (4) not accept any remuneration from any third persons providing goods or services to the Association, whether in the form of commissions, finder's fees, service fees or otherwise, and shall credit to the benefit of the Association any discounts obtained;
- (5) disclose in advance to the Board of Directors any financial or other interest which the Managing Agent may have in any person providing goods or services to the Association;
- (6) prepare an annual budget for each fiscal year of the Association on an accrual basis with a twelve-month cash flow projection;
- (7) prepare quarterly financial reports for the Board of Directors containing:
 - (i) an Income Statement reflecting all income and expense activity for the preceding quarter on an accrual basis;
 - (ii) an Account Activity Statement reflecting all receipts and disbursements for the preceding quarter on a cash basis;
 - (iii) an Account Status Report reflecting the status of all accounts in an "actual" (versus "projected") budget format;
 - (iv) a Balance Sheet reflecting the financial condition of the Association on an unaudited basis;
 - (v) 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 (10%) of an major budget category (as distinct from a specific line item in an expanded chart of accounts); and

(vi) 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.

ARTICLE 7. Operation of the Property

Section 7.1. Determination of Common Expenses and Assessments Against Unit Owners.

(a) Fiscal Year. The fiscal year of the Association shall be the calendar year unless otherwise determined by resolution of the Board of Directors.

(b) Preparation and Approval of Budget. Before each annual meeting of the Association the Board of Directors shall adopt a budget for the Association containing an estimate of the total amount considered necessary for the next fiscal year to pay the Common Expenses, including (without limitation) reasonable amounts necessary to provide working capital, a general operating reserve, and reserves for contingencies and replacements. The budget shall be presented and may be modified at the annual meeting of the Association. Within ten (10) days after each annual meeting, the Secretary shall send to each Unit Owner a copy of the budget in a reasonably itemized form setting forth the amount of the Common Expenses and the amounts and due dates of the assessments (and installments thereof) payable by that Unit Owner for each Condominium Unit owned by him.

(c) Reallocation of Assessments. Within thirty (30) days after any change in the number of Units in the Condominium, the Board of Directors shall adjust the budget, allocating assessments against all the Condominium Units, and the Secretary shall send to each Unit Owner a copy of the adjusted budget reflecting the liability of all Condominium Units for Common Expenses for the remainder of the fiscal year; provided, however, that if the assessments necessary to fund the budget will not be modified as to any particular Units, such notification need not be given to the Unit Owners thereof. The amount of assessments attributable to each Condominium Unit shall thereafter be the amount specified in the adjusted budget until a new budget shall have been adopted by the Board of Directors.

(d) Assessment and Payment of Common Expenses. Subject to the provisions of Section 11.1(a) of these By-Laws, the total amount of the estimated funds required from assessments for the operation of the Association and the Condominium as set forth in any budget or adjusted budget adopted by the Board of Directors shall be assessed against each Unit in proportion to its Percentage Interest. On or before the first day of each fiscal year, and the first day of each of the succeeding eleven (11) months in such fiscal year, each Unit Owner shall be obligated to remit to the Treasurer or the Managing Agent (as determined by the Board of Directors), one-twelfth (1/12) of such assessment. Within thirty (30) days after the end of each fiscal year, or as soon thereafter as possible, the person who served as Treasurer on the last day of that fiscal year shall supply to all Unit Owners an itemized accounting of the Common Expenses for such fiscal year actually paid, together with a tabulation of the amounts collected pursuant to the budget for such 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 expenses and reserves shall be credited pro rata in accordance with the Percentage Interests among the Condominium Units against the next monthly installments due with respect to each such Unit. Any net shortage shall be assessed promptly against the Unit Owners in proportion to their respective Common Element Interests and shall be due either in full with the next monthly assessment due or, if the Board of Directors so determines, in a number of equal monthly installments sufficient to make up the shortage within a period ending not later than the end of the then current fiscal year.

(e) Reserves. The Association shall accumulate 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 (without limitation) the nonpayment of any assessments, the Board of Directors may at any time levy a further assessment, which shall be assessed against the Units in proportion to their respective Percentage Interests and which shall be payable in a lump sum or in installments as the Board may determine. The Secretary shall give notice of any such further assessment to each Unit Owner, giving the reason(s) therefor. All Unit Owners shall be obligated to pay such further assessment in a payment schedule as may be determined by the Board of Directors.

(f) Special Assessments. In the event extraordinary expenditures not originally included in the annual budget become necessary during the year, the Board of Directors may at any time levy a special assessment, which shall be assessed against the Condominium Units in proportion to the respective Percentage Interests in the Common Elements appertaining to each of said Units set forth in the Declaration of the Condominium, as the same may be amended from time to time. Said special assessments shall be payable as the Board of Directors may determine. The Board of Directors shall serve notice of any such special assessment on all Unit Owners by a statement in writing giving the amount and such special assessment shall, unless otherwise specified in the notice, become effective with the next monthly payment which is due after the delivery or mailing of such notice of special assessment. All Unit Owners shall be obligated to pay the adjusted monthly amount or, if the special assessment is not payable in installments, the amount of such assessment. The payment and collection of the assessment made pursuant to the foregoing provisions shall be in accordance with the terms providing for payment and collection of assessments in these By-laws and the Condominium Act, including without limitation, the right reserved to the Board to accelerate payment of assessments and the right to recovery of attorney's fees and costs.

Notwithstanding anything to the contrary herein contained, any special assessment in excess of fifteen percent (15%) of the total annual budget of the Condominium in any twelve (12) month period shall be effective only with the approval of a majority of the Unit Owners.

(g) Effect of Failure to Prepare or Adopt Budget. Failure or delay in preparing or adopting 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 share of the Common Expenses whenever the same shall be determined and, in the absence of any budget for the then current fiscal year, each

Unit Owner shall continue to pay monthly installments at the rate established for the previous fiscal year until delivery of the new monthly installment schedule.

(h) Assessments to Constitute a Lien. All amounts assessed against or otherwise due from a Unit Owner shall constitute a lien against that Unit Owner's Condominium Unit(s).

(j) Annual Audit. An audit of the accounts of the Association shall be made annually in the manner as the Board of Directors may decide, provided, however, that after having received the Board's audit at the annual meeting, the Unit Owners, by a majority vote, may require that the accounts of the Association be audited as a Common Expense by a public accountant. Upon written request of any institutional holder of a first mortgage, such holder shall be entitled to receive a copy of the annual audited financial statement within sixty (60) days after the end of each fiscal year.

Section 7.2. Liability for Assessments. Each Unit Owner shall be personally liable for all assessments against him or his Condominium Unit(s) and such assessments not paid by the 15th day of each month shall be in default. No Unit Owner may avoid liability for any assessment by waiver, non-use or abandonment of any right or real estate. The new Unit Owner of a Condominium Unit shall be jointly and severally liable with the former Unit Owner thereof for all unpaid assessments against that Condominium Unit which became due before the new Unit Owner acquired title thereto, without prejudice to any right of a successor in title to recover from any of his predecessors in title any amount for which any of the latter was liable.

Section 7.3. Non-Liability for Assessments. No person shall have any liability with respect to assessments or installments thereof becoming due as to a Condominium Unit after he has ceased to be the Unit Owner thereof.

Section 7.4. Certificate as to Status of Payment. Upon written request of any Unit Owner or Purchaser, the Treasurer or Managing Agent, shall furnish or make available within five (5) business days to the person requesting it a dated and recordable certificate setting forth the amount of any unpaid assessments or installments thereof that have become due as to the Condominium Unit in question as of the date of that certificate. A reasonable charge not to exceed the maximum specified by the Condominium Act may be fixed from time to time by the Board of Directors for the issuance of such certificate. Notwithstanding any other provision of these By-Laws, a bona fide Purchaser, of a Unit who has relied upon such a certificate shall not be liable for any assessments or installments thereof which became due before the date of that certificate and which are not reflected thereon.

Section 7.5. Collection of Assessments. The Board of Directors, or the Managing Agent or any Officer(s) at the request of the Board, shall take prompt action to collect any assessments due from any Unit Owner which remain unpaid for more than thirty (30) days from the due date thereof.

Section 7.6. Upkeep of the Condominium.

(a) Upkeep by the Association. Subject to paragraph (2) of subsection (b) of this Section, the Association (acting through the Board of Directors and/or the Managing Agent) shall be responsible for the Upkeep of all Common Elements, and the cost of such Upkeep shall be a Common Expense.

(b) Upkeep by the Unit Owner.

(1) Each Unit Owner shall be responsible for the Upkeep of his Unit, including keeping it and its equipment, appliances and appurtenances in good order, condition and repair and in a clean and sanitary condition, and shall do all redecorating, painting and varnishing which may at any time be necessary to maintain the good appearance and condition of his Unit. In addition, each Unit Owner shall be responsible for all damage to any other Unit or to any Common Element when the primary cause of the damage is caused by a component that the Unit Owner is responsible to maintain. 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 a Director or the Managing Agent any defect or need for Upkeep for which the Association is responsible.

(2) The Unit Owner of any Unit to which a Limited Common Element is exclusively assigned shall be responsible for keeping it in a clean, sanitary condition, and maintained in good operating condition and order.

(c) Chart of Upkeep Responsibilities. Notwithstanding the provisions of subsections (a) and (b), specified Upkeep responsibilities shall, to the extent set forth thereon, be governed by the Chart of Upkeep Responsibilities set forth as Schedule A attached hereto.

(d) Manner of Repair and Replacement. All repairs and replacements shall be substantially similar to the original construction and installation and shall be of the same or better quality.

Section 7.7. Personnel and Equipment. The Board of Directors, and the Managing Agent and any Officer(s) to the extent authorized by the Board, may, on behalf of the Association in connection with the operation and Upkeep of the Condominium and the operation of the Association, employ and dismiss any persons and purchase any equipment, supplies or material. Such equipment, supplies and material, to the extent that any of it remains personal property rather than becoming part of the Condominium, shall be the property of the Association.

Section 7.8. Additions, Alterations or Improvements by Board of Directors. Whenever in the judgment of the Board of Directors it is desirable to make additions, alterations or improvements to the Common Elements costing in the aggregate more than Ten Thousand Dollars (\$10,000.00) during any period of twelve consecutive months, the making of such additions, alterations or improvements shall be approved by a Majority Vote at a meeting of the Association. The dollar limitation fixed by this Section shall increase annually by a percentage equal to the percentage increase in the annual budget of the Association. Notwithstanding the

foregoing, and notwithstanding any other provision of these By-Laws, if the Board determines that additions, alterations or improvements to the Common Elements are exclusively or substantially exclusively for the benefit of the Unit Owner(s) requesting the same, the cost thereof shall be assessed exclusively against such requesting Unit Owner(s) pursuant to the Condominium Act.

Section 7.9. 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. 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 any Common Element, without the prior written consent of the Board. The Board shall answer any written request by a Unit Owner for approval of a proposed structural addition, alteration or improvement to such Unit Owner's Unit within thirty (30) days after receipt of such request. 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 or on behalf of the Association, and provided consent has been given by the Board, then the application shall be executed on behalf of the Association only by the President or such other Officer as the Board may by resolution designate without, however, incurring any liability on the part of the Association or any Officer(s) to any contractor, subcontractor or materialman on account of such addition, alteration or improvement, or to any person having claim for personal injury or property damage arising therefrom. Subject to the approval of the Board and the Unit Owner(s) and any Mortgagee(s) of the affected Unit(s), and to the Declaration, any Unit may be subdivided or the boundaries between adjoining Units may be relocated. The Secretary shall record any necessary amendments to the Condominium Instruments to effect such action as required by law.

Section 7.10. Restrictions on Use of Units and Common Elements.

(a) Each Unit and each Common Element shall be used for non-residential purposes only.

(b) Nothing shall be done or kept in any Unit or in the Common Elements which will increase the rate of insurance for the Condominium except pursuant to prior written approval 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 could result in the cancellation of insurance on the Condominium or any part thereof, or which would be in violation of any applicable law, ordinance, or other governmental regulation. No waste shall be committed in any Unit or in the Common Elements.

(c) No improper, offensive or unlawful use shall be made of the Condominium or any part thereof, and all applicable laws, ordinances and other governmental regulations, including zoning and land use regulations shall be complied with by and at the sole expense of the Unit Owner(s) and/or the Association having responsibility for Upkeep of the affected portion(s) of the Condominium.

(d) 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 in accordance herewith.

(e) No Unit Owner shall obstruct any of the Common Elements, nor shall any Unit Owner store anything upon any of the Common Elements except within any areas designated for such storage by resolution of the Board of Directors. Vehicular parking upon the Common Elements shall be subject to the Rules and Regulations. Nothing shall be constructed or altered in, or removed from, the Common Elements except in accordance with the Rules and Regulations or other resolutions of the Board of Directors.

(f) No Unit Owner shall rent or lease a Unit other than on a written form of lease providing that failure of the lessee to comply with the Condominium Instruments and the Rules and Regulations shall constitute a default under the lease and that, in the event of such default, the Board of Directors or any Officer designated by the Board shall have the power as attorney-in-fact for the Unit Owner to terminate the lease and bring summary eviction proceedings against the tenant if such default is not cured within seven (7) days of sending written notice of the default to the Unit Owner. The Board of Directors may provide a suggested standard form lease for use by Unit Owners. Each Unit Owner shall, promptly following the execution of any lease of a Unit, forward a conformed copy thereof to the Secretary.

(g) Except for such signs as may be otherwise permitted by the Declaration, no signs shall be posted in any place within the Condominium visible from any portion of the Common Elements except pursuant to a prior written approval of the Board of Directors, including the adoption of a resolution.

(h) No Unit Owner shall install any other equipment of any kind or nature whatsoever which will or may necessitate any changes, replacements or additions to the Condominium's water system, plumbing system, heating system, air-conditioning system or the electrical system, without the prior written consent of the Board of Directors.

(i) Refuse and bagged garbage shall be deposited in the area provided therefor by the Association. The Association shall be responsible for disposing of only that refuse and bagged garbage which has been deposited in such areas designated by the Association.

(j) The Board of Directors of the Association may retain a pass-key to all Units. No Unit Owner or occupant shall alter any lock or install a new lock, without the written consent of the Board of Directors of the Association. Where such consent is given, the Unit Owner shall provide the Association with an additional key for the use of the Association.

(k) No Unit Owner shall make or permit any disturbing noises by himself, his family, his servants, employees, agents, visitors and licensees, nor do or permit anything by such persons that will interfere with the rights, comforts or convenience of other Unit Owners.

(l) No radio or television installation, or other wiring, shall be made without the written consent of the Board of Directors. Any antenna or aerial installed on the exterior walls of a Unit or on the Limited Common Elements or Common Elements of the Condominium, which includes the roof, without the consent of the Board of Directors, in writing, is liable to

removal and disposal thereof without notice and at the cost of the Unit Owner for whose benefit the installation was made.

(m) 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 7.11. Right of Access. There is hereby reserved a right of access through each Unit for the benefit of the Board of Directors, the Managing Agent, any person(s) authorized by the Board or Managing Agent, and any group of the foregoing, for the purpose of enabling the exercise and discharge of their and the Association's powers and duties, including (without limitation) making inspections, correcting any condition originating in a Unit and threatening another Unit or the Common Elements, Upkeep of the Common Elements within a Unit or elsewhere in the Condominium, and correcting any condition which violates any provision of the Condominium Instruments, the Rules and Regulations, or any Mortgage. Requests for entry shall be made in advance, and any such entry shall be made at a time reasonably convenient to the Unit Owner, provided, however, that in case of an emergency such right of entry shall be immediate, whether the Unit Owner is present at the time or not, and no notice or permission shall be necessary. Notwithstanding the foregoing, no cause of action of any kind whatsoever shall arise against the Board of Directors, the Managing Agent, any persons authorized by the Board or Managing Agent, the Association, or any group of the foregoing on account of their failure to inspect or otherwise ascertain any defects or conditions associated therewith which occur in the Unit.

Section 7.12. Disclaimer of Bailee Liability. Neither the Association, the Board of Directors, any other Officers, the Managing Agent, nor any Unit Owner(s) shall be considered as a bailee of any personal property placed anywhere within the Condominium and shall not be responsible for the security of such personal property or for any loss thereof or damage thereto from any cause, whether or not attributable to negligence, except to the extent covered by insurance in excess of any applicable deductible.

ARTICLE 8. Insurance

Section 8.1. Authority to Purchase.

(a) Except as otherwise provided in Section 8.5 of these By-Laws, all insurance policies relating to the Condominium shall be purchased by or on behalf of the Association. Neither the Association, any Officer(s), nor the Managing Agent shall be liable for failure to obtain any coverages required by this Article due to the unavailability of such coverages from reputable insurance companies, or if such coverages are so available only at demonstrably unreasonable cost. The Secretary shall, pursuant to Section 55-79.81(b) of the Code of Virginia, promptly furnish to each Unit Owner written notice of the procurement,

subsequent changes in, and the termination of all insurance coverage obtained on behalf of the Association.

(b) Each such policy shall provide, to the extent reasonably available at reasonable rates that:

(1) the insurer waives any right to claim by way of subrogation against the Declarant, the Association, the Officers, the Managing Agent, the Unit Owners (unless the claim is for loss or damage that is the Unit Owner(s) responsibility pursuant to these Bylaws and applicable Virginia law), and their respective agents, employees and invitees;

(2) such policy shall not be cancelled, invalidated or suspended due to the conduct of any Officer(s), Unit Owner(s), Managing Agent, or any invitee, agent, officer, or employee of any of the foregoing without a prior demand in writing to the Board of Directors or the Managing Agent (whichever is applicable) that the defect be cured, followed by failure to so cure the defect within sixty (60) days after such demand; and

(3) such policy shall not be cancelled or substantially modified for any reason (including nonpayment of premium) without at least forty-five (45) days, or such time frame as set forth in the Code of Virginia, prior written notice to the Board of Directors and the Managing Agent and, in the case of physical damage insurance, to all Mortgagees; and

(4) that the net proceeds of such policies shall be payable to the Board of Directors as Insurance Trustee to be disbursed pursuant to this section; and

(5) that the Master Insurance policy shall contain a standard mortgage clause in favor of each Mortgagee of a Unit to the extent of the portion of the coverage of the Master policy allocated to such Unit, which shall provide that the loss, if any, thereunder shall be payable to such Mortgagee and the Unit Owner 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, if one is designated; and

(6) That the "no control" clause be part of the Master policy which states that coverage must not be prejudiced by (a) any act or neglect of the Owners of Condominium Units when such act or neglect is not within the control of the Association or (b) any failure of the Association to comply with any warranty or condition regarding any portion of the premises over which the Association has no control; and

(c) All policies of insurance shall be written by reputable companies licensed to do business in the Commonwealth of Virginia.

