

BYLAWS  
OF  
DOMINION SQUARE TOWNHOUSE ASSOCIATION

ARTICLE 1

Introductory Provisions

Section 1.1. Applicability. These Bylaws provide for the governance of Dominion Square, A Townhouse Condominium, by a Unit Owner's Association to be known as "Dominion Square Townhouse Association." The Condominium is located in the County of Arlington, Virginia, at 333 South Glebe Road.

Section 1.2. Definitions.

(a) "The Association" means Dominion Square Townhouse 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 Bylaws where (except in the case provided for in Section 2.5 of these Bylaws) the quorum requirements are satisfied.

(c) "The period of Declarant control" means the period ending on the earliest of (1) the date when the Declarant ceases to own a total in excess of one-fourth of the units, (2) the fifth anniversary of the date the Declarant ceases to be the only Unit Owner, or (3) the date specified by the Declarant in a notice to each Unit Owner that the Declarant is relinquishing the rights reserved by the Declarant under Section 55-79.74(a) of the Code of Virginia. For the purposes of the preceding sentence, the calculation of the number of units shall be based, at any given time, on the Units then registered with the Virginia Real Estate Commission. Notwithstanding the foregoing, the resignation of all of the members of the Board of Directors at a meeting of the Association pursuant to Section 2.3(b) of these Bylaws shall end the period of Declarant control.

(d) "Upkeep" means care, maintenance, operation, repair, renovation, alteration, remodeling, restoration, replacement and improvement.

ARTICLE 2

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. 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.

Section 2.3. Special Meetings. (a) Special meetings of the Association shall be held if sought (1) by resolution of the Board of Directors, (2) by a petition signed by the Unit Owners of at least one-third (1/3) of the Units, 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 2.4 of these Bylaws, 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(c), 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 (including the Declarant if the Declarant then owns one or more Units) shall thereupon elect a new Board

of Directors.

Section 2.4. Notice. Any notice required to be given to a Unit Owner shall be deemed to have been given (1) when delivered in hand and or mailed first class, postage prepaid, to the most recent address known to the sender for any of the Persons constituting that Unit Owner, or (2) in the case of notice of a meeting of the Association, when given by the Secretary in accordance with the requirements of Section 55.79.75 of the Code of Virginia as amended from time to time. The notice of a meeting of the Association 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 2.5. Quorums. A quorum shall be deemed to be present throughout any meeting of the Association 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. At any meeting at which a quorum is not present, the Persons present shall have no power other than to adjourn the meeting to a date, time and place agreed by Majority Vote of those present.

Section 2.6. Order of Business. The order of business at meetings of the Association shall be as follows:

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

Section 2.7. Conduct of Meetings. The Officer presiding at a meeting of the Association may appoint a person to serve as parliamentarian at that meeting. The 1907 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 2.8. Qualifications for Voting. No Unit Owner may vote at any meeting of the Association or be elected as an Officer if the Association has perfected a lien against his Unit and the amount necessary to release such lien has not been paid at the time of such meeting or election.

Section 2.9. Proxy Voting. Proxies shall be valid only for the particular meeting designated therein, and must be filed with the Secretary before or at the appointed time of the meeting. Proxies shall be in accordance with Section 55-79.77(d) of the Code of Virginia.

Section 2.10. Calculation of Votes. Each Unit shall have one vote. All matters on which a vote is taken at a meeting of the Association shall be determined by a simple Majority Vote except where a higher majority is specified by these Bylaws.

### 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 2.3(b) of these Bylaws and at every annual meeting of the Association thereafter, the Board of Directors shall consist of not less than five (5) nor more than nine (9) members elected to serve until the next annual meeting. Cumulative voting shall not be permitted for the

election of Directors.

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 at least one-third (1/3) of the members thereof with at least three (3) days' notice to the other members, or not less than twenty-four (24) hours after notice has been received by the other members, whichever period is shorter. However, notice of a special meeting may be waived by any Director in writing or by attending the 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.

Section 3.4. Conduct of Meetings. The 1907 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 Bylaws.

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

Section 3.7. Removal of Directors. After the period of Declarant control, a Director may be removed with or without cause by a Majority Vote at any special meeting of the Association called to consider such removal. When a Director is removed pursuant to this Section, his successor shall be elected at the same meeting by Majority Vote.