Section 8.2. Physical Damage Insurance.

(a) The Board of Directors shall obtain and maintain a blanket, "all-risk" form/"special form" policy of fire insurance with extended coverage, vandalism, malicious mischief, windstorm, sprinkler leakage (if applicable), debris removal, cost of demolition and water damage endorsements, and such other coverages as may be appropriate under such "all-

risk” policy, insuring all of the Units and the bathroom and kitchen fixtures, service machinery, and other appliances and apparatuses installed therein by the Declarant, and all of the Common Element improvements (other than improvements such as curbs, gutters, and other items not normally insured). Each Unit Owner shall have the right to obtain at his own expense insurance covering all personal property and improvements in the Unit and for the master insurance deductible. Such insurance shall cover the interests of the 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 as Insurance Trustee contained in Section 8.6 and 8.7 of these By-Laws), and shall be in an amount equal to one hundred percent (100%) of the then current replacement cost of the Condominium (exclusive of land, excavations, foundations and other items normally excluded from such coverage), without deduction for, depreciation, such amount to be determined annually by the Board of Directors with the assistance of the Managing Agent, the insurance company affording such coverage, and (if the Board so resolves) a qualified appraiser of real estate.

(b) Such policy shall also provide to the extent reasonably available at reasonable rates that:

(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 Section 9.5 of these By-laws not to do so and, in such event, that the insurer shall pay on the basis of the replacement cost endorsement;

(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 Unit Owner, occupant, or other person if such act or neglect is not within the control of the insured, nor by any failure of the insured or any other person to comply with any warranty or condition concerning any portion of the Condominium not controlled by the insured);

(ii) “contingent liability from operation of building laws or codes”; and

(iii) “increased cost of construction” or “condominium replacement cost”; and

(3) that any “no other insurance” clause excludes individual Unit Owners’ policies from its operation so that the physical damage policy purchased on behalf of the Association 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 on behalf of the Association hereunder be brought into contribution with insurance purchased by individual Unit Owners or their Mortgagees unless otherwise required by law; and

(4) that a duplicate original of such policy, all renewals thereof, and any subpolicies or certificates and endorsements issued thereunder, together with proof of

payment of premiums, shall be delivered by the insurer to any Mortgagee whose request therefor is received by the insurer at least thirty (30) days prior to expiration of the then current policy.

Section 8.3. Liability Insurance. The Board of Directors shall obtain and maintain comprehensive general liability insurance (including, without limitation, coverage of all Officers and Directors against libel, slander, false arrest, invasion of privacy, and Directors and Officers' Liability coverage) and property damage insurance in such limits and with such deductibles as the Board may from time to time determine, insuring the Association, each Officer, Director, the Managing Agent, each Unit Owner and the Declarant against liability to the public or to the Unit Owners (and their invitees, agents, employees and members of their households) 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 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 Association; (iv) deletion of the normal products exclusion with respect to events sponsored by the Association; and (v) a "severability of interest" endorsement which shall preclude the insurer from denying liability to a Unit Owner because of negligent acts or omissions of the Association, any Officer(s) or any other Unit Owner(s). The Board shall review such limits once a year, but in no event shall such insurance be less than One Million Dollars (\$1,000,000.00) covering all claims for bodily injury or property damage arising out of one occurrence. Reasonable amounts of "umbrella" or excess liability insurance in excess of the primary limits shall also be obtained in an amount not less than Three Million Dollars (\$3,000,000.00).

Section 8.4. Other Insurance. The Board of Directors shall obtain and maintain:

(a) a blanket fidelity bond or employee dishonesty insurance policy insuring the unit owners' association against theft or dishonesty committed by the officers, directors or persons employed by the unit owners' association, or any common interest community manager or employees of the same pursuant to Virginia Code § 55-79.81.

(a) workmen's compensation insurance if and to the extent necessary to meet the requirements of law; and

(b) such other insurance or coverage as the Board of Directors may determine or as may be required from time to time by resolutions of the Association.

Section 8.5. Separate Insurance. Each Unit Owner shall, at his own expense, obtain insurance for his own Unit and for his own benefit, including insurance coverage on his personal property, for his personal liability, and on any improvements to his Unit under coverage normally called "tenant's improvements and betterments coverage;" provided, however, that no Unit Owner shall acquire or maintain insurance coverage so as to decrease the amount which the Association may realize under any insurance policy, or to cause any insurance coverage in favor of the Association to be brought into contribution with insurance coverage obtained by a Unit Owner. All policies obtained by Unit Owners individually shall contain waivers of subrogation against insureds under the Master policy and other such policies obtained pursuant to this Article

VIII. No Unit Owner shall obtain separate insurance on the Condominium except as provided in this Section. The Board of Directors may by policy resolution set a minimum amount of insurance coverage that Unit Owners and their occupants and tenants must obtain. If the Board adopts such a resolution and the Unit Owners and their occupants and tenants fail to comply, the Board may take such enforcement action as is outlined in Article 11 herein. If Unit Owners fail to obtain insurance coverage, the Association's insurer has the right to seek subrogation from Unit Owners if the claim is loss or damage that is the Unit Owners' responsibility under these Bylaws or applicable law.

Section 8.6. Insurance Trustee. All physical damage insurance policies purchased by or on behalf of the Association shall be for the benefit of the Association, the Unit Owners, and their Mortgagees, as their respective interests may appear, and shall provide that all proceeds of such policies shall be paid in trust to the Board of Directors as Insurance Trustee to be applied pursuant to the terms of Article 9 of these By-Laws. 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 stated in Article 9 of these By-Laws, for the benefit of the insureds and their beneficiaries thereunder.

Section 8.7. Board of Directors as Agent. The Board of Directors as Insurance Trustee is hereby irrevocably constituted as agent for the Association, each Unit Owner, each Mortgagee, other named insureds and their beneficiaries, and any other holder of a lien or other interest in the Condominium, to adjust and settle all claims arising under insurance policies purchased by the Board and to execute and deliver releases upon the payment of claims. The Insurance Trustee shall not be liable for the payment of premiums, the renewal of the policies, the sufficiency of coverage, the form or content of the policies, the correctness of any amounts received by it

ARTICLE 9.

Section 9.1. When Repair and Reconstruction are Required. Except as otherwise provided in Section 9.5 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 shall arrange for and supervise the prompt repair and restoration of the buildings (including any damaged Units, but not including any furniture, furnishings, fixtures, equipment or other personal property supplied or installed by the Unit Owners in the Unit). Such reconstruction and repair shall be done in compliance with all laws, ordinances, and other governmental regulations, and using, to the extent feasible, such contemporary materials and technology as may then be available.

Section 9.2. Cost Estimates. Immediately after a fire or other casualty causing damage to any building, the Board of Directors shall obtain reliable and detailed estimates of the costs of the repair and restoration contemplated by Section 9.1 of these By-Laws to a condition as good as that existing before such casualty. Such costs shall include professional fees and premiums, for such bonds as the Board of Directors may determine to be necessary.

Section 9.3. Insufficiency of Insurance Proceeds. 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 insurance proceeds are insufficient for the payment of the costs thereof, the amount necessary to complete such reconstruction and repair may be obtained from the appropriate reserve for replacements and/or it shall be deemed a Common Expense and a special assessment therefor may be levied. Any portion of such insufficiency attributable to any deductible may be allocated against the responsible Unit Owner(s) to the extent allowed by law where such loss originated within a Unit or through the negligence, misuse or other act/omission of such Unit Owner(s).

Section 9.4 Disbursements of Construction Funds.

(a) Construction Fund and Disbursement Thereof. Any proceeds of insurance collected on account of any casualty, any sums appropriated by the Board of Directors from reserves, and any sums received from collections of special assessments on account of such casualty, shall constitute a construction fund which shall be disbursed in payment of the costs of repair and reconstruction in the following manner:

(1) If the estimated cost of reconstruction and repair is less than One Hundred Thousand Dollars (\$100,000.00), the construction fund shall be disbursed in payment of such costs by the Board of Directors.

(2) If the estimated cost of reconstruction and repair is One Hundred Thousand Dollars(\$,100,000.00) or more, then the construction fund shall be disbursed by the Board of Directors upon approval of an architect, engineer or other expert ("Expert") insured and qualified to practice in Virginia and employed by the Board to supervise such work, payment to be made from time to time as the work progresses. The Expert shall be required to furnish a certificate giving a brief description of the services and materials furnished by various contractors, subcontractors, materialmen, the Expert and other persons who have rendered services or furnished materials in connection with the work, and stating that: (a) the sums requested in payment are justly due and owing to the persons requesting them, and such sums do not exceed the value of the services and materials furnished; (b) there is no other outstanding indebtedness known to such Expert for the services and materials described; and (c) the cost as estimated by such Expert 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 the requested sums.

(3) Disbursements under (1) and (2) above shall only be made upon receipt of appropriate releases of lien or lien waivers from all contractors or subcontractors employed in connection with said repair or reconstruction.

(b) Surplus. If there is a balance in the construction fund after the payment of all of the costs of the repair and reconstruction for which the construction fund is established, such balance shall be credited to all Unit Owners in proportion to their respective Percentage Interests against their respective liabilities for assessments then due or thereafter becoming due or added to the reserves of the Association.

(c) Priority of Common Elements Over Unit. If the damage is to both Common Elements and Units, the construction fund 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 Board of Directors as 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 repaired or reconstructed; (ii) the name of the payee and the amount to be paid with respect to each disbursement from the construction fund; and (iii) all other matters concerning the holding and disbursing of any construction fund. Any such certificate shall be delivered to the Board of Directors as Insurance Trustee promptly upon request.

Section 9.5. When Repair or Reconstruction Is Not Required. If the Board of Directors resolves not to repair insubstantial damage to the Common Elements, the Board of Directors shall cause to be removed all debris, with the site of the damage restored to a condition compatible to the extent feasible with the remainder of the Condominium, and the balance of any insurance proceeds received on account of such damage shall be credited to all Unit Owners in proportion to their respective Common Element Interests against their respective liabilities for assessments then due or thereafter becoming due. If the Condominium shall be terminated pursuant to the Virginia Condominium Act, the net assets of the Association shall be divided by the Board of Directors among all Unit Owners in proportion to their respective Percentage Interests. Distributions of such net assets to each respective Unit Owner shall be made after first paying out of the share of each Unit Owner, to the extent sufficient therefor, the amount of any unpaid liens on his Unit in the order of priority of such liens.

Section 9.6. Priority of Mortgagee to Insurance Proceeds, Condemnation Awards.

Nothing in these By-Laws or the Declaration shall be construed to give a Unit Owner, or any other party, priority over the rights of any Mortgagee in the case of distribution to a Unit Owner of insurance proceeds or condemnation awards for losses of his Unit and/or Common Elements.

ARTICLE 10.
Mortgagees

Section 10.1. Notice to Board of Directors. A Unit Owner who gives a first deed of trust or first mortgage encumbering his Unit shall notify the Board of Directors of the name and address of his Mortgagee and shall file a conformed copy of the note and the deed of trust or mortgage with the Board of Directors.

Section 10.2. Notice of Damages, Condemnation. If a Mortgagee sends a written request for notice, the Board of Directors shall timely notify: (a) the first Mortgagee of a Unit whenever damage to the Unit covered by the mortgage exceeds \$1,000, or whenever the Unit or portion thereof is made the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority; and (b) all Mortgagees who have requested notice whenever damage to the Common Elements exceeds \$10,000, or whenever the

Common Elements or any portion thereof is made the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority.

Section 10.3. Other Rights of Mortgagees.

(a) Each Mortgagee shall, upon request, be entitled to notice from the Secretary of any failure by the Unit Owner of the encumbered Unit to pay an assessment for Common Expenses or any other default of such Unit Owner.

(b) The Board of Directors shall give written notice to a Unit Owner of any default by the Unit Owner in the performance of any obligations under the Act or Condominium Instruments, and, if such default is not cured within sixty (60) days, may send a copy of such notice to each holder of a mortgage covering such Unit whose name and address has theretofore been furnished to the Board of Directors.

(c) Each Unit Owner and each First Mortgagee shall be permitted to examine the books of account of the Condominium at reasonable times and upon reasonable notice, on a business day provided such requests are made pursuant to the procedures set forth in the Virginia Condominium Act.

(d) The Board of Directors shall notify all First Mortgagees who have made a prior written request for notice, of the termination of any management contract within ten (10) days of receipt or issuance of any notice of such termination by either the Association or the Managing Agent. .

(e) Each First Mortgagee shall be entitled to receive, upon request, a copy of the annual audited financial statement within sixty (60) days following the end of the Association's fiscal year.

(f) Unless at least two-thirds (2/3) of the First Mortgagees (based upon one vote for each first mortgage owned) have given their prior written approval, the Association shall not:

(1) change any Unit's Common Element Interest except as permitted by the Declaration;

(2) partition, subdivide, encumber, sell or transfer the Common Elements of the Condominium (the granting of easements for public utilities or for other public purposes consistent with the intended use of the Common Elements shall not be deemed a transfer within the meaning of this clause) except as may be permitted by the Declaration;

(3) by act or omission seek to abandon or terminate condominium status of the project except as provided by statute in case of substantial loss to the Units and Common Elements of the Condominium;

(4) use the proceeds of casualty insurance for any purpose other than replacement, repair or reconstruction of the Units or Common Elements except as permitted by the Condominium Act.

(g) As used in this Article and generally in the Declaration and By-laws and as further defined in the Condominium Instruments and the Act, "First Mortgage" and the term "Mortgagee" includes the holder of a note secured by a First Deed of Trust or Mortgage encumbering a unit and recorded among the land records of Fairfax County, Virginia, and the term "Mortgage" includes any Deed of Trust recorded among the said land records.

(h) All mortgagees or their representatives shall be entitled to attend meetings of the Association and shall have the right to speak thereat. In addition thereto, all Mortgagees shall have the right to examine the books and records of the Condominium and require the submission of annual financial reports and other budgetary information.

ARTICLE 11. Compliance and Default

Section 11.1. Relief. Each Unit Owner shall comply with all provisions of the Condominium Act, the Condominium Instruments, and the Rules and Regulations (collectively, "Governing Documents"), as any of the same may be amended from time to time. In addition to the remedies provided under the Virginia Condominium Act, the Association, acting through any of its Officers or through the Managing Agent, shall be entitled to the following relief:

(a) Additional liability. Each Unit Owner shall be liable for the expense of all Upkeep by the Association rendered necessary by his act, neglect or carelessness or the act, neglect or carelessness of any of his employees, agents or licensees, but only to the extent that such expense is not covered by the proceeds of insurance maintained by or on behalf of the Association. Such liability shall include any increase in casualty insurance rates occasioned by use, misuse, occupancy or abandonment of any Unit or its appurtenances and any legal or other expenses incurred by the Association. Nothing contained herein, however, shall be construed as modifying any waiver by any insurance company of its rights of subrogation.

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

(c) No Waiver or Rights. The failure of the Association, any Officer(s), Directors or any Unit Owner(s) to enforce any provision of the Condominium Act or the Governing Documents shall not constitute a waiver of the right of the Association, any Officer, Directors or any Unit Owner to enforce such provisions in the future. All rights, remedies and privileges granted to the Association, any Officer(s), or any Unit Owner(s) pursuant to any provision of the Condominium Act or the Governing Documents 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 persons) exercising the same from exercising such other rights, remedies and privileges as may be granted to such person(s) by the Governing Documents or by law.

(d) Interest and Late Charges. If a Unit Owner fails to pay in full any assessment for a period in excess of fifteen (15) days from the due date (quarterly condo fees are due on the *first* day of each quarter beginning in January; any other assessments to be determined by the Board), the principal amount unpaid shall bear interest from the date due until paid at the rate of eighteen percent (18%) per annum or the maximum rate permitted by law until paid in full. Except as otherwise determined by resolution of the Board, any assessment or installment thereof not paid within ten (10) days after becoming due shall accrue a late charge in the amount of \$60.00 for the smaller Units and \$75.00 for all other Units. The Board of Directors may determine such other amount as a late fee by resolution.

(e) Abating Violations Within Units. Any violation under the Condominium Act or the Governing Documents shall give the Board of Directors the Officers, the Managing Agent, any person(s) authorized by the Board or the Managing Agent, and any group of the foregoing, the right, to enter the Unit in which, or as to which, such violation exists and summarily to abate, repair and/or remove, at the expense of the Unit Owner thereof, any structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions hereof of which threatens other Units or the Common Elements and the Board of Directors and its agents shall not be deemed guilty in any manner of trespass.

(f) Legal Proceedings. Violation of any provision of the Condominium Act or the Governing Documents shall be grounds for relief, including (without limitation) an action or suit: (i) to recover any sums due, (ii) for damages, (iii) for injunctive relief, (iv) to foreclose the lien for assessments, (v) any other relief provided for by the Condominium Act or the Condominium Instruments, (vi) for any other remedy available at law or in equity, and (vii) for any combination of any of the foregoing, all of which relief may be sought by the Association, Directors, any Officer(s), the Managing Agent and in any appropriate case by any aggrieved Unit Owner(s).

(g) Fines. The Board of Directors may levy reasonable fines against any Unit Owner for any violation of the Condominium Act, Condominium Instruments, or the Rules and Regulations not to exceed one percent of such Unit Owner's annual assessment for each separate violation. No fine may be levied unless and until the procedures as required by the Condominium Act have been followed. The Board may assess the Unit Owner for the maximum amount as permitted by the Condominium Act and fines imposed pursuant to this subsection shall be treated as an assessment for the purposes of this Article.

Section 11.2. Lien for Assessments.

(a) Every assessment made against a Condominium Unit or the Unit Owner thereof pursuant to these By-Laws is a lien against that Condominium Unit as provided in the Condominium Act, which lien shall be effective as of the date such assessment is made. Any Officer, Director or the Managing Agent may file or record such other or further notice of such

lien or such other document with respect thereto as may be required by the aforesaid Code Section or by other law to confirm the establishment and priority of such lien.

(b) In any case where an assessment is delinquent for more than 60 days the maturity of the remaining total of the unpaid installments of such assessments shall be accelerated automatically, and the entire balance of that assessment may thereupon be declared due and payable in full.

(c) The lien for assessments may be enforced and foreclosed in any manner provided by law by any proceeding in the name of the Association, Directors or by an Officer(s) or the Managing Agent acting on behalf of the Association.

Section 11.3. Subordination and Mortgage Protection. Notwithstanding any other provision of the Condominium Instruments, the lien for any assessment levied pursuant to these By-Laws upon any Unit (and any fines, interest on assessments, late charges or the like) shall be subordinate to the rights of a Mortgagee; provided, however, that such subordination shall apply only to assessments and other charges which have become due and payable prior to a sale or transfer of such Unit pursuant to a decree of foreclosure, or any deed or assignment in lieu of foreclosure. Such sale or transfer shall not relieve the new Unit Owner of that Unit from liability for any assessments thereafter becoming due, the lien for which shall have the same effect and be enforced in the same manner as provided herein.

ARTICLE 12.

Amendments to By-Laws

Section 12.1. Amendments. These By-Laws may not be modified or amended except as provided in Section 55-79.72 of the Condominium Act; provided, however, that until the expiration of the maximum time permitted by Section 55-79.74(a) of the Condominium Act, (i) Section 2.3 of Article 2, (ii) Section 2.9 of Article 2, (iii) Section 3.1 of Article 3, and (iv) Section 12.1 of this Article 12, may not be amended without the consent in writing of the Declarant, so long as the Declarant shall be the Unit Owner of Units representing twenty-five (25) percent or more of the aggregate Percentage Interests of the Condominium. All amendments to the By-Laws shall be prepared and recorded by the Secretary.

Section 12.2. Approval of Mortgagees. These By-Laws contain provisions concerning various rights, priorities, remedies and interests of Mortgagees. Such provisions in these By-Laws 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 By-Laws impairing or affecting such rights, priorities, remedies or interests of a Mortgagee shall be adopted unless at least sixty-six and two-thirds (65-2/3) percent of the Mortgagees (based on one (1) vote for each mortgage owned) have given their prior written approval.

ARTICLE 13.
Miscellaneous

Section 13.1. Notices. All notices, demands, requests, bills, statements or other communications contemplated by these By-Laws shall be in writing and shall be deemed to have been duly given or served 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 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 two or more persons living at different addresses, each such person who so designates an address in writing and files with the Secretary shall be entitled to receive all notices hereunder.

Section 13.2. Captions. The captions herein are inserted only for convenience and reference, and in no way define, limit or describe the scope of these By-Laws or the intent of any provision thereof.

Section 13.3. Gender. The use of the masculine gender in these By-Laws shall be deemed to include the feminine and neuter genders and the use of the singular shall be deemed to include the plural, and vice versa whenever the context so requires.

Section 13.4. Construction. These Condominium Instruments are intended to comply with all of the applicable provisions of the Condominium Act and shall be so interpreted and applied.

Section 13.5. Condemnation. In the event of a taking in condemnation or by eminent domain, the provisions of Section 55-79.44, Code of Virginia, as amended, shall prevail and govern.

Res No. 07-12-___

VIENNA OAKS OFFICE CENTER CONDOMINIUM
Chart of Upkeep 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
Heating, cooling & plumbing systems & related components thereof.	All upkeep for portions serving more than one Unit. Water damage to Common Elements or Units other than the Unit which is the primary source of the problem through negligence of the occupants of each Unit	If any, same as in Column I I	Only to the extent that a malfunction or threat of same has originated outside the Unit in which the malfunction occurs or may occur.	All portions within or outside a Unit but only serving one Unit, including fixtures and appliances attached thereto. Water damage to a Unit when the primary source of such problem is caused by a component that is the Unit Owner's responsibility.
Electrical & related systems & components thereof excluding appliances, fixtures & lights serving only one Unit	All, except Column V items, in all regards.	All, except Column V items, in all regards	---	All for items serving only one Unit, including the loadcenters in all regards.
Parking spaces	All parking spaces, in all regards.	If any, same as in Column II	---	--

Res No. 07-12-

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 the main walls of the building.	All, in all regards	---	---	--
Roof (including any plywood), insulation attached to roof, structural members extending above or below the roof and all concrete floors, foundations.	All, in all regards	--	---	--
Exterior and interior walls, ceilings, floors	--	--	All except Column V items, in all regards.	All dry walls, ceilings, and floor surfaces attached to the concrete floor slab.
Windows, screens & Doors	--	---	All, except Column V items, in all regards	Interior of door panel interior trim. Hardware set including lock & door chime assembly and hinges/closure
Vestibules	--	All, in all regards	---	--
Mechanical rooms and equipment located therein.	All, in all regards	---	---	---

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EXHIBIT B

CERTIFICATION

I, Glenn D. Gerald, President of the **VIENNA OAKS OFFICE CENTER CONDOMINIUM ASSOCIATION**, hereby certify that on the 22 day of January 2010 that Owners owning at least Two-thirds (2/3) of the votes as represented in the Declaration of the Vienna Oaks Office Center Condominium Association, have ratified the Deed of Amendment and the replacement Bylaws of the Vienna Oaks Office Center Condominium Association to which this certification is attached as Exhibit B.

VIENNA OAKS OFFICE CENTER CONDOMINIUM ASSOCIATION
By: *Glenn D. Gerald*
Glenn D. Gerald
President

STATE OF VIRGINIA:
COUNTY OF FAIRFAX:

I, the undersigned Notary Public in and for the county and state aforesaid, do hereby certify that Glenn D. Gerald, whose name is signed to the foregoing Certification as President and who has provided me with sufficient personal identification, has acknowledged the same before me in my county aforesaid.

Given under my hand this 22nd day of January, 2010.



Aveh Rashidi-Yazd
Notary Public
Aveh Rashidi-Yazd
Printed Name
7090061
Registration Number

My Commission Expires:
May 31, 2011

VIENNA OAKS OFFICE CENTER CONDOMINIUM ASSOCIATION

Policy Resolution 17 – 01

(Resolution Related to the Parking of Commercial Vehicles)

WHEREAS, Article IX of the Declaration of Vienna Oaks Office Center Condominium dated January 4, 1983 and recorded in the land records of Fairfax County, Virginia in Deed Book 5724 at Page 0790, as amended from time to time (“Declaration”) states that all “Unit Owners, tenants and occupants of Units shall be subject to and shall comply with, the provisions of this Declaration, the By-Laws, and the Rules and Regulations, adopted by the Association as they may be amended from time to time”: and

WHEREAS, Article 3, Section 3.7(a)(1) of the By-Laws of Vienna Oaks Office Center Condominium Association (“By-Laws”) empowers the Board of Directors of the Vienna Oaks Office Center Condominium Association (“Board” and “Association,” respectively) to “adopt, amend and repeal Rules and Regulations governing the use and operation of the Common Elements and any portions thereof....”: and

WHEREAS, Article 7, Section 7.10(e) of the By-Laws states that “[v]ehicular parking upon the Common Elements shall be subject to the Rules and Regulations”; and

WHEREAS, the Board has determined that it is in the best interests of the Association to regulate the parking of commercial vehicles overnight on the Common Element parking lot;

NOW THEREFORE BE IT RESOLVED that the Board adopts the following rules and regulations regarding commercial vehicles parked on the Association’s parking lot:

- I. Commercial vehicles are prohibited on the Association’s parking lot between 10:00 pm and 5:00 am, 7 days a week.
- II. For the purposes of this resolution, commercial vehicles shall mean and refer to the following:
 - A. Any vehicle that has construction type equipment attached to it, to include, but not limited to: plows, salt/sand spreading apparatus, ladder racks with ladders that overhanging the natural boundaries of the vehicle, or a vehicle with any kind of additional equipment that overhangs any portion of the vehicle.
 - B. Any vehicle that has within its bed or cabin hazardous materials to include, but not limited to: containers of gasoline or other fire starter/incinerating agent, paint thinner, or other hazardous material as defined by OSHA or the Fire Marshal.
 - C. A vehicle that is oversized (e.g. cannot fit fully into a parking space), or has prominent lettering on it advertising a business, or a product or a service, or has exposed

equipment or cargo on it or in it, or exceeds 8,550 pounds, or displays commercial license plates.

III. Vehicles parked in violation of this resolution shall be towed at the vehicle owner's sole cost and expense.

IV. The Association shall have the right to take all enforcement action permitted by the governing documents and applicable law.

The effective date of this resolution shall be October 15, 2017.

VIENNA OAKS OFFICE CENTER CONDOMINIUM ASSOCIATION

Policy Resolution 17 – 02

(Resolution Related to Trash and Construction Debris)

WHEREAS, Article IX of the Declaration of Vienna Oaks Office Center Condominium dated January 4, 1983 and recorded in the land records of Fairfax County, Virginia in Deed Book 5724 at Page 0790, as amended from time to time (“Declaration”) states that all “Unit Owners, tenants and occupants of Units shall be subject to and shall comply with, the provisions of this Declaration, the By-Laws, and the Rules and Regulations, adopted by the Association as they may be amended from time to time”: and

WHEREAS, Article 3, Section 3.7(a)(1) of the By-Laws of Vienna Oaks Office Center Condominium Association (“By-Laws”) empowers the Board of Directors of the Vienna Oaks Office Center Condominium Association (“Board” and “Association,” respectively) to “adopt, amend and repeal Rules and Regulations governing the use and operation of the Common Elements and any portions thereof....”: and

WHEREAS, Article 7, Section 7.10(i) of the By-Laws states that “[r]efuse and bagged garbage shall be deposited in the area provided therefor by the Association” and the “Association shall be responsible for disposing of only that refuse and bagged garbage which has been deposited in such areas designated by the Association”; and

WHEREAS, the Board has determined that it is in the best interests of the Association to regulate trash and construction debris;

NOW THEREFORE BE IT RESOLVED that the Board adopts the following rules and regulations regarding trash and construction debris:

- I. No trash or other materials related to remodeling or construction in any Unit shall be placed in the Association’s dumpsters. All trash, refuse, building materials, etc. generated by such remodeling or construction must be deposited off-site.
- II. All trash and recycling must be placed in the designated receptacles and no additional recycling materials or trash is permitted in the Common Elements.
- III. Boxes for recycling must be broken down to be flat and as compact as possible.
- IV. Trash or recycling materials disposed of in violation of this resolution may be removed at the Unit Owner’s sole cost and expense.
- V. The Association shall have the right to take all enforcement action permitted by the governing documents and applicable law for violations of this resolution.

This resolution is effective the date of adoption.

33-003142

DECLARATION

Vienna Oaks Office Center Condominium

THIS DECLARATION is executed this 14th day of January 1983, by CHESAPEAKE LAND COMPANY OF VIRGINIA, INC., a Virginia corporation (hereinafter called "Declarant").

WITNESSETH:

WHEREAS, Section 55-79.39, et seq., of the 1950 Code of Virginia, as amended, hereinafter referred to as the "Condominium Act," provides for the creation of condominiums in the Commonwealth of Virginia; and

WHEREAS, Declarant is the owner in fee simple of land containing approximately 1.4176 acres, less and except 7,420 square feet dedicated in Deed Book 5537 at page 1800, and to be dedicated for public street purposes, located and situated in Fairfax County, Virginia, as more particularly described in the metes and bounds description attached hereto as Exhibit A and made a part hereof by reference; and

WHEREAS, Declarant has constructed a two and one-half (2-1/2) story office building containing approximately 20,700 square feet of office area; and

WHEREAS, it is the desire and intent of the Declarant to submit the Land and the improvements thereon to a commercial condominium, as provided by the Condominium Act.

NOW THEREFORE, the Declarant does hereby make, declare and publish its desire and intent to submit, and does hereby submit and establish a commercial condominium in accordance with the Condominium Act, upon the Land, and the Declarant does hereby make the following Declaration of Condominium as to the divisions, covenants, restrictions, limitations, conditions and uses to which the aforesaid Land and improvements may be put, and does hereby further declare and establish the following:

4134 RP 03 L 01

STATE TAX _____
COUNTY TAX _____
TRANSFER FEE _____
CLERK'S FEE _____
GRANTOR TAX _____
CONS. _____

ITTIUS, ROSENBERG AND CARTER, P.C.
ATTORNEYS AT LAW
COURTHOUSE SQUARE
10521 JUDICIAL DRIVE
FAIRFAX, VIRGINIA 22030
SUITE 100

ARTICLE I

Submission, Defined Terms

Section 1.1. Submission; Declarant; Property Name.

CHESAPEAKE LAND COMPANY OF VIRGINIA, INC., a Virginia corporation ("Declarant"), owner in fee simple of the land described in Exhibit A attached hereto, located in Fairfax County, Virginia ("Land"), hereby submits the Land, together with all easements, rights and appurtenances thereunto belonging and the improvements erected or to be erected thereon (collectively, the "Property") to the provisions of Chapter 4.2 of Title 55 of the Code of Virginia, as amended, known as the Virginia Condominium Act (the "Condominium Act"), and hereby creates with respect to the Property a condominium, to be known as the "Vienna Oaks Office Center Condominium" (the "Condominium").

Section 1.2. Defined Terms.

1.2.1. Except as otherwise defined in the Condominium Instruments, all capitalized terms have the meanings specified in Va. Code §55-79.41.

1.2.2. "Association" or "Unit Owners Association" means the Unit Owners Association of the Condominium and shall be known as the "Vienna Oaks Office Center Condominium Association."

1.2.3. "Common Element" means all portions of the Condominium not designated as Units.

1.2.4. "Condominium Instruments" means this Declaration, the Condominium By-Laws, and the Condominium Plats and Plans, as the same may be modified or amended from time to time, and as construed and interpreted in accordance with Va. Code §55-79.51.

1.2.5. "Declarant" means Chesapeake Land Company of Virginia, Inc., a Virginia corporation, any successor to its trade or business, and any other entity which, in conjunction with or in lieu of the named Declarant, develops the Condominium.

1.2.6. "Declaration" means this document, as the same may be amended from time to time.

1.2.7. "Limited Common Elements" means those Common Elements designated as such in the Condominium Instruments to be reserved for the exclusive use of one or more, but less than, all Unit owners.

1.2.8. "Mortgagee" means an institutional lender holding a first deed of trust encumbering a Unit.

1.2.9. "Percentage Interest" means the undivided ownership interest in the Common Elements appurtenant to each Unit as set forth in Exhibit C attached hereto, as the same may be amended from time to time.

1.2.10. "Period of Declarant Control" means the period ending on the earliest of (1) the second anniversary of the date of settlement of the first Unit to be sold in any portion of the Condominium, (2) the date when the Declarant ceases to own Units to which at least one-fourth of the Common Element Interests are allocated, or (3) the date specified by the Declarant in a notice to each Unit Owner that the Declarant is relinquishing the rights reserved by the Declarant under the Va. Code §55-79.74(a). Notwithstanding the foregoing, the resignation of all of the members of the Board of Directors, at a meeting of the Association pursuant to Section 2.4(b) of the By-Laws attached hereto as Exhibit B, shall end the period of Declarant control.

1.2.11. "Plats and Plans" means the Condominium Plats and the Condominium Plans attached hereto as Exhibit D, as the same may be amended from time to time.

1.2.12. "Property" means the Property described in Section 1.1 above.

1.2.13. "Unit" means a Unit as described herein and in the Plats and Plans.

Section 1.3. Exhibits.

All Exhibits referred to in the Condominium Instruments are incorporated into this Declaration as integral parts hereof.

ARTICLE II

Units and Common ElementsSection 2.1. Units.

Attached hereto is Exhibit C listing all of the Units, their identifying numbers, and the Percentage Interest of each Unit in the Common Elements, Common Expenses and Common Profits which are allocated to each Unit on the basis of "size", by dividing the "size" of the Unit by the aggregate of the "sizes" of all Units. The location of Units within the Condominium is shown on the Plats and Plans attached hereto as Exhibit D. The "size" of each Unit is the total number of square feet of floor space contained therein, determined by reference to the dimensions shown on the Plats and Plan. The Percentage Interest shall determine the portion of the votes in the Association and the share of Common Expenses and Common Profits appurtenant to each Unit.

Section 2.2. Unit Boundaries.

The boundaries of each Unit shall be as follows:

2.2.1. The "Lower Boundary" is a horizontal plane represented by the top surface of the unfinished concrete floor of the Unit, extended to intersect the Lateral or Perimetrical Boundaries.

2.2.2.

(a) The "Upper Boundary" of the first story units is a horizontal plane of the top surface of the suspended ceiling, extended to intersect the Lateral or Perimetrical Boundaries.

(b) The "Upper Boundary" of second story units is the horizontal plane represented by the underside of the roofing material (including any plywood or similar material used to form the roof), excluding any structural members and insulation that extend below the underside of said roofing material, extended to intersect the Lateral or Perimetrical Boundaries.

2.2.3. The "Lateral or Perimetrical Boundaries" are vertical planes, represented by the exterior surface of the exterior walls which do not

separate the Unit from any other Unit, and by the center line of the party walls which separate the Unit from any other Unit or the Unit from any Common Area, extended to intersect with each other and with the Upper and Lower Boundaries.