Section 3.8. Vacancies. After the period of Declarant control, when a vacancy in the Board of Directors is caused by death, resignation, or by any other reason other than the removal of a Director pursuant to Section 3.7 of these Bylaws, the vacancy shall be filled by an individual elected by a majority of the remaining Directors.

#### ARTICLE 4

##### Officers

Section 4.1. Scope of this Article. 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. Enumeration, 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 its resolutions to be executed; to appoint a Secretary pro tem at any meeting at

which the Secretary is absent; and to prepare and execute in recordable form the amendments contemplated by Section 2.7 of the Declaration;

(2) the Vice-President to act in the place and stead of the President in the event of the President's absence or failure or 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 2.4 of these Bylaws to each Unit Owner of each meeting of the Association; 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; and to give any other notice to Unit Owners or to Mortgagees required by these Bylaws or by the Condominium Act; to make it possible for any Unit Owner and any Mortgagee to inspect and copy, at reasonable times and by appointment, the minutes of the proceedings of the Association and of the Board;

(4) the Treasurer to receive and deposit in appropriate insured accounts with financial institutions all income of the Association; 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 and any Mortgagee at reasonable times and by appointment; and to prepare and deliver to the President or Vice-President the certificate required by Section 7.4 of these Bylaws;

(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;

(6) each Officer 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 or the Treasurer or by any other Officer designated by a resolution of the Board of Directors.

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 after the period of Declarant control.

## ARTICLE 5

### Liabilities, Powers and Duties of the Association and its Officers

Section 5.1. Liability of the Officers, Unit Owners and the Association. (a) The Officers shall not be liable to the Association for any mistake or judgment, negligence or otherwise, except that each shall be liable for his own individual willful misconduct or bad faith. The Association shall indemnify and hold harmless each of the Officers from and against all liability to others arising out of contracts made by Officers on behalf of the Association unless any such contract shall have been made in bad faith or contrary to the provisions of the Condominium Instruments or the Condominium Act. Officers shall have no personal liability with respect to any contract made by them on behalf of the Association. The liability of any Unit Owner arising out of any contract made by Officers or the Managing Agent or out of the aforesaid indemnity in favor of the Officers 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. Every contract made on behalf of the Association by Officers or the Managing Agent shall, if obtainable, provide that the Officers 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.

(b) The Association shall not be liable for any failure of water supply or other services of any nature to be obtained by the Association or paid for as a Common Expense, or for injury or damage to any Person or Property caused by natural elements or by any Unit Owner or other Person, or resulting from electricity, water, snow or ice which may leak or flow from any portion of the Common Elements or from any pipe, drain, conduit, structure or other apparatus. The Association shall not be liable to any Unit Owner for loss or damage, by theft or otherwise, of articles which may be stored anywhere within the Condominium. No diminution or abatement of any assessments for Common Expenses shall be claimed or allowed for inconvenience or discomfort arising from upkeep of the Common Elements or from any action taken by the Association, the Officers, the Managing Agent or any Unit Owner(s) to comply with any law, ordinance or other governmental regulation or order.

Section 5.2. Common or Interested Officers. Each Officer shall exercise his powers and duties in good faith and with a view to the interests of the Association and its members as a group. No contract or other transaction between the Association and any of its Officers, or between the Association and any Person (including the Declarant) in which any of the Officers are directors or officers or are pecuniarily or otherwise interested, is either void or voidable because any such Officer 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 make, enter into, or ratify the contract or transaction and is noted in the minutes; or

(b) the contract or transaction is commercially reasonable to the Association at the time it is made, 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 with like force and effect as if such Officer were not so interested.

Section 5.3. Powers and Duties: (a) The Board of Directors shall have the power:

(1) to adopt, modify and repeal Rules and Regulations not in conflict with the Condominium Instruments or any law, ordinance or governmental regulation;

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

(3) to make, contract for the making of and/or authorize the making of alterations and additions to the Common Elements;

(4) to otherwise provide for the upkeep of the Common Elements;

(5) in carrying out any of the foregoing powers, to employ and dismiss any Persons, and to purchase any equipment, supplies and material, which equipment, supplies and material shall be the property of the Association insofar as any of it remains personal property;

(6) to adopt an annual budget;