2.2.4. For purposes of defining Unit Boundaries under this Section 2.2, the term "exterior" shall be understood to be from the perspective of the center of the Unit being described and looking outward.

2.2.5. The Unit shall include the heating, air-conditioning, electrical, and plumbing equipment within the boundaries of the Unit and those portions of the heating, air-conditioning, electrical and plumbing equipment servicing such Unit which extend beyond or are located outside the boundaries of that Unit. Any portion of a utility system serving more than one Unit, such as pipes, conduits, and ducts, which is partially within and partially without, or is entirely outside, the Unit being served, is part of the Common Elements. The water supply system serving only one Unit, including the water meter and water line service such Unit, shall be included as part of the Unit served thereby.

Section 2.3. Limited Common Elements.

Limited Common Elements means the Common Elements described as such in the Condominium Act. Any or all parking spaces now existing or hereafter created within the Condominium may be assigned as Limited Common Elements. Such assignments may be made by the Declarant to Unit Owners in deeds to, or recordable agreements with, Unit Owners, as selected by the Declarant, provided, such assignment is made to the extent practicable on a Percentage Interest basis, unless otherwise agreed to by all of the Unit Owners entitled to vote in accordance with the Condominium Instruments, and shall be confirmed by amendments to this Declaration pursuant to Va. Code §55-79.57(c). Upon the termination of the Period of Declarant Control, such assignments may be made only by the Board of Directors of Vienna Oaks Office Center Condominium Association pursuant to Va. Code §55-79.57(c).

Section 2.4. Designation of Reserved Common Elements.

The Board of Directors of the Association shall have the power in its discretion to: (i) designate from time to time any portion of the Common Elements (not designated by Declarant pursuant to Section 2.3. herein) as "Reserved Common Elements"; (ii) grant reserved rights therein to the Association and to any or less than all of the Unit Owners; and (iii) establish a reasonable charge to such Unit Owners for the use and maintenance thereof, provided, such designation and grant is made to the extent practicable on a Percentage Interest basis, unless otherwise agreed to by all of the Unit Owners entitled to vote in accordance with the Condominium Instruments.

Section 2.5. Maintenance Responsibilities.

Notwithstanding the allocation of ownership rights and responsibilities with respect to the Common Elements and the Units, by virtue of the foregoing boundary description, the provisions of the By-Laws, attached hereto as Exhibit B, shall govern the division of maintenance and repair responsibilities between the Unit owners and the Association.

Section 2.6. Relocation of Unit Boundaries and Subdivision of Units.

Relocation of boundaries between Units and subdivision of Units will be permitted subject to compliance with the provisions of Va. Code §§55-79.69 and 55-79.70.

ARTICLE III

Easements

In addition to the easements created by Sections 55-79.60 and 55-79.65 of the Condominium Act, the following easements are hereby granted.

Section 3.1. Easement to Facilitate Sales.

All Units shall be subject to an easement in favor of Declarant pursuant to Section 55-79.66 of the Condominium Act. Declarant reserves the right to use any Units owned by Declarant as models, management offices or sales

offices, and construction offices with parking and traffic incident thereto, until such time as Declarant conveys title thereto to Unit Owners. Declarant reserves the right to relocate the same from time to time within the Property; upon relocation or sale of a model, a management office or sales office, the furnishings thereof may be removed. Declarant further reserves the right to maintain on the Property such advertising signs as may comply with applicable governmental regulations, which may be placed in any location on the Property and may be relocated or removed, all at the sole discretion of Declarant.

Section 3.2. Easement for Ingress and Egress through Common Elements, Access to Units and Support.

3.2.1. Each Unit Owner is hereby granted an easement, in common with each other Unit owner, for ingress and egress through all Common Elements, subject to such reasonable rules, regulations and restrictions as may be imposed by the Unit Owners Association. Each Condominium Unit is hereby burdened with and subjected to an easement for ingress and egress through all Common Elements by persons lawfully using or entitled to the same.

3.2.2. Declarant reserves in favor of Declarant and the Managing Agent and/or any other person authorized by the Board of Directors the right of access to any Unit as provided in Section 55-79.79 of the Condominium Act. In case of emergency, such entry shall be immediate whether the Unit owner is present at the time or not.

3.2.3. Each Unit and Common Elements shall have an easement for lateral and subjacent support from every other Unit and Common Element.

Section 3.3. Special Parking Space Easement.

If necessary, in order to comply with applicable parking ratio requirements of municipal or county ordinances, Unit owners are hereby granted the non-exclusive right to use any of the surface parking spaces on the Land not otherwise assigned.

Section 3.4. Utility Easements.

The Units and Common Elements shall be, and are hereby, made subject to easements in favor of the Declarant, appropriate utility and service companies

and governmental agencies or authorities for such utility and service lines and equipment as may be necessary or desirable to serve any portion of the Property. The easements created in this Section 3.4. shall include, without limitation, rights of Declarant, or the providing utility or service company, or governmental agency or authority to install, lay, maintain, repair, relocate and replace gas lines, pipes and conduits, water mains and pipes, sewer and drain lines, telephone wires and equipment, television equipment and facilities (cable or otherwise), electric wires, conduits and equipment and ducts and vents over, under, through, along and on the Units and Common Elements. Notwithstanding the foregoing provisions of this Section 3.4., unless approved in writing by the Unit owner or Unit owners affected thereby, any such easement through a Unit shall be located either in substantially the same location as such facilities or similar facilities existed at the time of first conveyance of the Unit by the Declarant, or so as not to materially interfere with the use or occupancy of the Unit by its occupants.

Section 3.5. Declarant's Easement to Correct Drainage.

Declarant reserves an easement on, over and under those portions of the Common Elements not located within a Building for the purpose of maintaining and correcting drainage of surface water in order to maintain reasonable standards of health, safety and appearance. The easement created by this Section 3.5 expressly includes the right to cut any trees, bushes, or shrubbery, to grade the soil, or to take any other action reasonably necessary to achieve this purpose, following which the Declarant shall restore the affected property as closely to its original condition as practicable. Declarant under this Section 3.5 makes no warranties of any kind, other than those warranties arising under the Condominium Act or made elsewhere in the Condominium Instruments.

ARTICLE IV

Amendment To Declaration

Section 4.1. Amendment Generally.

This Declaration may be amended only in accordance with the procedures specified in the Condominium Act, including Sections 55-79.71 and 55-79.72 thereof, and the express provisions of this Declaration.

Section 4.2. Rights of Mortgagees.

Subject to any limitations imposed by the Condominium Act and except as set forth below, no amendment of this Declaration may be made without the prior written approval of all record holders of first mortgages on Units, if and to the extent that such approval is required by the Condominium Act or if and to the extent that such amendment would have the effect of (i) terminating or abandoning the Condominium (except for termination or abandonment as a result of a taking of all the Units by eminent domain, or as otherwise required by law); (ii) abandoning, encumbering, selling or transferring the Common Elements, except as otherwise expressly provided in this Declaration; (iii) bringing an action to partition, or subdivide the Common Elements; or (iv) changing the Percentage Interests of any Unit owners; provided, that such written approval may not be unreasonably withheld. Such approval shall not be required with respect to any Amendment pursuant to Articles V and VI below. The granting of easements for public utilities, for other public purposes, and to correct drainage, consistent with the intended use of the Common Elements, shall not be deemed to be a transfer within the meaning of this Section.

ARTICLE V

Right To Lease Or Sell Units

The Declarant shall own in fee simple each Condominium Unit not sold to a purchaser or otherwise transferred. The Declarant shall be entitled to full rights with respect to ownership of any Unit on the same basis as any

other Unit Owner, provided, that such rights shall be in addition to, and not in derogation of, any rights to which the Declarant is entitled under the Act and the Condominium Instruments as the Declarant of the Condominium. Declarant retains the right to enter into leases with any third parties for the occupancy of any of the Units owned by Declarant.

ARTICLE VI

Priority of Mortgagees

Except as specifically provided in the Condominium Instruments, no provision of the Condominium Instruments shall be construed to grant to any Unit owner, or to any other person, any priority over any rights of Mortgagees.

ARTICLE VII

No Obligations

Nothing contained in the Condominium Instruments shall be deemed to impose upon the Declarant or its successors or assigns any obligation of any nature to renovate, build, construct or provide any buildings except to the extent required by the Condominium Act.

ARTICLE VIII

Special Declarant Rights; Transfer

Section 8.1. Special Declarant Rights.

The Special Declarant Rights are those rights reserved for the benefit of the Declarant as provided for in the Condominium Act and the Condominium Instruments, and shall include, but are not limited to, the following rights:

8.1.1. to complete improvements indicated on the Plats and Plans filed with the Declaration;

8.1.2. to maintain sales offices;

- 8.1.3. to maintain management offices;
- 8.1.4. to maintain signs advertising the Condominiums and models;
- 8.1.5. to use easements through the Common Elements for the purpose of making improvements within the Condominium;
- 8.1.6. to appoint or remove any officer of the Unit Owners Association or Board of Directors during any period of Declarant control; and
- 8.1.7. to maintain and operate construction offices.

Section 8.2 Transfer of Special Declarant Rights.

8.2.1. No Special Declarant Rights created or reserved under the Condominium Act or as provided for in the Condominium Instruments may be transferred except by an instrument evidencing the transfer recorded in Fairfax County, Virginia. The instrument is not effective unless executed by the transferor and transferee.

8.2.2. Upon transfer of any Special Declarant Right, the liability of a transferor Declarant is as follows:

(a) A transferor is not relieved of any obligation or liability arising before the transfer and remains liable for warranty obligations imposed upon him by the Condominium Act. Lack of privity does not deprive any Unit owner of standing to bring an action to enforce any obligation of the transferor.

(b) If a transferor retains any Special Declarant Right, or if a successor to any Special Declarant Right is an Affiliate of a Declarant, meaning any person who controls, is controlled by, or is under common control with a Declarant ("Affiliate"), the transferor is subject to liability for all obligations and liabilities imposed on a Declarant by the Condominium Act or by the Condominium Instruments arising after the transfer and is jointly and severally liable with the successor for the liabilities and obligations of the successor which relate to the Condominium.

(c) A transferor who retains no Special Declarant Right has no liability for any act or omission or any breach of a contractual or warranty

obligation arising from the exercise of a Special Declarant Right by a successor Declarant who is not an Affiliate of the transferor.

8.2.3. Unless otherwise provided in a mortgage instrument or deed of trust, in case of foreclosure of a mortgage, sales by a trustee under a deed of trust, or sale under Bankruptcy Act or receivership proceedings, of any Units owned by a Declarant in the Condominium, a person acquiring title to all such Units being foreclosed or sold, but only upon his request, succeeds to all Special Declarant Rights, or only to any rights reserved in the Condominium Instruments to maintain models, sales offices and signs. The judgment or instrument conveying title shall provide for transfer of only the Special Declarant Rights requested.

8.2.4. Upon foreclosure, sale by a trustee under a deed of trust, or sale under Bankruptcy Act or receivership proceedings, of all Units in a Condominium owned by a Declarant:

(a) the Declarant ceases to have any Special Declarant Rights, and

(b) the period of Declarant control as provided in the Condominium Act terminates unless the judgment or instrument conveying title provides for transfer of all Special Declarant Rights to a successor Declarant.

8.2.5. The liabilities and obligations of persons who succeed to Special Declarant Rights are as follows:

(a) A successor to any Special Declarant Right who is an Affiliate of a Declarant is subject to all obligations and liabilities imposed on any Declarant by the Condominium Act or by the Condominium Instruments.

(b) A successor to any Special Declarant Right, other than a successor described in paragraphs (c) or (d) of this Article VIII, Section 8.2.5., who is not an Affiliate of the Declarant, is subject to all obligations and liabilities imposed upon a Declarant by the Condominium Act or the Condominium Instruments, but he is not subject to liability for misrepresentations or warranty obligations on improvements made by any

previous Declarant or made before the Condominium was created, or for a breach of fiduciary obligation by any previous Declarant.

(c) A successor to only a right reserved in the Condominium Instruments to maintain models, sales offices, and signs, if he is not an Affiliate of a Declarant, may not exercise any other Special Declarant Right, and is not subject to any liability or obligation as a Declarant.

(d) A successor to all Special Declarant Rights who is not an Affiliate of a Declarant and who succeeds to those rights pursuant to a deed in lieu of foreclosure or a judgment or instrument conveying title to Units under subsection 8.2.3., may declare his intention in a recorded instrument to hold those rights solely for transfer to another person. Thereafter, until transferring all Special Declarant Rights to any person acquiring title to any Unit owned by the successor, or until recording an instrument permitting exercise of all those rights, that successor may not exercise any of those rights other than the right to control the Board of Directors in accordance with the provisions of the Condominium Act and the Condominium Instruments for the duration of any Period of Declarant Control, and any attempted exercise of those rights is void. So long as a successor Declarant may not exercise Special Declarant Rights under this subsection, he is not subject to any liability or obligation as a Declarant other than liability for the successor's acts and omissions under Section 55-79.74 of the Condominium Act.

8.2.6. Nothing in this Section subjects any successor to a Special Declarant Right to any claims against or other obligations of a transferor Declarant, other than claims and obligations arising under the Act or this Declaration.

ARTICLE IX

Units Subject To Declaration, By-Laws, and

Rules and Regulations

Except as may be expressly excluded, all present and future Unit Owners,

tenants and occupants of Units shall be subject to and shall comply with, the provisions of this Declaration, the By-Laws, and the Rules and Regulations, adopted by the Association as they may be amended from time to time. The acceptance of a Deed of conveyance, or the acceptance of title pursuant to the laws of inheritance and devise, or the entering into a Lease, or the entering into occupancy of any Unit shall constitute an agreement that the provisions of this Declaration, the By-Laws and Rules and Regulations, as they may be amended from time to time, are accepted and ratified by such Owner, tenant or occupant, and all of such provisions shall be deemed and taken to be enforceable as equitable servitudes and covenants running with the Land and shall bind any person having at any time any interest or estate in such Unit, as though such provisions are recited and stipulated at length in each and every Deed of conveyance or lease thereof.

ARTICLE X

By-Laws

The administration of the Condominium shall be governed by the By-Laws adopted from time to time by the Unit Owners Association pursuant to this Declaration. The By-Laws shall be in the form attached hereto as Exhibit B until the same are amended in the manner therein provided, and said By-Laws, together with this Declaration and the Exhibits attached hereto, shall be available for examination by all of the Unit Owners, their duly authorized attorneys or agents, at convenient hours on working days that shall be set and announced for general knowledge. No modification or amendment to the By-Laws shall be valid unless such amendment is duly recorded among the land records of Fairfax County, Virginia. Each Unit Owner shall comply strictly with the By-Laws and with the Rules and Regulations adopted pursuant thereto as either of the same may be lawfully amended from time to time. If there are any conflicts or inconsistencies between this Declaration and the By-Laws, then the terms and provisions of this Declaration shall prevail and each

Unit Owner shall vote in favor of such amendment of the By-Laws as shall be necessary to remove such conflicts or inconsistencies. If there are any conflicts between this Declaration and the Rules and Regulations or between the By-Laws and the Rules and Regulations, then the terms of this Declaration or of the By-Laws, as the case may be, shall prevail and the Board of Directors shall adopt such amendments to the Rules and Regulations as shall be necessary to remove such conflicts or inconsistencies. Failure of any Unit Owner to comply with this Declaration, the By-Laws and with the Rules and Regulations adopted pursuant to said By-Laws and any of the same as may be lawfully amended from time to time, shall be ground for an action to recover sums due, for damages or injunctive relief, of both, or for any other relief specified in the Condominium Instruments and the Condominium Act, all or any of which shall be maintainable by the Unit Owners Association, Board of Directors, or Management Agent, as the case may be, or as specified in the By-Laws, or in a proper case by an aggrieved Unit Owner or Owners on his or their own behalf or as a class action.

ARTICLE XI

Miscellaneous

Section 11.1. Compliance with Condominium Act.

Each Condominium Instrument and each amendment thereto is intended to comply with the Condominium Act (Section 55-79.39 through Section 55-79.103 of the Code of Virginia) as the said Act may be amended at the time of the recording of such Condominium Instrument or amendment thereto. Each Condominium Instrument and each amendment thereto shall be construed and interpreted in conformity with the intent expressed by the preceding sentence.

Section 11.2. Captions.

The captions in the Condominium Instruments are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope or intent of any provision thereof.

Section 11.3. Gender and Number.

The use of the masculine gender in the Condominium Instruments shall be deemed to include the feminine and neuter genders, and the use of the singular shall be deemed to include the plural, and vice versa, whenever the context so requires.

Section 11.4. Use and Occupancy of Units and Commons.

The occupancy and use of the Units and Common Elements shall at all times comply with applicable zoning and land use regulations of Fairfax County, Virginia, and with the provisions set forth in the Condominium Instruments.

Section 11.5 Pipes, Ducts, Cables, Wires, Conduits, Public Utility Lines and Other Common Elements Located Inside of Units.

Each unit owner shall have an easement in common with the unit owners of all other units to use all pipes, wires, ducts, cables, conduits, public utility lines and other common elements located in any of the other units which serve his unit. Each unit shall be subject to an easement in favor of the unit owners of all other units to use the pipes, ducts, cables, wires, conduits, public utility lines and other common elements serving such other units and located in such unit. The said Board of Directors shall have a right of access to each unit to inspect the same, to remove violations therefrom and to maintain, repair or replace the common elements contained therein or elsewhere in the building.

IN WITNESS WHEREOF, the Declarant has caused this Declaration to be executed on its behalf this 10th day of January, 1983.

CHESAPEAKE LAND COMPANY OF VIRGINIA, INC.

BY: 
PATRICK H. RUPERTUS, President

STATE OF VIRGINIA

COUNTY OF FAYETTE, to-wit:

I, the undersigned, a Notary Public in and for the State and County aforesaid, whose commission as such expires on the 22nd day of May, 1983, do hereby certify that PATRICK H. RUPERTUS, as President, of CHESAPEAKE LAND COMPANY OF VIRGINIA, INC., whose name is signed to the foregoing document bearing date on the 10th day of JANUARY, 1983, has signed and acknowledged the same before me in my County and State aforesaid.

GIVEN under my hand and seal this 17th day of JANUARY, 1983.

[Signature]
Notary Public

EXHIBIT "A"

BEGINNING at a point in the southeasterly right-of-way line of Maple Avenue, Route 123, said point being in the northeasterly corner to the property of the Trustees of the Emmanuel Lutheran Church; thence with said right-of-way line N. 49° 24' 37" E. 112.40' to a point; thence running with said right-of-way S. 40° 35' 23" E. 20.55' to a VDH&T monument; thence continuing with said right-of-way N. 49° 24' 37" E. 30.10' to a VDH&T monument; thence N. 40° 35' 23" W. 20.55' to a VDH&T monument; thence continuing with said right-of-way N. 49° 24' 37" E. 53.16' to a point; said point being the northwesterly corner to the property of P.L.B. Properties, Inc.; thence departing said right-of-way and running with said P.L.B. Properties, Inc., S. 40° 21' 20" E. 285.27' to a point in the northwesterly line of Vienna Oaks, Section III; thence with Vienna Oaks, Section III, S. 48° 27' 40" W. 238.94' to an iron pipe, said pipe being the southwesterly corner to the aforementioned Emmanuel Lutheran Church; thence with the said Church N. 31° 51' 28" W. 292.62' to the point of beginning, containing 1.4176 acres.

LESS AND EXCEPT that portion containing 7,428 square feet as dedicated in Deed Book 5537 at page 1800, and to be dedicated to public street purposes.

EXHIBIT "C"

PERCENTAGE INTEREST

<u>Unit #</u>	<u>Square Footage</u>	<u>Percentage Interest</u>
1A	1,500	7.246
1B	1,500	7.246
1C	1,500	7.246
1D	1,500	7.246
1E	1,500	7.246
1F	1,500	7.246
2A	1,950	9.420
2B	1,950	9.420
2C	1,950	9.420
2D	1,950	9.420
2E	1,950	9.420
2F	1,950	9.420

BY-LAWS
OF
VIENNA OAKS OFFICE CENTER CONDOMINIUM ASSOCIATION

(Fairfax County, Virginia)

Seamus Rosenfeld and Carter P.C.
ATTORNEYS AT LAW
1000 N. GLEBE ROAD
SUITE 200
ALEXANDRIA, VA 22304

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SCHEDULE A - Chart of Upkeep Responsibilities

BY-LAWS

OF

VIENNA OAKS OFFICE CENTER CONDOMINIUM ASSOCIATION

ARTICLE 1Introductory Provisions

Section 1.1. Applicability. These By-Laws provide for the governance of Vienna Oaks Office Center Condominium, by a Unit Owners' Association to be known as "Vienna Oaks Office Center Condominium Association." The Condominium is located in Fairfax County, Virginia.

Section 1.2. Definitions. In addition to the definitions indicated or specified by Section 1.2 of the Declaration, in these By-Laws:

(a) The "Association" means Vienna Oaks Office Center Condominium Association.

(b) "Majority Vote" means a simple majority (except where a higher majority is specified) of the votes actually cast at a meeting held pursuant to these By-Laws where (except in the cases provided for in Section 3.6(c), and in the second sentence of Section 2.6 of these By-Laws) the quorum requirements for such meeting are satisfied.

(c) "Upkeep" means care, maintenance, operation, repair, renovation, alteration, remodeling, restoration, replacement, improvement, or any combination thereof.

ARTICLE 2The Association

Section 2.1. Membership. The membership of the Association shall at all times consist exclusively of all Unit Owners of Units in the Condominium.

Section 2.2. Status and Office of the Association. The Association, and its Board of Directors and Managing Agent when either of them act on behalf of the Association, shall for all purposes act only as agent for the members of the Association as a group. The office of the Association shall be at such place as may be designated from time to time by resolution of the Board of Directors.

Section 2.3. Annual Meetings. The members of the Association shall meet during the second month preceding the beginning of each fiscal year at such time and place as may be fixed from time to time by resolutions of the Board of Directors. No such resolution shall fix a Saturday, Sunday, or legal holiday observed in Virginia as a meeting date.

Section 2.4. Special Meetings.

(a) Special meetings of the Association shall be held if sought (1) by resolution of the Board of Directors, (2) after the period of Declarant control, by a petition signed by the Unit Owners of Units to which a total

of at least three-tenths (3/10) of the votes in the Association are allocated, or (3) while the Declarant is a Unit Owner, by request of the Declarant; provided, that such resolution, petition or request must (1) specify the time and place at which meeting is to be held, (2) either specify a date on which the meeting is to be held which will permit the Secretary to comply with Section 2.5 of these By-Laws, or else specify that the Secretary shall designate the date of the meeting, (3) specify the purpose(s) for which the meeting is to be held, and (4) be delivered to the Secretary.

(b) Not later than the earliest of the three dates specified in the first sentence of Section 1.2.11 of the Declaration, a special meeting of the Association shall be held by request of the Declarant, at which all Directors appointed by the Declarant shall resign, and the Unit Owners shall thereupon elect a new Board of Directors in accordance with Section 3.1 of these By-Laws.

Section 2.5. Notice of Meetings. The Secretary shall give notice to all Unit Owners and Mortgagees of each annual meeting of the Association at least twenty-one (21) days but not more than thirty (30) days, and of each special meeting of the Association at least seven (7) days but not more than thirty (30) days, prior to the meeting. The notice shall specify the place, date and time of the meeting and, in the case of a special meeting, shall also specify the purpose(s) for which the meeting is to be held.

Section 2.6. Quorums. A quorum shall be deemed to be present throughout (i) any meeting of the Association if persons entitled to cast more than one-third (1/3) of the votes in the Association are present at the beginning of such meeting, and (ii) any special meeting of the Association called for the purpose of removing a Director if persons entitled to cast more than one-fourth (1/4) of the votes in the Association are present at the beginning of such meeting. No business shall be transacted in the absence of a quorum other than to adjourn the meeting to a date, time and place agreed by Majority Vote of those present.

Section 2.7. Order of Business. The order of business at meetings of the Association shall be as follows:

- (1) Roll call and ascertainment of a quorum.
- (2) Proof of notice of meeting.
- (3) Reading of minutes of preceding meeting.
- (4) Reports of Officers.
- (5) Appointment of vote tellers (if any vote is to be taken) by the Officer presiding.
- (6) Election of Director (at annual meetings).
- (7) Unfinished business.
- (8) New business.
- (9) Adjournment.

Section 2.8. Conduct of Meetings. The Officer presiding at a meeting of the Association may appoint a person to serve as parliamentarian at that meeting. The latest edition of Robert's Rules of Order shall govern the conduct of all meetings of the Association when not in conflict with the Condominium Instruments or the Condominium Act.

Section 2.9. Voting. Each Unit is hereby allocated a vote in the Association equal to its Percentage Interest, as set forth in the Declaration and the person entitled to cast the vote allocated to that Unit shall be the Unit Owner thereof. If a Unit Owner is more than one person, the vote shall be cast either: (i) by the person named in a certificate executed by all the persons constituting the Unit Owner of such Unit and filed with the

Secretary; or (ii) in the absence of such a certificate, by any such person who is present at the meeting; provided, however, if more than one such person is present, the vote shall be cast only in accordance with their unanimous agreement pursuant to Section 55-79.77(c) of the Code of Virginia. A certificate filed with the Secretary pursuant to this Section shall be valid until its revocation is similarly executed and filed. No person shall be entitled to cast the vote of a Unit against which the Association has perfected a lien and the amount necessary to release such lien has not been paid by the time such vote is to be cast. There shall be no cumulative voting.

Section 2.10. Proxies. Any vote may be cast by a proxy duly executed by or on behalf of the Unit Owner and properly witnessed and dated. Proxies may be granted only to another Unit Owner, the Declarant, the Mortgagee or lessee of the Unit, an Officer, or, in the case of a non-resident Unit Owner, his attorney or authorized agent; provided, however, that no person other than the Declarant, Managing Agent or an Officer shall vote proxies for more than one Unit. A proxy shall be valid only for the meeting designated therein and must be filed with the Secretary at or before the time of such meeting. A proxy shall be void if, before it is exercised, the presiding Officer receives actual notice of revocation from any of the persons who executed it. No proxy shall be valid after adjournment of the first meeting of the Association held on or after the date of that proxy.

ARTICLE 3

Board of Directors

Section 3.1. Number and Term. Until the end of the period of Declarant control, the Board of Directors shall consist of three (3) Directors, all of whom the Declarant shall appoint, remove and replace at such times as the Declarant sees fit to do so. Beginning with the meeting contemplated by Section 2.4(b) of these By-Laws, the Board of Directors shall consist of not less than three (3) nor more than seven (7) Directors elected for one-year terms, except that the term of the Directors elected at the said meeting shall extend until the second following annual meeting of the Association. For one year after the end of the period of Declarant control, the Declarant may appoint from time to time an individual who shall be entitled to notice of all meetings of the Board as if he were a Director and to attend and speak (but not vote) at such meetings. No Unit Owner may be elected as a Director while the Association has a perfected lien against a Unit of which he, individually or with any other person(s), is the Unit Owner.

Section 3.2. Meetings. The Board of Directors shall meet regularly without notice at such intervals, times and places as may be fixed from time to time by resolutions of the Board. Special meetings of the Board shall be held when called by the President or by the other two (2) members thereof, in either case with at least three (3) business days' notice stating the time, place, and purpose(s) of the meeting to the other Director(s). Attendance by a Director at any meeting of the Board of Directors shall constitute a waiver of notice by him of the time, place and purpose of such meeting. If all members are present at any meeting of the Board of Directors, no notice shall be required and any business may be transacted at such meeting.

Section 3.3. 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. No business may be transacted in the absence

of a quorum other than to fill a vacancy in the Board and/or to adjourn the meeting to a date, time and place specified by the Director present. One or more members of the Board of Directors may participate in and be counted for quorum and voting purposes at any meeting by means of conference telephone or similar communication equipment by means of which all persons participating in the meeting can hear each other.

Section 3.4. Conduct of Meetings. The latest 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 Condominium Instruments or the Condominium Act. Each decision of the Board of Directors shall be made by a Majority Vote except where a higher majority is specified by these By-Laws.

Section 3.5. Action without Meeting. Any action required or permitted to be taken by the Board of Directors may be taken without a meeting if all of the Directors shall consent in writing to such action. Any such written consent shall be filed with the minutes of the proceedings of the Board.

Section 3.6. Removal, Resignation and Vacancies.

(a) After the period of Declarant control, any Director may be removed with or without cause, by a Majority Vote of the Unit Owners at a special meeting of the Association called for such purpose, and a successor shall thereupon be elected in the same manner. Seven (7) days' notice and an opportunity to be heard at the meeting shall be afforded to any Director whose removal is proposed.

(b) Any Director 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 Code of Virginia.

(c) After the period of Declarant control, any vacancy in the Board of Directors caused by any reason, other than removal pursuant to subsection (a) of this Section, shall be filled by Majority Vote of the remaining Director(s) at a special meeting of the Board of Directors called for such purpose.

(d) Any Director elected to fill a vacancy pursuant to this Section shall be elected to serve for the entire remaining term of his predecessor.

Section 3.7. Powers and Duties.

(a) In addition to such other powers as are conferred on the Board of Directors by the Condominium Act and other provisions of the Condominium Instruments, the Board shall have the power:

(1) to adopt, amend and repeal Rules and Regulations governing the use and operation of the Common Elements and any portions thereof and, to the extent provided by these By-Laws, governing the use of the Units, provided, however, that any such Rules and Regulations in conflict with the Condominium Instruments or any applicable law, ordinance or other governmental regulation shall be void;

(2) to determine the expenditures to be made by the Association and the purpose of each such expenditure;

(3) to borrow money on behalf of the Association, provided, however, that a two-thirds (2/3) Majority Vote at a meeting of the Association shall be required to borrow any sum which exceeds Five Thousand Dollars

(\$5,000.00) of aggregate borrowed funds outstanding, increased by the percentage increase in the annual budget of the Association from the date of the adoption and approval of the initial budget to the adopted budget as of the date of the borrowing;

(4) to acquire, hold, mortgage and dispose of Condominium Units in the name of the Association, but only if such actions are approved by a two-thirds (2/3) Majority Vote at a meeting of the Association and the maximum number of such Units which may be held by the Association at any one time shall not exceed one (1);

(5) to act on behalf of the Unit Owners with respect to all matters arising out of any eminent domain proceeding affecting any part of the Condominium;

(6) to grant exclusive or nonexclusive licenses for the use of designated Common Elements to the Unit Owners of designated Units in accordance with the provisions of the Declaration and other Condominium Instruments governing same;

(7) to do or cause to be done any other act or thing not inconsistent with Condominium Instruments or any applicable law, ordinance or governmental regulation, which may be authorized by a two-thirds (2/3) Majority Vote at a meeting of the Association;

(b) The Board of Directors shall have the duty to:

(1) enforce or cause to be enforced the provisions of the Condominium Act, the Condominium Instruments, and the Rules and Regulations;

(2) do or cause to be done by an appropriate Officer all acts and things required by the Condominium Act or the Condominium Instruments to be performed by an Officer; and

(3) do or cause to be done any other act or thing not inconsistent with the Condominium Instruments or any law, ordinance or governmental regulation, as may be directed by a two-thirds (2/3) Majority Vote at a meeting of the Association.

(c) Other powers and duties of the Board of Directors are set forth in Sections 2.2, 2.3, 2.4(a), 3.2, 3.5, 3.6(c), 3.6(d), 3.7(d), 3.11, 4.2, 4.3, 4.4, 5.2, 6.1, 6.2, 6.3, 6.4, 7.1, 7.4, 7.5, 7.6, 7.7, 7.8, 7.9, 7.10, (b), (e), (f) (g), (h), (j), (l), and (m), 7.11, 8.1, 8.2, 8.3, 8.4, 8.6, 8.7, 9.1, 9.2, 9.3, 9.4, 9.5, 10.2, 10.3, 11.1, 11.2, and 13.1 of these By-Laws.

(d) The Board of Directors may, by resolution or pursuant to a contract authorized by a resolution of the Board, delegate (with or without conditions) to a Managing Agent and/or to specified Officer(s), the performance of such duties and services as the Board of Directors shall authorize, including, but not limited to, all of the duties listed in the Virginia Condominium Act, the Declaration and these By-Laws; provided, however, where a Managing Agent does not have the power to act under the said Condominium Act, the Declaration or these By-Laws, such duties shall be performed as advisory to the Board of Directors. The Board of Directors may delegate to the Managing Agent all of the powers granted to the Board of Directors by the said Condominium Act, the Declaration and these By-Laws, except the following powers:

- (1) to adopt the annual budget and any amendments thereto or to assess any Common Expenses; and
- (2) to adopt, repeal or amend any Rules and Regulations; and
- (3) to designate signatories on Association bank accounts;
- and
- (4) to borrow money on behalf of the Association; and
- (5) to acquire and pledge Units as security for loans; and
- (6) to allocate Limited Common Elements;
- (7) to grant easements affecting the Condominium; and
- (8) to designate or grant interests in Reserved Common Elements.

Any duties performed by the Managing Agent shall be carried out pursuant to a written contract which must provide that the contract may be terminated with cause on no more than fifteen (15) days' written notice and without cause on no more than ninety (90) days' written notice. The term of any such contract may not exceed one year.

Section 3.8. Compensation. No Director shall receive any compensation from the Association for serving as a Director.

Section 3.9. Validity of Contracts with Interested Directors. No contract or other transaction between the Association and one or more of its Board of Directors or between the Association and any corporation, firm, or association in which one or more of the Board of Directors are directors or officers, or are financially interested, shall be void or voidable because such Director(s) is present at any meeting of the Board of Directors which authorized or approved the contract or transaction or because his or their votes are counted, if the circumstances specified in either of the following subparagraphs exists:

(a) The fact that a member of the Board of Directors is also such a director or officer or has such financial interest is disclosed or known to the Board of Directors and is noted in the minutes thereof, and the Board of Directors authorizes, approves or ratifies the contract or transaction in good faith by a vote sufficient for the purpose without counting the vote or votes of such member or members of the Board of Directors; or

(b) The contract or transaction is made in good faith and is not unconscionable to the Association at the time it is authorized, approved or ratified.

Section 3.10. Inclusion of Interested Members of the Board of Directors in the Quorum. Any member of the Board of Directors holding such director or officer position or having such financial interest in another corporation, firm or association may be counted in determining the presence of a quorum at a meeting of the Board of Directors or a committee thereof which authorizes, approves or ratifies a contract or transaction of the type described in Section 3.9 hereof.

Section 3.11. Fidelity Bonds. The Board of Directors shall require that all officers and employees of the Association, including the Management Agent, handling or responsible for Association funds shall furnish fidelity

bonds in an amount not less than 150% of the annual budget of the Association. The premiums on such bonds shall be paid by the Association and shall be a common expense of the Association.

ARTICLE 4

Officers

Section 4.1. Meaning. For the purposes of this Article only, the term "Officer" does not include any member of the Board of Directors in his capacity as a Director.

Section 4.2. Designation, Appointment and Term. The Officers of the Association shall include a President, a Vice-President, a Secretary, a Treasurer, the members of any committees created by the Board of Directors, and such other Officers having such titles and duties as the Board may from time to time determine by resolution. All Officers shall be appointed by the Board to serve at the pleasure of the Board, except that the Board may give to the chairman of a committee the power to appoint and/or remove other members of his committee. The offices of President, Vice-President and Secretary shall be held by three (3) different individuals, but those individuals or any other individuals may hold any number of other offices. The President, Vice-President and Secretary must be members of the Board of Directors and shall cease to hold their offices when they cease to be Directors.