(7) to make assessments against the Condominium Units to pay all Common Expenses, establish the means and methods of collecting such assessments from the Unit Owners, and, to the extent not fixed by these Bylaws, to establish the dates or intervals at which such assessments or installments thereof shall become due;

(8) to collect the assessments from the Unit Owners, deposit the proceeds thereof in bank depositories designated by the Board of Directors, and use the proceeds to pay all Common Expenses;

(9) to open bank accounts on behalf of the Association and designate the signatories thereon;

(10) to borrow money on behalf of the Association, provided, however, that a two-thirds (2/3) Majority Vote of the Association shall be required to borrow any sum in excess of One Hundred Dollars (\$100.00) times the number of Units then included in the Condominium;

(11) to keep books and detailed accounts in chronological order of the receipts and expenditures affecting the Condominium, specifying the expenses of upkeep of the Common Elements, specifying the expenses of upkeep of the Common Elements and the nature of all other expenses incurred;

(12) to obtain and maintain insurance as provided in Article 8 of these Bylaws, pay the premiums therefor, and adjust and settle any claims thereunder;

(13) 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 of the Association;

(14) 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;

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

(16) except as provided in subsection (b) of this Section, to delegate any or all of the foregoing powers, with or without conditions, to a Managing Agent selected and employed by the Board on behalf of the Association pursuant to Article 6 of these Bylaws;

(17) to assign one parking space to each Unit Owner and to set aside the balance of the spaces for guest parking;

(b) Notwithstanding anything to the contrary in this Section, the Board of Directors shall not delegate any of the powers mentioned in paragraphs (1), (2), (6), (7), (13), (14), (16), and (17) of subsection (a) of this Section.

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

(1) notify any Mortgagee who has given written notice to the Association of his lien on a Condominium Unit of any failure by the Unit Owner thereof to pay an assessment for Common Expenses, or for any other default by such Unit Owner, if such default continues for more than forty-five (45) days;

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

(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 of the Association.

(d) Notwithstanding anything to the contrary in this Section or in other Sections of these Bylaws, all of the powers and duties conferred by this Section and other Sections of these Bylaws on the Association shall be exercised by the Board of Directors until the resignation of the Board pursuant to Section 2.3(b) of these Bylaws. Until that time, the Board shall (or may) act in lieu of and on behalf of the Association in any case where action by the Association is required (or permitted) by these Bylaws.

## ARTICLE 6

### Managing Agent

Section 6.1. Selection. After the period of Declarant control, the Board of Directors shall, unless authority not to do so is given by a Majority Vote of the Association and by all Mortgagees, employ on behalf of the Association a Managing Agent.

Section 6.2. Requirements. The Managing Agent shall be a bona fide business enterprise which manages common interest residential communities. Such firm shall have a minimum of two (2) years' experience in real estate community management and shall employ persons possessing a high level of competence in the technical skills necessary to the proper management of the Condominium. The Managing Agent must be able to advise the Board of Directors regarding the administrative operation of the Condominium and shall employ personnel expert in the areas of condominium insurance, accounting, contract negotiation and condominium regulations. The contract with the Managing Agent must have a term not in excess of one 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 thirty (30) days' written notice.

Section 6.3. Powers and Duties. The Managing Agent shall have the power to do or have done such acts and things as the Managing Agent may be authorized by the Board of Directors to do or have done, and the duty to do or have done such acts and things as the Managing Agent may be directed by the Board of Directors to do or have done, subject, however, to Section 5.3(b) of these Bylaws.

Section 6.4. Standards. The Board of Directors may impose appropriate standards of performance upon the Managing Agent. Unless the Managing Agent is instructed otherwise by the Board of Directors:

- (1) The accrual method of accounting shall be employed.
- (2) Two or more individuals shall be responsible for handling cash to maintain adequate financial control procedures.
- (3) Cash accounts of the Association shall not be commingled with any other accounts.
- (4) No remuneration shall be accepted by the Managing Agent 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 any discounts received shall be credited to the benefit of the Association.
- (5) Any financial or other interest which the Managing Agent may have in any Person providing goods or services to the Association shall be disclosed in advance to the Board of Directors.
- (6) An annual budget shall be prepared for the Association on an accrual basis together with a twelve-month cash flow projection.