Section 4.3. Duties. It shall be the duty of:

(1) the President, to preside at meetings of the Association and the Board of Directors; to see to the execution of the resolutions of the Association and the Board and to report to each on any failure of any of its resolutions to be executed; to appoint a Secretary pro tem at any meeting at which the Secretary is absent; to prepare and execute in recordable form the amendments contemplated by the last sentence of Section 7.9 of these By-Laws.

(2) the Vice-President, to act in the place and stead of the President in the event of the President's absence or failure to inability to act;

(3) the Secretary, to keep the minutes and record the resolutions at all meetings of the Association and the Board of Directors; to give notice pursuant to Section 2.5 of these By-Laws to each Unit Owner of each meeting of the Association; to record all amendments to the Condominium Instruments; to give notice pursuant to Section 3.2 of these By-Laws to each Director of each special meetings of the Board; to give each Unit Owner the budgetary and other information specified by Section 7.1(b) through (g) of these By-Laws; to give notice to each Unit Owner of each assessment against his Unit as soon as practicable after the assessment is made; to give notice and a copy of any Rules and Regulations or amendments thereto to each Unit Owner as soon as practicable after the adoption thereof by the Board of Directors; to record amendments pursuant to Section 7.9 of these By-Laws; to give notices relating to insurance as provided in Section 8.1(a) of these By-Laws; to give notices to Mortgagees as provided in Sections 10.2 and 10.3 of these By-Laws; to give any other notices to Unit Owners or to Mortgagees required by these By-Laws or by the Condominium Act; and to make it possible for any Unit Owner to inspect and copy, at reasonable times and by appointment, the minutes of the proceedings of the Association and of the Board; provided, however, that the Board may delegate any of the Secretary's duties to the Managing Agent;

(4) the Treasurer, to collect all assessments and other sums due the Association from each Unit Owner; to open accounts with financial institutions or money market funds designated by the Board and to deposit therein all income of the Association, except that no accounts will be opened with money market funds unless approved by a unanimous resolution of the Board; to disburse the funds of the Association only in accordance with resolutions of the Board of Directors; to keep orderly books showing the income and expenditures of the Association; to make those books available for inspection and copying by any Unit Owner at reasonable times and by appointment; to provide the accounting required by Section 7.1(d) of these By-Laws; and to prepare and deliver to the President or Vice-President the certificate required by Section 7.4 of these By-Laws; provided, however, that the Board may delegate any of the Treasurer's duties to the Managing Agent;

(5) each Officer, to perform such duties as are normally associated with his office in parliamentary organizations, except to the extent (if any) inconsistent with the Condominium Instruments or the Condominium Act, and to perform such other duties as may be assigned to his office by resolution of the Board of Directors.

Section 4.4. Execution of Documents. All agreements, contracts, deeds, leases, checks and other instruments of the Association for expenditures or obligations shall be executed by the President, the Treasurer, or by any other Officer(s) designated from time to time by resolutions of the Board of Directors. The Board may require that instruments involving more than a specified amount of money be signed by two different Officers. The Board may authorize instruments involving less than a specified amount of money to be signed by persons designated by the Managing Agent.

Section 4.5. Compensation of Officers. No Officer shall receive any compensation from the Association for acting as an Officer, except to the extent authorized by a Majority Vote at a meeting of the Association after the period of Declarant control.

ARTICLE 5

Liabilities and Responsibilities of
the Association and its Officers and Directors

Section 5.1.

(a) The 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, whether civil, criminal, administrative, arbitrative or investigative (other than an action by or in the right of the Association) by reason of the fact that such person is or was an Officer or Director of the Association, against expenses, including attorneys' fees, judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit, or proceeding, provided that such person acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interest of the Association, and, with respect to any criminal action or proceeding, had no reasonable cause to believe that the conduct in question was unlawful.

(b) The 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 or suit by or in the right of the Association to procure a judgment in its favor by reason of the fact that such person is or was an

Officer or Director of the Association, against expenses, including attorneys' fees, actually and reasonably incurred by such person in connection with the defense or settlement of such action or suit, provided that such person acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interest of the Association, and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his duty to the Association, unless and only to the extent that the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability, but in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which such court shall deem proper.

(c) The liability of any Unit Owner arising out of any conduct by the Officers, Directors or the Managing Agent or out of the aforesaid indemnity in favor of the Officers and Directors or for damages as a result of injuries or damage arising in connection with the Common Elements solely by virtue of his ownership of an interest therein, or for liabilities incurred by the Association, shall be limited to the total liability multiplied by his Common Element Interest.

(d) Every contract or other agreement made on behalf of the Association by Officers and Directors or the Managing Agent, if obtainable, provide that the Officers and Directors or the Managing Agent, as the case may be, are acting only as agents for the 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 Common Element Interest.

(e) The Association shall be responsible for upkeep of the components in accordance with the Chart of Upkeep Responsibilities attached hereto as Schedule A. The Association shall not be liable for any failure of water supply or other utilities, or for injury or damage to any person or property caused by natural elements, or by any Unit Owner or other person, except as otherwise provided in Schedule A hereof. Notwithstanding the foregoing, no Unit Owner or occupant of any Unit shall be relieved hereby of any liability for damages to persons or other Units or any Common Elements which are caused by the negligence of such Unit Owner or occupant of a Unit, except as expressly otherwise provided in the Condominium Instruments. No diminution or abatement of any assessments for Common Expenses shall be claimed or allowed for any reason whatsoever, including (without limitation) inconvenience or discomfort arising from upkeep of the Common Elements or from any action taken by the Association, any Officer(s), Director(s), the Managing Agent or any Unit Owner(s) to comply with any law, ordinance or other governmental regulation or order.

Section 5.2. Directors and Officers Insurance. The Association shall obtain for its benefit and that of its officers and directors such insurance coverage as may be reasonably necessary in order to effectively indemnify the officers and directors of the Association as provided in this Article. The cost of said insurance shall constitute a Common Expense.

Section 5.3. Common or Interested Officers. Each Officer or Director shall exercise his powers and duties in good faith and with a view to the best interest of the Association. No contract or other transaction between the Association and any of its Officers, Directors or between the Association and any person (including the Declarant) in which any of the Officers or Directors or directors or officers, or are pecuniarily or otherwise interested, is either void or voidable because any such Officer or Director is present

at the meeting which authorizes or approves the contract or transaction, or because his vote is counted for such purpose, if:

(a) the fact of the common directorate or interest is disclosed or known to all of the individuals who have authority to, and do in fact, authorize, enter into, or ratify the contract or transaction in question and such knowledge is noted in the minutes; or

(b) the contract or transaction is commercially reasonable to the Association at the time it is authorized, entered into, or ratified.

Any common or interested Officers may be counted in determining the presence of a quorum of any meeting which authorized, approves or ratifies any contract or transaction, and may vote thereat to authorize, enter into, or ratify any contract or transaction with like force and effect as if such Officer were not so interested.

ARTICLE 6

Managing Agent

Section 6.1. Selection. The Board of Directors may, but shall not be obligated to, employ on behalf of the Association a Managing Agent. The contract with the Managing Agent must have a term not in excess of one (1) year and must provide that it may be terminated, without payment of a termination fee or cancellation charge, without cause on no more than ninety (90) days' written notice and with cause on no more than fifteen (15) days' written notice.

Section 6.2. Powers and Duties. Subject to Section 3.7(d) of the By-Laws, any Managing Agent shall have such powers and duties as may be delegated to it or imposed upon it by the Board of Directors pursuant to the Managing Agent's contract.

Section 6.3. Standards. The Board of Directors may impose appropriate standards of performance upon an Managing Agent employed pursuant to Section 6.1 of these By-Laws and, unless instructed otherwise by the Board of Directors and Managing Agent shall:

- (1) employ the accrual method of accounting;
- (2) designate two or more individuals to be responsible for handling cash to maintain adequate financial control procedures;
- (3) not commingle cash accounts of the Association with any other accounts;
- (4) not accept any remuneration from any third persons providing goods or services to the Association, whether in the form of commissions, finder's fees, service fees or otherwise, and shall credit to the benefit of the Association any discounts obtained;
- (5) disclose in advance to the Board of Directors any financial or other interest which the Managing Agent may have in any person providing goods or services to the Association;
- (6) prepare an annual budget for each fiscal year of the Association on an accrual basis with a twelve-month cash flow projection;

(7) prepare quarterly financial reports for the Board of Directors containing:

- (i) an Income Statement reflecting all income and expense activity for the preceding quarter on an accrual basis;
- (ii) an Account Activity Statement reflecting all receipts and disbursements for the preceding quarter on a cash basis;
- (iii) an Account Status Report reflecting the status of all accounts in an "actual" (versus "projected") budget format;
- (iv) a Balance Sheet reflecting the financial condition of the Association on an unaudited basis;
- (v) 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 (10%) of a major budget category (as distinct from a specific line item in an expanded chart of accounts); and
- (vi) 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.

ARTICLE 7

Operation of the Property

Section 7.1. Determination of Common Expenses and Assessments Against Unit Owners.

- (a) Fiscal Year. The fiscal year of the Association shall be the calendar year unless otherwise determined by resolution of the Board of Directors.
- (b) Preparation and Approval of Budget. Before each annual meeting of the Association (or, during the period of Declarant control, before the beginning of each fiscal year), the Board of Directors shall adopt a budget for the Association containing an estimate of the total amount considered necessary for the next fiscal year to pay the Common Expenses, including (without limitation) reasonable amounts necessary to provide working capital, a general operating reserve, and reserves for contingencies and replacements. If the period of Declarant control has ended, the budget shall be presented and may be modified at the annual meeting of the Association. Within ten (10) days after each annual meeting, the Secretary shall send to each Unit Owner a copy of the budget in a reasonably itemized form setting forth the amount of the Common Expenses and the amounts and due dates of the assessments (and installments thereof) payable by that Unit Owner for each Condominium Unit owned by him.
- (c) Reallocation of Assessments. Within thirty (30) days after any change in the number of Units in the Condominium, the Board of Directors shall adjust the budget, allocating assessments against all the Condominium Units, and the Secretary shall send to each Unit Owner a copy of the adjusted budget reflecting the liability of all Condominium Units for Common Expenses for the remainder of the fiscal year; provided, however, that if the assessments necessary to fund the budget will not be modified as to any particular Units, such notification need not be given to the Unit Owners thereof. The amount of assessments attributable to each Condominium Unit shall thereafter

be the amount specified in the adjusted budget until a new budget shall have been adopted by the Board of Directors.

(d) Assessment and Payment of Common Expenses. Subject to the provisions of Section 11.1(a) of these By-Laws, the total amount of the estimated funds required from assessments for the operation of the Association and the Condominium as set forth in any budget or adjusted budget adopted by the Board of Directors shall be assessed against each Unit in proportion to its Percentage Interest. On or before the first day of each fiscal year, and the first day of each of the succeeding eleven (11) months in such fiscal year, each Unit Owner shall be obligated to remit to the Treasurer or the Managing Agent (as determined by the Board of Directors), one-twelfth (1/12) of such assessment. Within thirty (30) days after the end of each fiscal year, the person who served as Treasurer on the last day of that fiscal year shall supply to all Unit Owners an itemized accounting of the Common Expenses for such fiscal year actually paid, together with a tabulation of the amounts collected pursuant to the budget for such 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 expenses and reserves shall be credited pro rata in accordance with the Percentage Interests among the Condominium Units against the next monthly installments due with respect to each such Unit. Any net shortage shall be assessed promptly against the Unit Owners in proportion to their respective Common Element Interests and shall be due either in full with the next monthly assessment due or, if the Board of Directors so determines, in a number of equal monthly installments sufficient to make up the shortage within a period ending not later than the end of the then current fiscal year.

(e) Reserves. The Association shall accumulate 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 (without limitation) the nonpayment of any assessments, the Board of Directors may at any time levy a further assessment, which shall be assessed against the Units in proportion to their respective Percentage Interests and which shall be payable in a lump sum or in installments as the Board may determine. The Secretary shall give notice of any such further assessment to each Unit Owner, giving the reason(s) therefor. All Unit Owners shall be obligated to pay such further assessment either in full with the next monthly installment due or, if the Board of Directors so determines, in a number of equal monthly installments sufficient to make up the shortage within a period ending not later than the end of the then current fiscal year.

(f) Special Assessments. In the event extraordinary expenditures not originally included in the annual budget become necessary during the year, the Board of Directors may at any time levy a special assessment, which shall be assessed against the Condominium Units in proportion to the respective Percentage Interests in the Common Elements appertaining to each of said Units set forth in the Declaration of Condominium, as the same may be amended from time to time. Said special assessments 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 special assessment on all Unit Owners by a statement in writing giving the amount and reason therefor, and such special assessment shall, unless otherwise specified in the notice, become effective with the next monthly payment which is due after the delivery or mailing of such notice of special assessment. All Unit Owners shall be obligated to pay the adjusted monthly amount or, if the special assessment is not payable in installments, the amount of such assessment. The payment

and collection of the assessment made pursuant to the foregoing provisions shall be in accordance with the terms providing for payment and collection of assessments in these By-Laws and the Condominium Act, including without limitation, the right reserved to the Board to accelerate payment of assessments and the right to recovery of attorney's fees and costs.

Notwithstanding anything to the contrary herein contained, any special assessment in excess of fifteen percent (15%) of the total annual budget of the Condominium in any twelve (12) month period shall be effective only with the approval of a majority of the Unit Owners.

(g) Initial Assessments and Capital Contributions.

(1) Upon taking office, the first Board of Directors designated pursuant to these By-Laws shall determine the budget of the Association for the remainder of the fiscal year in which such designation occurs. Assessments made against the Condominium Units pursuant to this subsection shall become due during such period as provided in subsection (d) of this Section, except that the assessments made as provided in this subsection of this Section shall be due and payable in equal monthly installments on the first day of each month remaining in that fiscal year.

(2) The Declarant, as the agent of the Board of Directors, shall collect from the first Purchaser of each Unit at the time of settlement an "initial capital contribution" equivalent to twice the monthly installment payment for the annual Common Expense assessment against such Purchaser's Condominium Unit, based either on the assessments for the then current fiscal year or, if the Declarant's contract of sale with the Purchaser so provided, on the assessments for the fiscal year in which the contract was made. The Declarant will deliver the funds so collected to the Board to provide working capital for the Association. Such funds may be allocated to reserves or used for such other Common Expenses (including, without limitation, any personal property deemed necessary for the operation or maintenance of the Common Elements) as the Board may determine. Any such personal property may include, without limitation, items such as file cabinets, typewriters, other office supplies and equipment, gardening equipment, and snow removal equipment.

(h) Effect of Failure to Prepare or Adopt Budget. Failure or delay in preparing or adopting 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 share of the Common Expenses whenever the same shall be determined and, in the absence of any budget for the then current fiscal year, each Unit Owner shall continue to pay monthly installments at the rate established for the previous fiscal year until delivery of the new monthly installment schedule.

(i) Assessments to Constitute a Lien. All amounts assessed against or otherwise due from a Unit Owner shall constitute a lien against that Unit Owner's Condominium Unit(s) as provided in Section 11.2 of these By-Laws.

(j) Annual Audit. An audit of the accounts of the Association shall be made annually in the manner as the Board of Directors may decide, provided, however, that after having received the Board's audit at the annual meeting, the Unit Owners, by a majority vote, may require that the accounts of the Association be audited as a Common Expense by a public accountant. Upon written request of any institutional holder of a first mortgage, such holder shall be entitled to receive a copy of the annual audited financial statement within sixty (60) days after the end of each fiscal year.

Section 7.2. Liability for Assessments. Each Unit Owner shall be personally liable for all assessments against him or his Condominium Unit(s) and such assessments not paid by the 15th day of each month shall be in default. No Unit Owner may avoid liability for any assessment by waiver, non-use or abandonment of any right or real estate. The new Unit Owner of a Condominium Unit shall be jointly and severally liable with the former Unit Owner thereof for all unpaid assessments against that Condominium Unit which became due before the new Unit Owner acquired title thereto, without prejudice to any right of a successor in title to recover from any of his predecessors in title any amount for which any of the latter was liable.

Section 7.3. Non-Liability for Assessments. No person shall have any liability with respect to assessments or installments thereof becoming due as to a Condominium Unit after he has ceased to be the Unit Owner thereof.

Section 7.4. Certificate as to Status of Payment. Upon written request of any Unit Owner or Purchaser, the Treasurer shall furnish or make available within five (5) business days to the person requesting it a dated and recordable certificate setting forth the amount of any unpaid assessments or installments thereof that have become due as to the Condominium Unit in question as of the date of that certificate. A reasonable charge not to exceed the maximum specified by Section 55-79.84(h) of the Code of Virginia may be fixed from time to time by resolution of the Board of Directors for the issuance of such certificate. Notwithstanding any other provision of these By-Laws, a bona fide Purchaser of a Unit who has relied upon such a certificate shall not be liable for any assessments or installments thereof which became due before the date of that certificate and which are not reflected thereon. If a mortgagee of a first mortgage of record obtains title to a Unit as a result of foreclosure or deed in lieu of foreclosure of a first mortgage, such purchaser, its successor and assigns, shall not be liable for, and such Unit shall not be subject to a lien for the payment of Common Expenses assessed prior to the acquisition of such sale or deed in lieu of foreclosure. Such unpaid share of Common Expenses assessed prior to the acquisition of title to such Unit by such purchaser pursuant to the foreclosure shall be collectible from all Unit Owners, including the purchaser at the foreclosure sale or the grantee of any deed in lieu of foreclosure in proportion to their respective Percentage Interests in the Common Elements.

Section 7.5. Collection of Assessments. The Board of Directors, or the Managing Agent or any Officer(s) at the request of the Board, shall take prompt action to collect any assessments for Common Expenses due from any Unit Owner which remain unpaid for more than thirty (30) days from the due date thereof.

Section 7.6. Upkeep of the Condominium.

(a) Upkeep by the Association. Subject to paragraph (2) of subsection (b) of this Section, the Association (acting through the Board of Directors and/or the Managing Agent) shall be responsible for the Upkeep of all Common Elements, and the cost of such Upkeep shall be a Common Expense.