(7) A monthly financial report shall be prepared for the Association containing:

- (i) an Income Statement reflecting all income and expense activity for the preceding month on an accrual basis in an "actual" versus "projected" (budget) format;
- (ii) an Account Activity Statement reflecting all receipt and disbursement activity for the preceding month on a cash basis;
- (iii) a Ninety-day Cash Flow Analysis;
- (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

##### Operating 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. Such budget shall also include reasonable amounts necessary to provide working capital, a general operating reserve, and reserves for 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 amount(s) 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 send or cause to be sent to each Unit Owner a copy of the budget reflecting the proportionate 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 of the preexisting Units remaining in the Condominium, such notification of the Unit Owners thereof shall not be required. 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 Bylaws, the total amount of the estimated funds required from assessments for the operation of the Association and the Condominium as set forth in the budget adopted by the Board of Directors shall be assessed against each Unit Owner equally and shall be a lien



against each Condominium Unit as provided in Section 11.2 of these Bylaws. On or before the first day of each fiscal quarter, and the first day of each of the three succeeding quarters 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-fourth (1/4) of such annual assessment. Within thirty (30) days after the end of each fiscal year, the Person who served as Treasurer during 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 according to each Unit Owner's Common Element Interest to the next quarterly installments due from him. Any net shortage shall be assessed promptly against the Unit Owners and shall be payable either in full with the quarterly 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 may be charged first against operating 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 Unit Owners equally, 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, and such further assessment shall, unless otherwise specified in the notice, become effective with the first quarterly installment payment of the annual assessments which becomes due more than ten (10) days after the delivery of such notice. All Unit Owners shall be obligated to pay the adjusted quarterly amount of, if such further assessment is not payable in installments, the full amount of such further assessment. Such assessment shall be a lien against each Condominium Unit as provided in Section 11.2 of these Bylaws.

(F) Initial Assessments and Capital Contributions.

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

(2) The Declarant, as the agent of the Board of Directors, will collect from the first Purchaser of each Unit at the time of settlement an "initial capital contribution" equivalent to the then current quarterly installment payment for the annual Common Expense assessment against such Purchaser's Condominium Unit. The Declarant will deliver the funds so collected to the Board to provide initial operating funds for the Association.

(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 as herein provided whenever the same shall be determined and, in the absence of any budget, each Unit Owner shall continue to pay quarterly installments at the quarterly rate established for the previous fiscal year until notice of the new quarterly payment, which payment shall be due with the first quarterly installment which becomes due more than ten (10) days after notice of such budget shall have been sent to the Unit Owners.

Section 7.2. Liability for Assessments. Each Unit Owner shall be personally liable for all assessments against him or his Unit(s). 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. Notwithstanding anything to the contrary in these Bylaws, no Mortgagee or other Person who becomes a Unit Owner by reason of foreclosure or deed or assignment in lieu of foreclosure, and no successor in title to such Mortgagee or other Person, shall have any liability with respect to assessments or installments thereof which became due before such foreclosure or deed or assignment in lieu thereof, except for claims for a pro rata reallocation of such assessments or installments among all of the Condominium Units.

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) 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 Bylaws, 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 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. Any assessment or installment thereof not paid within five (5) days after due shall accrue a late charge in the amount of Ten Dollars (\$10.00) or such other amount as may be established from time to time by resolution of the Board of Directors.

Section 7.6. Upkeep of the Common Elements and Other Common Expenses.

(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. Each Unit Owner shall keep his Unit 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 make any of the repairs required by this Section. Each Unit Owner shall perform his responsibility in such manner as shall not unreasonably disturb or interfere with the other Unit Owners. Each Unit Owner shall promptly report to a Director or the Managing Agent any defect or need for upkeep for which the Association is responsible.

The Unit Owner of any Unit to which a Limited Common Element is exclusively assigned shall be responsible for the upkeep of such Limited Common Element, including keeping it in a clean and sanitary condition, and shall also make all repairs thereto caused or permitted by his negligence or misconduct.