(b) Upkeep by the Unit Owner.

(1) Each Unit Owner shall be responsible for the Upkeep of his Unit, including keeping it and its equipment, appliances and appurtenances in good order, condition and repair and in a clean and sanitary condition, and shall do all redecorating, painting and varnishing which may at any time be necessary to maintain the good appearance and condition of his Unit. In addition, each Unit Owner shall be responsible for all damage to any other Unit or to any Common Element resulting from his failure to perform any of

the Upkeep 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 a Director or the Managing Agent any defect or need for Upkeep for which the Association is responsible.

(2) The Unit Owner of any Unit to which a Limited Common Element is exclusively assigned shall be responsible for keeping it in a clean, sanitary condition, and maintained in good operating condition and order.

(c) Chart of Upkeep Responsibilities. Notwithstanding the provisions of subsections (a) and (b), specified Upkeep responsibilities shall, to the extent set forth thereon, be governed by the Chart of Upkeep Responsibilities set forth as Schedule A attached hereto.

(d) Manner of Repair and Replacement. All repairs and replacements shall be substantially similar to the original construction and installation and shall be of the same or better quality.

Section 7.7. Personnel and Equipment. The Board of Directors, and the Managing Agent and any Officer(s) to the extent authorized by the Board, may, on behalf of the Association in connection with the operation and Upkeep of the Condominium and the operation of the Association, employ and dismiss any persons and purchase any equipment, supplies or material. Such equipment, supplies and material, to the extent that any of it remains personal property rather than becoming part of the Condominium, shall be the property of the Association.

Section 7.8. Additions, Alterations or Improvements by Board of Directors. Except during the period of Declarant control, whenever in the judgment of the Board of Directors it is desirable to make additions, alterations or improvements to the Common Elements costing in the aggregate more than Five Thousand Dollars (\$5,000.00) during any period of twelve consecutive months, the making of such additions, alterations or improvements shall be approved by a Majority Vote at a meeting of the Association. The dollar limitation fixed by this Section shall increase annually by a percentage equal to the percentage increase in the annual budget of the Association. Notwithstanding the foregoing, and notwithstanding any other provision of these By-Laws, if the Board determines that additions, alterations or improvements to the Common Elements are exclusively or substantially exclusively for the benefit of the Unit Owner(s) requesting the same, the cost thereof shall be assessed exclusively against such requesting Unit Owner(s) pursuant to Section 55-79.83(a) or (b) of the Code of Virginia in such proportions as they jointly approve or, if they are unable to agree thereon, in such proportions as may be determined by the Board.

Section 7.9. 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. 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 any Common Element, without the prior written consent of the Board. The Board shall answer any written request by a Unit Owner for approval of a proposed structural addition, alteration or improvement to such Unit Owner's Unit within thirty (30) days after receipt of such request. 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 or on behalf of the Association, and provided consent has been given by the Board, then the application shall be executed on behalf of the Association only by the

President or such other Officer as the Board may by resolution designate, without, however, incurring any liability on the part of the Association or any Officer(s) to any contractor, subcontractor or materialman on account of such addition, alteration or improvement, or to any person having claim for personal injury or property damage arising therefrom. Subject to the approval of the Board and the Unit Owner(s) and any Mortgagee(s) of the affected Unit(s), and to the Declaration, any Unit may be subdivided or the boundaries between adjoining Units may be relocated. The Secretary shall record any necessary amendments to the Condominium Instruments to effect such action as provided in Sections 55-79.69 or 55-79.70 of the Code of Virginia. The Declarant shall have the right to make such alterations or subdivisions without the consent of the Board, and the President of the Association, on behalf of the Board, shall execute any application or authorization required.

Section 7.10. Restrictions on Use of Units and Common Elements.

(a) Each Unit and each Common Element shall be used for non-residential purposes only.

(b) Nothing shall be done or kept in any Unit or in the Common Elements which will increase the rate of insurance for the Condominium except pursuant to a prior resolution 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 could result in the cancellation of insurance on the Condominium or any part thereof, or which would be in violation of any applicable law, ordinance, or other governmental regulation. No waste shall be committed in any Unit or in the Common Elements.

(c) No improper, offensive or unlawful use shall be made of the Condominium or any part thereof, and all applicable laws, ordinances and other governmental regulations, including zoning and land use regulations, shall be complied with by and at the sole expense of the Unit Owner(s) and/or the Association having responsibility for Upkeep of the affected portion(s) of the Condominium.

(d) 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 in accordance herewith.

(e) No Unit Owner shall obstruct any of the Common Elements, nor shall any Unit Owner store anything upon any of the Common Elements except within any areas designated for such storage by resolution of the Board of Directors. Vehicular parking upon the Common Elements shall be subject to the Rules and Regulations. Nothing shall be constructed or altered in, or removed from, the Common Elements except in accordance with the Rules and Regulations or other resolutions of the Board of Directors.

(f) No Unit Owner shall rent or lease a Unit other than on a written form of lease providing that failure of the lessee to comply with the Condominium Instruments and the Rules and Regulations shall constitute a default under the lease and that, in the event of such default, the Board of Directors or any Officer designated by the Board shall have the power as attorney-in-fact for the Unit Owner to terminate the lease and bring summary eviction proceedings against the tenant if such default is not cured within seven (7) days of sending written notice of the default to the Unit Owner. The Board of Directors may provide a suggested standard form lease for use by Unit Owners. Each Unit Owner shall, promptly following the execution of any lease of a Unit, forward a conformed copy thereof to the Secretary. The provisions of this subsection shall not apply to the Declarant.

(g) Except for such signs as may be posted by the Declarant while the Declarant is a Unit Owner or if otherwise permitted by the Declaration, no signs shall be posted in any place within the Condominium visible from any portion of the Common Elements except pursuant to a prior resolution of the Board of Directors.

(h) No Unit Owner shall install any other equipment of any kind or nature whatsoever which will or may necessitate any changes, replacements or additions to the Condominium's water system, plumbing system, heating system, air-conditioning system or the electrical system, without the prior written consent of the Board of Directors.

(i) Refuse and bagged garbage shall be deposited in the area provided therefor by the Association. The Association shall be responsible for disposing of only that refuse and bagged garbage which has been deposited in such areas designated by the Association.

(j) The Board of Directors of the Association may retain a pass-key to all Units. No Unit Owner or occupant shall alter any lock or install a new lock, without the written consent of the Board of Directors of the Association. Where such consent is given, the Unit Owner shall provide the Association with an additional key for the use of the Association, pursuant to its right of access.

(k) No Unit Owner shall make or permit any disturbing noises by himself, his family, his servants, employees, agents, visitors and licensees, nor do or permit anything by such persons that will interfere with the rights, comforts or convenience of other Unit Owners.

(l) No radio or television installation, or other wiring, shall be made without the written consent of the Board of Directors. Any antenna or aerial erected or installed on the exterior walls of a Unit or on the Limited Common Elements or Common Elements of the Condominium, which includes the roof, without the consent of the Board of Directors, in writing, is liable to removal and disposal thereof without notice and at the cost of the Unit Owner for whose benefit the installation was made.

(m) 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 7.11. Right of Access. Pursuant to Section 55-79.79(a) of the Code of Virginia, there is hereby reserved a right of access through each Unit for the benefit of the Board of Directors, the Managing Agent, any person(s) authorized by the Board or Managing Agent, and any group of the foregoing, for the purpose of enabling the exercise and discharge of their and the Association's powers and duties, including (without limitation) making inspections, correcting any condition originating in a Unit and threatening another Unit or the Common Elements, Upkeep of the Common Elements within a Unit or elsewhere in the Condominium, and correcting any condition which violates any provision of the Condominium Instruments, the Rules and Regulations, or any Mortgage. Requests for entry shall be made in advance, and any such entry shall be made at a time reasonably convenient to the Unit Owner, provided, however, that in case of an emergency such right of entry shall be immediate, whether the Unit Owner is present at the time or not, and no notice or permission shall be necessary. Notwithstanding the

foregoing, no cause of action of any kind whatsoever shall arise against the Board of Directors, the Managing Agent, any persons authorized by the Board or Managing Agent, the Association, or any group of the foregoing, on account of their failure to inspect or otherwise ascertain any defects or conditions associated therewith, which occur in the Unit.

Section 7.12. Disclaimer of Bailee Liability. Neither the Association, the Board of Directors, any other Officer(s), the Managing Agent, nor any Unit Owner(s) shall be considered as a bailee of any personal property placed anywhere within the Condominium and shall not be responsible for the security of such personal property or for any loss thereof or damage thereto from any cause, whether or not attributable to negligence, except to the extent covered by insurance in excess of any applicable deductible.

ARTICLE 8

Insurance

Section 8.1. Authority to Purchase.

(a) Except as otherwise provided in Section 8.5 of these By-Laws, all insurance policies relating to the Condominium shall be purchased by or on behalf of the Association. Neither the Association, any Officer(s), the Managing Agent, nor the Declarant shall be liable for failure to obtain any coverages required by this Article due to the unavailability of such coverages from reputable insurance companies, or if such coverages are so available only at demonstrably unreasonable cost. The Secretary shall, pursuant to Section 55-79.81(b) of the Code of Virginia, promptly furnish to each Unit Owner written notice of the procurement, subsequent changes in, and the termination of all insurance coverage obtained on behalf of the Association.

(b) Each such policy shall provide, to the extent reasonably available at reasonable rates, that:

(1) the insurer waives any right to claim by way of subrogation against the Declarant, the Association, the Officers, the Managing Agent, the Unit Owners, and their respective agents, employees and invitees;

(2) such policy shall not be cancelled, invalidated or suspended due to the conduct of any Officer(s), Unit Owner(s), Managing Agent, or any invitee, agent, officer, or employee of any of the foregoing without a prior demand in writing to the Board of Directors or the Managing Agent (whichever is applicable) that the defect be cured, followed by failure to so cure the defect within sixty (60) days after such demand; and

(3) such policy shall not be cancelled or substantially modified for any reason (including nonpayment of premium) without at least sixty (60) days prior written notice to the Board of Directors and the Managing Agent and, in the case of physical damage insurance, to all Mortgagees; and

(4) that the net proceeds of such policies shall be payable to the Insurance Trustee designated hereunder; and

(5) that the Master Insurance policy shall contain a standard mortgage clause in favor of each Mortgagee of a Unit to the extent of the portion of the coverage of the Master policy allocated to such Unit, which shall provide that the loss, if any, thereunder shall be payable to such Mortgagee and the Unit Owner 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, if one is designated; and

(6) That the "no control" clause be part of the Master policy which states that coverage must not be prejudiced by (a) any act or neglect of the Owners of Condominium Units when such act or neglect is not within the control of the Association or (b) any failure of the Association to comply with any warranty or condition regarding any portion of the premises over which the Association has no control; and

(7) the Declarant, so long as Declarant shall own any Unit(s), shall be protected by all such policies as a Unit Owner.

(c) 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 acceptable to the Mortgagees holding first mortgages or first deeds of trust on a majority of the Units.

Section 8.2. 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, windstorm, sprinkler leakage (if applicable), debris removal, cost of demolition and water damage endorsements, and such other coverages as may be appropriate under such "all-risk" policy, insuring all of the Units and the bathroom and kitchen fixtures, service machinery, and other appliances and apparatuses installed therein by the Declarant, and all of the Common Element improvements (other than improvements such as curbs, gutters, and other items not normally insured). Such insurance shall cover the interests of the 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 as Insurance Trustee contained in Section 8.6 and 8.7 of these By-Laws), and shall be in an amount equal to one hundred percent (100%) of the then current replacement cost of the Condominium (exclusive of land, excavations, foundations and other items normally excluded from such coverage), without deduction for depreciation, such amount to be determined annually by the Board of Directors with the assistance of the Managing Agent, the insurance company affording such coverage, and (if the Board so resolves) a qualified appraiser of real estate.

(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 Section 9.5 of these By-Laws not to do so and, in such event, that the insurer shall pay on the basis of the agreed amount endorsement;

(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 Unit Owner, occupant, or other person if such act or neglect is not within the control of the insured, nor by any failure of the insured or any other person to comply with any warranty or condition concerning any portion of the Condominium not controlled by the insured);

(ii) "contingent liability from operation of building laws or codes";

(iii) "increased cost of construction" or "condominium replacement cost"; and

(iv) "agreed amount" or elimination of co-insurance clause;

(3) that any "no other insurance" clause excludes individual Unit Owners' policies from its operation so that the physical damage policy purchased on behalf of the Association 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 on behalf of the Association hereunder be brought into contribution with insurance purchased by individual Unit Owners or their Mortgagees unless otherwise required by law; and

(4) that a duplicate original of such policy, all renewals thereof, and any subpolicies or certificates and endorsements issued thereunder, together with proof of payment of premiums, shall be delivered by the insurer to any Mortgagee whose request therefor is received by the insurer at least thirty (30) days prior to expiration of the then current policy.

Section 8.3. Liability Insurance. The Board of Directors shall obtain and maintain comprehensive general liability insurance (including, without limitation, coverage of all Officers and Directors against libel, slander, false arrest, invasion of privacy, and Directors and Officers' Liability coverage) and property damage insurance in such limits and with such deductibles as the Board may from time to time determine, insuring the Association, each Officer, Director, the Managing Agent, each Unit Owner and the Declarant against liability to the public or to the Unit Owners (and their invitees, agents, employees and members of their households) 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 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 Association; (iv) deletion of the normal products exclusion with respect to events sponsored by the Association; and (v) a "severability of interest" endorsement which shall preclude the insurer from denying liability to a Unit Owner because of negligent acts or omissions of the Association, any Officer(s), or any other Unit Owner(s). The Board shall review such limits once a year, but in no event shall such insurance be less than One Million Dollars (\$1,000,000.00) covering all claims for bodily injury or property damage arising out of one occurrence. Reasonable amounts of "umbrella" or excess liability insurance in excess of the primary limits shall also be obtained in an amount not less than Three Million Dollars (\$3,000,000.00).

Section 8.4. Other Insurance. The Board of Directors shall obtain and maintain:

(a) adequate fidelity coverage to protect against dishonest acts on the part of Officers, agents and employees of the Association and all others who handle or are responsible for handling funds of the Association. Such fidelity bonds shall: (i) name the Association as an obligee; (ii) be written in an amount not less than the total annual assessments for Common Expenses for the then current fiscal year; 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;

or any other Unit Owner(s). The Board shall review such limits once a year, but in no event shall such insurance be less than One Million Dollars (\$1,000,000.00) covering all claims for bodily injury or property damage arising out of one occurrence. Reasonable amounts of "umbrella" or excess liability insurance in excess of the primary limits shall also be obtained in an amount not less than Three Million Dollars (\$3,000,000.00).

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(b) workmen's compensation insurance if and to the extent necessary to meet the requirements of law; and

(c) such other insurance or coverage as the Board of Directors may determine or as may be required from time to time by resolutions of the Association.

Section 8.5. Separate Insurance. Each Unit Owner shall, at his own expense, obtain insurance for his own Unit and for his own benefit, including insurance coverage on his personal property, for his personal liability, and on any improvements made by him to his Unit under coverage normally called "tenant's improvements and betterments coverage;" provided, however, that no Unit Owner shall acquire or maintain insurance coverage so as to decrease the amount which the Association may realize under any insurance policy, or to cause any insurance coverage in favor of the Association to be brought into contribution with insurance coverage obtained by a Unit Owner. All policies obtained by Unit Owners individually shall contain waivers of subrogation against insureds under the Master policy and other such policies obtained pursuant to this Article VIII. No Unit Owner shall obtain separate insurance on the Condominium except as provided in this Section.

Section 8.6. Insurance Trustee. All physical damage insurance policies purchased by or on behalf of the Association shall be for the benefit of the Association, the Unit Owners, and their Mortgagees, as their respective interests may appear, and shall provide that all proceeds of such policies shall be paid in trust to the Board of Directors as Insurance Trustee to be applied pursuant to the terms of Article 9 of these By-Laws. 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 stated in Article 9 of these By-Laws, for the benefit of the insureds and their beneficiaries thereunder.

Section 8.7. Board of Directors as Agent. The Board of Directors as Insurance Trustee is hereby irrevocably constituted as agent for the Association, each Unit Owner, each Mortgagee, other named insureds and their beneficiaries, and any other holder of a lien or other interest in the Condominium, to adjust and settle all claims arising under insurance policies purchased by the Board and to execute and deliver releases upon the payment of claims. The Insurance Trustee shall not be liable for the payment of premiums, the renewal of the policies, the sufficiency of coverage, the form or content of the policies, the correctness of any amounts received by it on

laws, ordinances, and other governmental regulations, and using, to the extent feasible, such contemporary materials and technology as may then be available.

Section 9.2. Cost Estimates. Immediately after a fire or other casualty causing damage to any building, the Board of Directors shall obtain reliable and detailed estimates of the costs of the repair and restoration contemplated by Section 9.1 of these By-Laws to a condition as good as that existing before such casualty. Such costs shall include professional fees and premiums for such bonds as the Board of Directors as Insurance Trustee may determine to be necessary.

Section 9.3. Insufficiency of Insurance Proceeds. 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 insurance proceeds are insufficient for the payment of the costs thereof, the amount necessary to complete such reconstruction and repair may be obtained from the appropriate reserve for replacements and/or a special assessment therefor may be levied, as the Board of Directors shall decide.

Section 9.4. Disbursements of Construction Funds.

(a) Construction Fund and Disbursement Thereof. Any proceeds of insurance collected on account of any casualty, any sums appropriated by the Board of Directors from reserves, and any sums received from collections of special assessments on account of such casualty, shall constitute a construction fund which shall be disbursed in payment of the costs of repair and reconstruction in the following manner:

(1) If the estimated cost of reconstruction and repair is less than Twenty-Five Thousand Dollars (\$25,000.00), the construction fund shall be disbursed in payment of such costs upon resolutions of the Board of Directors; provided, however, that upon the written request of one-fifth (1/5) of the Mortgagees (based upon one vote for each first deed of trust or first mortgage owned), such fund shall be disbursed in accordance with the following paragraph (2).