(c) 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. Restrictions on Use of Units. Each Unit and the Common Elements shall be occupied and used as follows:

- (1) Subject to the provisions of Section XI(d-4) of the Declaration, each Unit and each Common Element shall be used for residential purposes only, except that the Board of Directors may permit reasonable, temporary, non-residential uses in designated Units and/or Common Elements from time to time.
- (2) Nothing shall be done or kept in any Unit or in the Common Elements which will increase the rate or insurance for the Condominium except pursuant to a 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 will result in the cancellation of insurance on the Condominium or any part thereof, or which would be in violation of any law, ordinance, or administrative rule or regulation. No waste shall be committed in the Common Elements.
- (3) No improper, offensive or unlawful use shall be made of the Condominium or any part thereof, and all valid laws, ordinances and rules and regulations of all governments and governmental agencies having jurisdiction thereof shall be complied with by and for the sole expense of the Unit Owner(s) and/or the Association having responsibility for upkeep of the affected portion(s) of the Condominium.
- (4) No Unit Owner shall obstruct any of the Common Elements nor shall any Unit Owner store anything upon any of the Common Elements except within any areas designated for such storage by resolution of the Association or of the Board of Directors. Vehicular parking upon the Common Elements and the keeping of animals anywhere within the Condominium 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.
- (5) The Common Elements shall be used only for the furnishing of the services and facilities for which the same are reasonable suited and which are incident to the use and occupancy of the Units.
- (6) No Unit shall be rented or leased for transient or hotel purposes or in any event for an initial period of less than six (6) months. No portion of any Unit (other than the entire Unit) shall be rented or leased for any period. 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. 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, except the restriction against use for hotel or transient purposes, shall not apply to the Declarant or to a Mortgagee in possession of a Unit as a result of a foreclosure or deed or assignment in lieu of foreclosure.
- (7) Except for such signs as may be posted by the Declarant while the Declarant is a Unit Owner, no signs shall be posted in any place within the Condominium visible from any portion of the Common Elements except pursuant to a resolution of the Association. The provisions of this subsection shall not be applicable to a Mortgagee who comes into possession of a Unit as a result of a foreclosure or deed or assignment in lieu of foreclosure.

Section 7.8. Rules and Regulations. Each Unit and the Common Elements shall be occupied and used in compliance with such Rules and Regulations as may be adopted, amended and repealed from time to time by resolutions of the Board of Directors.

Section 7.9. Right of Access. By acceptance of his deed of conveyance, each Unit Owner thereby grants a right of access to his Unit, as provided by Section 55.79(a) of the Condominium Act, to the Board of Directors or the Managing Agent, or any other Person(s) authorized by the Board of Directors or the Managing Agent, or any group of the foregoing, for the purpose of enabling the exercise and discharge of their respective powers and duties, including (without limitation) making inspections, correcting any condition originating in his Unit and threatening another Unit or the Common Elements, upkeep of the Common Elements in his Unit or elsewhere in the Condominium, or 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, except 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.

Section 7.10. 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 within the Common Elements and shall not be responsible for the security of such personal property or for any loss thereof or damage thereto from any cause.

## ARTICLE 8

### Insurance

Section 8.1. Authority to Purchase. (a) Except as otherwise provided in Section 8.5 of these Bylaws, all insurance policies relating to the Condominium shall be purchased by the Association or the Board of Directors. Neither the Association, the Board of Directors, any Officer(s), the Managing Agent, nor the Declarant shall be liable for failure to obtain any coverages required by this Article if such failure is due to the unavailability of such coverages from reputable insurance companies, or if such coverages are so available only at demonstrably unreasonable cost.

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

(1) the insurer waives any right of subrogation against the Declarant, the Officers, the Association, the Managing Agent, the Unit Owners, and their respective agents, employees, and, in the case of the Unit Owners, the members of their households;

(2) such policy shall not be cancelled, invalidated or suspended due to the conduct of any 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 that the defect be cured, followed by the failure to so cure the defect within sixty (60) days after such demand; and

(3) such policy may not be cancelled or substantially modified for any reason without at least sixty (60) days prior written notice to the Association and the Managing Agent and, in the case of physical damage insurance, to all Mortgagees.

(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, debris removal, cost of demolition and water damage endorsements, insuring all of the Common Element improvements (other than improvements such as curbs, gutters, and other items not normally insured) and common walls. 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 and the Insurance Trustee contained in Section 8.6 and 8.7 of these Bylaws), and shall be in an amount equal to one hundred (100%) percent of the then current replacement cost of the Common Elements and Common Walls of the Condominium (exclusive of the land, excavations, foundations and other items normally excluded from such coverage), without deduction for depreciation, such amount to be redetermined annually by the Board of Directors with the assistance of the Managing Agent and the insurance company affording such coverage.

(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 Bylaws 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"; (ii) "contingent liability from operation of building laws or codes"; (iii) "increased cost of construction" or "condominium replacement cost" and "agreed amount" or elimination of co-insurance clause.

(c) 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 (including without limitation coverage of all Officers against libel, slander, false arrest, invasion of privacy, and errors and omissions), and property damage insurance in such limits as the Board may from time to time determine, insuring the Association, each Officer, the Managing Agent, each Unit Owner and the Declarant against any 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 any action by such named insured 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) delegation 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) covering all claims for bodily injury or property damage arising out of one occurrence. Reasonable amounts of "umbrella" liability insurance in excess of the primary limits shall also be obtained.

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

(a) fidelity bonds 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 one-half (1/2) of the total annual assessments for Common Expenses for the current fiscal year, or the current amount required by Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, whichever is greatest; and (iii) contain waivers of any defense based upon the exclusion of Persons who serve without compensation from any definition of "employee" or similar expression;

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

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

(d) such other insurance 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.

(a) Each Unit Owner shall, at his own expense, obtain and maintain a blanket, "all-risk" form policy of fire insurance with extended coverage, vandalism, malicious mischief, windstorm, debris removal, cost of demolition and water damage endorsements, insuring his entire unit (including all of the units' bathroom and kitchen fixtures and appliances initially installed in said unit by the Declarant, but not including furnishings, furniture or other personal property supplied or installed by the Unit Owner), and covering his interest and that of his mortgagee, as their interest may appear, in an amount equal to at one hundred percent (100%) of replacement value of the Unit.

(b) Each Unit Owner may, at his own expense and for his own benefit, obtain insurance coverage upon his personal property and for his personal liability as well as upon any improvements made by him to his Unit. All such policies shall contain waivers of subrogation. No Unit Owner shall obtain separate insurance policies on the Condominium except as provided in this Section.

(c) Such policy shall also provide:

(1) a waiver of any right of the insurer to repair, rebuild or replace any damage or destruction of a decision is made pursuant to Section 9.5. of these Bylaws 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"; (ii) "contingent liability from operation of building laws or codes"; (iii) "increased cost of construction" or "condominium replacement cost"; and "agreed amount" or elimination of co-insurance clause; and

(d) 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 8.6. Insurance Trustee. (a) All physical damage insurance policies purchased by the Board of Directors and Unit Owners shall be for the benefit of the Association, the Unit Owners, their Mortgagees and the Declarant, as their respective interests may appear, and shall provide that, with respect to any single loss, if the proceeds thereof equal or exceed Forty Thousand Dollars (\$40,000) then all such proceeds shall be paid in trust to such lending institution (hereinafter referred to as the "Insurance Trustee") in the Washington, D.C. Metropolitan Area with trust powers as may be designated by a resolution of the Board. If such proceeds are less than Forty Thousand Dollars (\$40,000) then all such proceeds shall be paid to the Treasurer to be applied pursuant to the terms of Article 9 of these Bylaws.

(b) The Board of Directors shall enter into an Insurance Trust Agreement with the Insurance Trustee which shall provide that the Insurance Trustee shall not be liable for payment of premiums, the renewal of the policies, the sufficiency of coverage, the form or contents of the policies, the correctness of any amounts received on account of the proceeds of any insurance policies, or for failure to collect any insurance proceeds. The sole duty of the 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 Bylaws, for the benefit of the insureds and their beneficiaries thereunder.

Section 8.7. Board of Directors as Agent. The Board of Directors is hereby irrevocably appointed the 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 to execute and deliver releases upon the payment of claims.

#### ARTICLE 9

##### Repair and Reconstruction After Fire or Other Casualty

Section 9.1. When Repair and Reconstruction are Required. Except as otherwise provided in Section 9.5 of these Bylaws, in the event of damage to or destruction of any buildings as a result of fire or other casualty, the Board of Directors, under the direction of the Insurance Trustee, shall arrange for and supervise the prompt repair and restoration thereof, including any damaged Units, and the floor coverings, kitchen and bathroom fixtures, air conditioning and service machinery and other appliances and apparatuses installed therein by the Declarant. Any such repair and restoration shall be substantially similar to or better than the original construction and installation of the damaged or destroyed improvements. Notwithstanding the foregoing, each Unit Owner shall have the right to supervise the redecorating of his own Unit.