(2) If the estimated cost of reconstruction and repair is Twenty-Five Thousand Dollars (\$25,000.00) or more, then the construction fund shall be disbursed in payment of such costs upon resolutions of the Board of Directors following or contingent upon approval of an architect qualified to practice in Virginia and employed by the Board 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, and stating that: (i) the sums requested in payment are justly due and owing to the persons requesting them, and such sums do not exceed the value of the services and materials furnished; (ii) there is no other outstanding indebtedness known to such architect for the services and materials described; and (iii) 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 the requested sums.

(b) Surplus. If there is a balance in the construction fund after the payment of all of the costs of the repair and reconstruction for which the construction fund is established, such balance shall be credited to all Unit Owners in proportion to their respective Percentage Interests against their respective liabilities for assessments then due or thereafter becoming due.

(c) Priority of Common Elements Over Unit. If the damage is to both Common Elements and Units, the construction fund 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 Board of Directors as Insurance Trustee shall be entitled to rely upon a certificate executed by the President or Vice President, and the Secretary, certifying: (1) whether the damaged Property is required to be repaired or reconstructed; (2) the name of the payee and the amount to be paid with respect to each disbursement from the construction fund; and (3) all other matters concerning the holding and disbursing of any construction fund. Any such certificate shall be delivered to the Board of Directors as Insurance Trustee promptly upon request.

Section 9.5. When Repair or Reconstruction Is Not Required. If the Board of Directors resolves not to repair insubstantial damage to the Common Elements, the Board of Directors shall cause to be removed all debris, with the site of the damage restored to a condition compatible to the extent feasible with the remainder of the Condominium, and the balance of any insurance proceeds received on account of such damage shall be credited to all Unit Owners in proportion to their respective Common Element Interests against their respective liabilities for assessments then due or thereafter becoming due. If the Condominium shall be terminated pursuant to Section 55-79.72 of the Code of Virginia, the net assets of the Association shall be divided by the Board of Directors among all Unit Owners in proportion to their respective Percentage Interests. Distributions of such net assets to each respective Unit Owner shall be made after first paying out of the share of each Unit Owner, to the extent sufficient therefor, the amount of any unpaid liens on his Unit in the order of priority of such liens.

ARTICLE 10

Mortgagees

Section 10.1. Notice to Board of Directors. A Unit Owner who gives a first deed of trust or first mortgage encumbering his Unit shall notify the Board of Directors of the name and address of his Mortgagee and shall file a conformed copy of the note and the deed of trust or mortgage with the Board of Directors who shall maintain such information in a book entitled "Mortgagees of Units".

Section 10.2. Notice of Damages, Condemnation. The Board of Directors shall timely notify: (i) the first Mortgagee of a Unit whenever damage to the Unit covered by the mortgage exceeds \$1,000, or whenever the Unit or portion thereof is made the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority; and (ii) all Mortgagees whenever damage to the Common Elements exceeds \$10,000, or whenever the Common Elements or any portion thereof is made the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority.

Section 10.3. Other Rights of Mortgagees.

(a) Each Mortgagee shall, upon request, be entitled to notice from the Secretary of any failure by the Unit Owner of the encumbered Unit to pay an assessment for Common Expenses or any other default of such Unit Owner.

(b) The Board of Directors shall give written notice to a Unit Owner of any default by the Unit Owner in the performance of any obligations under the Act or Condominium Instruments, and, if such default is not cured within sixty (60) days, shall promptly send a copy of such notice to each holder of a mortgage covering such Unit whose name and address has theretofore been furnished to the Board of Directors.

(c) Each Unit Owner and each First Mortgagee shall be permitted to examine the books of account of the Condominium at reasonable times and upon reasonable notice, on a business day, but not more often than once a month.

(d) The Board of Directors shall notify all First Mortgagees in writing of the termination of any management contract within ten (10) days of receipt or issuance of any notice of such termination by either the Association or the Managing Agent. Notwithstanding the foregoing, the prior written approval of at least two-thirds of all First Mortgagees shall be required to effectuate any decision by the Association to terminate professional management and assume self-management of the Condominium.

(e) Each First Mortgagee shall be entitled to receive, upon request, a copy of the annual audited financial statement within sixty (60) days following the end of the Association's fiscal year.

(f) Unless at least two-thirds (2/3) of the First Mortgagees (based upon one vote for each first mortgage owned) have given their prior written approval, the Association shall not:

(1) change any Unit's Common Element Interest except as permitted by the Declaration;

(2) partition, subdivide, encumber, sell or transfer the Common Elements of the Condominium (the granting of easements for public utilities or for other public purposes consistent with the intended use of the Common Elements shall not be deemed a transfer within the meaning of this clause) except as may be permitted by the Declaration;

(3) by act or omission seek to abandon or terminate condominium status of the project except as provided by statute in case of substantial loss to the Units and Common Elements of the Condominium;

(4) modify the method of determining and collecting assessments or allocating distributions of casualty insurance proceeds or condemnation awards;

(5) use the proceeds of casualty insurance for any purpose other than replacement, repair or reconstruction of the Units or Common Elements except as permitted by the Condominium Act.

(g) As used in this Article and generally in the Declaration and By-Laws and as further defined in the Condominium Instruments and the Act, "First Mortgage" and the term "Mortgagee" includes the holder of a note secured by a First Deed of Trust or Mortgage encumbering a unit and recorded among the land records of Fairfax County, Virginia, and the term "Mortgage" includes any Deed of Trust recorded among the said land records.

(h) All mortgagees or their representatives shall be entitled to attend meetings of the Association and shall have the right to speak thereat. In addition thereto, all Mortgagees shall have the right to examine the books and records of the Condominium and require the submission of annual financial reports and other budgetary information.

(i) Except as otherwise permitted by the Condominium Instruments, the prior written approval of two-thirds (2/3) of all institutional holders of First Mortgages will be required for any material amendment to the Declaration or By-Laws of the Association.

ARTICLE 11

Compliance and Default

Section 11.1. Relief. Each Unit Owner shall comply with all provisions of the Condominium Act, the Condominium Instruments, and the Rules and Regulations, 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 Code of Virginia, the Association, acting through any of its Officers or through the Managing Agent, shall be entitled to the following relief:

(a) Additional Liability. Each Unit Owner shall be liable for the expense of all Upkeep by the Association rendered necessary by his act, neglect or carelessness or the act, neglect or carelessness of any of his employees, agents or licensees, but only to the extent that such expense is not covered by the proceeds of insurance maintained by or on behalf of the Association. 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.

(b) Costs and Attorney's Fees. In any proceeding 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 attorneys' fees as may be determined by the court.

(c) No Waiver or Rights. The failure of the Association, any Officer(s), Directors or any Unit Owner(s) to enforce any provision of the Condominium Act or the Condominium Instruments shall not constitute a waiver of the right of the Association, any Officer, Directors or any Unit Owner to enforce such provision in the future. All rights, remedies and privileges granted to the Association, any Officer(s), or any Unit Owner(s) pursuant to any provision of the Condominium Act or the Condominium Instruments shall be deemed to be cumulative, and the exercise of any one or more thereof shall not be deemed to constitute an election of remedies, nor shall it preclude the persons) exercising the same from exercising such other rights, remedies and privileges as may be granted to such person(s) by the Condominium Instruments or by law.

(d) Interest and Late Charges. If a Unit Owner fails to pay in full any assessment for a period in excess of fifteen (15) days from the due date, the principal amount unpaid shall bear interest from the date due until paid at the rate of eighteen percent (18%) per annum or at such other lawful rate as may be fixed from time to time by resolutions of the Board of Directors. Except as otherwise determined by resolution of the Board, any assessment or installment thereof not paid within five (5) days after becoming due shall accrue a late charge in the amount of Fifteen Dollars (\$15.00) or such other amount as may be established from time to time by resolution of the Board of Directors.

(e) Abating Violations Within Units. Any violation under the Condominium Act, the Condominium Instruments or the Rules and Regulations shall give the Board of Supervisors, the Officers, the Managing Agent, any person(s) authorized by the Board or the Managing Agent, and any group of

the foregoing, the right, in accordance with Section 7.11 of these By-Laws, to enter the Unit in which, or as to which, such violation exists and summarily to abate and remove, at the expense of the Unit Owner thereof, any condition that may exist therein constituting such a violation.

(f) Legal Proceedings. Violation of any provision of the Condominium Act, the Condominium Instruments, or the Rules and Regulations shall be grounds for relief, including (without limitation) an action or suit: (i) to recover any sums due, (ii) for damages, (iii) for injunctive relief, (iv) to foreclose the lien for assessments, (v) any other relief provided for by the Condominium Act or the Condominium Instruments, (vi) for any other remedy available at law or in equity, and (vii) for any combination of any of the foregoing, all of which relief may be sought by the Association, Directors, any Officer(s), the Managing Agent and in any appropriate case, by any aggrieved Unit Owner(s), and shall not constitute an election of remedies.

(g) Fines. The Board of Directors may levy reasonable fines against any Unit Owner for any violation of the Condominium Act, Condominium Instruments, or the Rules and Regulations, not to exceed one percent of such Unit Owner's annual assessment for each separate violation. No fine may be levied unless and until the Unit Owner is given written notice of such violation; provided, however, that each day thereafter that such violation continues shall constitute a separate violation. Written request by the Unit Owner for a hearing on such violation(s) prior to the imposition of a fine therefor shall suspend the imposition of such fine until such hearing is held. Fines imposed pursuant to this subsection shall be treated as an assessment for the purposes of this Article.

Section 11.2. Lien for Assessments.

(a) Every assessment made against a Condominium Unit or the Unit Owner thereof pursuant to these By-Laws is a lien against that Condominium Unit as provided in Section 55-79.84 of the Code of Virginia, which lien shall be effective as of the date such assessment is made. Any Officer, Director or the Managing Agent may file or record such other or further notice of such lien or such other document with respect thereto as may be required by the aforesaid Code Section or by other law 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 (2) 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 that assessment may thereupon be declared due and payable in full by the service of notice to that effect upon the defaulting Unit Owner by any Officer or by the Managing Agent.

(c) The lien for assessments may be enforced and foreclosed in any manner provided by law by any proceeding in the name of the Association, Directors or by an Officer(s) or the Managing Agent acting on behalf of the Association.

Section 11.3. Subordination and Mortgage Protection. Notwithstanding any other provision of the Condominium Instruments, the lien for any assessment levied pursuant to these By-Laws upon any Unit (and any fines, interest on assessments, late charges or the like) shall be subordinate to the rights of a Mortgagee; provided, however, that such subordination shall apply only to assessments and other charges which have become due and payable

prior to a sale or transfer of such Unit pursuant to a decree of foreclosure, or any deed or assignment in lieu of foreclosure. Such sale or transfer shall not relieve the new Unit Owner of that Unit from liability for any assessments thereafter becoming due, the lien for which shall have the same effect and be enforced in the same manner as provided herein.

ARTICLE 12

Amendments to By-Laws

Section 12.1 Amendments. These By-Laws may not be modified or amended except as provided in Section 55-79.72 of the Condominium Act; provided, however, that until the expiration of the maximum time permitted by Section 55-79.74(a) of the Condominium Act, (i) Section 2.3. of Article 2, (ii) Section 2.9. of Article 2, (iii) Section 3.1. of Article 3, and (iv) Section 12.1 of this Article 12. may not be amended without the consent in writing of the Declarant, so long as the Declarant shall be the Unit Owner of Units representing twenty-five (25) percent or more of the aggregate Percentage Interests of the Condominium. All amendments to the By-Laws shall be prepared and recorded by the Secretary.

Section 12.2. Approval of Mortgagees. These By-Laws contain provisions concerning various rights, priorities, remedies and interests of Mortgagees. Such provisions in these By-Laws 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 By-Laws impairing or affecting such rights, priorities, remedies or interests of a Mortgagee shall be adopted unless at least sixty-six and two-thirds (66-2/3) percent of the Mortgagees (based on one (1) vote for each mortgage owned) have given their prior written approval.

ARTICLE 13

Miscellaneous

Section 13.1. Notices. All notices, demands, requests, bills, statements or other communications contemplated by these By-Laws shall be in writing and shall be deemed to have been duly given or served 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 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 two or more persons living at different addresses, each such person who so designates an address in writing and files with the Secretary shall be entitled to receive all notices hereunder.

Section 13.2. Captions. The captions herein are inserted only for convenience and reference, and in no way define, limit or describe the scope of these By-Laws or the intent of any provision thereof.

Section 13.3. Gender. The use of the masculine gender in these By-Laws shall be deemed to include the feminine and neuter genders and the use of the singular shall be deemed to include the plural, and vice versa, whenever the context so requires.

Section 13.4. Construction. These Condominium Instruments are intended to comply with all of the applicable provisions of the Condominium Act and shall be so interpreted and applied.

Section 13.5. Condemnation. In the event of a taking in condemnation or by eminent domain, the provisions of Section 55-79.44, Code of Virginia, as amended, shall prevail and govern.

VIENNA OAKS OFFICE CENTER CONDOMINIUM

Chart of Upkeep Responsibilities

Original 11/10/85

I	II	III	IV	V
<p><u>ITEMS</u></p> <p>Heating, cooling & plumbing systems & related components thereof.</p>	<p>GENERAL COMMON ELEMENTS UNDER ASSOCIATION RESPONSIBILITY</p> <p>All upkeep for portions serving more than one Unit. Water damage to Common Elements or Units other than the Unit which is the primary source of the problem through negligence of the occupants of each Unit.</p>	<p>LIMITED COMMON ELEMENTS UNDER ASSOCIATION RESPONSIBILITY</p> <p>If any, same as in Column II.</p>	<p>UNIT PROPRIETORS UNDER ASSOCIATION RESPONSIBILITY</p> <p>Only to the extent that a malfunction or threat of same has originated outside the Unit in which the malfunction occurs or may occur.</p>	<p>OWNER'S OTHER RESPONSIBILITIES</p> <p>THE CORPORATION SHALL BE RESPONSIBLE FOR ALL PORTIONS OF THE COMMON ELEMENTS SERVING ONLY THE UNIT, INCLUDING FIXTURES & APPLIANCES ATTACHED THEREON. Water damage to a Unit, when the primary source of such damage is through negligence of the occupants of the Unit.</p>
<p>Electrical & related systems & components thereof excluding appliances, fixtures & lights serving only one Unit</p>	<p>All, except Column V items, in all regards.</p>	<p>All, except Column V items, in all regards.</p>	<p>--</p>	<p>All for items serving only one Unit, including water damage, in all regards.</p>
<p>Parking spaces.</p>	<p>All parking spaces, in all regards.</p>	<p>If any, same as in Column II.</p>	<p>--</p>	<p>--</p>
<p>Refuse collection systems.</p>	<p>All, in all regards.</p>	<p>--</p>	<p>--</p>	<p>--</p>

VIENNA OAKS OFFICE CENTER CONDOMINIUM

Chart of Unkeep Responsibilities

I	II	III	IV	V
<u>ITEMS</u>	<u>GENERAL COMMON ELEMENTS UNDER ASSOCIATION RESPONSIBILITY</u> All, in all regards.	<u>LIMITED COMMON ELEMENTS UNDER ASSOCIATION RESPONSIBILITY</u>	<u>UNIT COMPONENTS UNDER ASSOCIATION RESPONSIBILITY</u>	<u>CERTAIN OTHER COMPONENTS UNDER UNIT OWNERS RESPONSIBILITY WITH RESPECT TO DIMENSION OF THE COMPONENT</u>
Grounds, including all landscaped & paved areas & other improvements thereon lying outside the main walls of the building.	All, in all regards.	--	--	--
Roof (including any plywood), insulation attached to roof, structural members extending above or below the roof and all concrete floors, foundations.	--	--	All except Column V items, in all regards.	All dry walls, ceilings, and floor surfaces attached to the concrete floor slab.
Exterior and interior walls, ceilings, floors.	--	--	All except Column V items, in all regards.	Interior of door panel interior trim, hardware set including lock & door chime assembly & hinges/closure.
Windows, screens & doors.	--	All, in all regards.	--	--
Vestibules	All, in all regards	--	--	--
Mechanical rooms and equipment located therein.	All, in all regards	--	--	--

NOTES

CHART OF UPKEEP RESPONSIBILITIES:

This chart and the titles and headings used herein are not intended to describe or encompass all Upkeep functions nor to delineate all respective responsibilities between the Unit Owners, severally, and the Association. The placement of responsibility under any specific column does not always accurately reflect the precise character and nature of ownership. The appropriate sections of the Declaration determine ownership.

Column I: Items. Items appearing in this column are illustrative and not exhaustive.

Column II: Common Elements Under Association Responsibility. Responsibility for determining and providing for the Upkeep requirements of the Common Elements and determining the costs thereof shall be primarily the responsibility of the Board of Directors and such designees to which it may delegate certain such responsibilities.

Column III: Limited Common Elements Under Association Responsibility. Responsibility for determining the Upkeep requirements of the Limited Common Elements shall be a shared responsibility between the Board of Directors and the Unit Owner of a Unit to which a specific Limited Common Element is exclusively appurtenant; provided, however, that the Board shall have the final responsibility for determining the need for and accomplishing such Upkeep activities.

Column IV: Unit Components Under Association Responsibility. The items in this column are legally and by definition a part of a Unit but are attached or directly connected to or associated with the Common Elements and Common Expense Items in such a way that a clear distinction between Unit Owner and Association responsibility cannot be made. Moreover, such items frequently involve matters of concern relative to the general health, safety and welfare of all of the occupants of the building. Thus, certain costs which appear to benefit a single Unit Owner but which affect other Unit Owners are declared a Common Expense, especially when the correct functioning of an activity or element is integral to or supportive of the legally defined Common Elements and Common Expenses.

Column V: Certain Other Components Under Unit Owner's Responsibility Without Respect to Ownership of the Component. The items in this column are not intended to be exclusive and all-encompassing and do not affect responsibilities otherwise expressly provided for.