Section 9.2. Cost Estimates. Immediately after a fire or other casualty causing damage to any building, the Board of Directors, under the direction of the Insurance Trustee, shall obtain reliable and detailed estimates of the cost of the repair and restoration contemplated by Section 9.1 to a condition as good as that existing before such casualty. Such costs may include professional fees and premiums for such bonds as the Insurance Trustee determines 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 funds for payment of the costs thereof are insufficient, the amount necessary to complete such reconstruction and repair may be obtained from the appropriate reserve for replacement funds and/or a special assessment therefor may be levied, as the Board shall decide.

Section 9.4. Disbursements of Construction Funds. Notwithstanding the foregoing, each Unit Owner shall have the right to supervise the redecorating of his own Unit. Any such reconstruction or repair shall be substantially in accordance with the original construction of the Property.

(a) Construction Fund and Disbursement. 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 reconstruction and repair in the following manner:

(1) If the estimated cost of reconstruction and repair is less than Forty Thousand Dollars (\$40,000), the construction fund shall be disbursed in payment of such costs upon resolutions of the Board of Directors.

(2) If the estimated cost of reconstruction and repair is Forty Thousand Dollars (\$40,000) or more, then the construction fund shall be disbursed in payment of such costs upon resolutions of the Board of Directors and upon approval of an architect qualified to practice in Virginia and employed by the Insurance Trustee to supervise such work, payment to be made from time to time as the work progresses. The architect shall be required to furnish a certificate giving a brief description of the services and materials furnished by various contractors, subcontractors,

materialmen, the architect and other persons who have rendered services or furnished materials in connection with the work and stating: (i) that the sum requested by them in payment are justly due and owing and that such sums do not exceed the value of the services and materials furnished; (ii) that 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.

(b) Surplus. It shall be presumed that the first monies disbursed in payment of the cost of reconstruction and repair shall be from the insurance proceeds, if any. If there is a balance in the construction fund after the payment of all of the costs of the reconstruction and repair for which the fund is established, such balance shall be credited to all Unit Owners in proportion to their respective Common Element Interests against their respective liabilities for assessments, provided, however, in the case of a surplus from insurance proceeds where premiums were paid directly by Unit Owners, (physical damage insurance to unit) and they appear as the insured, then in such cases, the surplus shall be credited to the appropriate Unit Owner or Mortgagee as their interest appears.

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

(d) Certificate. The Insurance Trustee shall be entitled to rely upon a certificate executed by the President or Vice-President and the Secretary certifying: (1) whether or not the damaged Property is required to be reconstructed or repaired; (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 Insurance Trustee promptly upon the Insurance Trustee's request.

Section 9.5. When Reconstruction Is Not Required. In the event the Board of Directors decides by a two-thirds (2/3) majority of all members thereof, with the Mortgagee approval required by Section 4.1 of the Declaration, not to repair insubstantial damage to the Common Elements, 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. If the Condominium shall be terminated pursuant to Section 55-79.72 of the Condominium Act and conformably with the Declaration, the net assets of the Association shall be divided by the Board of Directors or the Insurance Trustee, as the case may be, among all Unit Owners in proportion to their respective Common Element Interests, 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.

Section 10.2. Notice of Default, Casualty or Condemnation. The Treasurer, when giving notice to any Unit Owner of a default in paying an assessment for Common Expenses or any other default, shall simultaneously send a copy of such notice to the Mortgagee of such Unit. Each Mortgagee shall also be promptly notified by the Secretary of any casualty contemplated by



Article 9 of these Bylaws, of all actions taken under Article 9 of these Bylaws, and of any taking in condemnation or by eminent domain and actions taken by or on behalf of the Association with respect thereto. For purposes of this section only, when notice is to be given to a Mortgagee, the Treasurer shall also give such notice to the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Veterans Administration, the Federal Housing Administration, the Farmer's Home Administration, the Government National Mortgage Association and any other public or private secondary mortgage market entity participating in purchasing or guarantying Mortgages of Units in the Condominium if the Board of Directors has notice of such participation.

Section 10.3. Notice of Amendment of Declaration or Bylaws. The Secretary shall give notice to all Mortgagees at least seven (7) days prior to the date on which the Unit Owners materially amend any of the Condominium Instruments.

Section 10.4. Notice of Change in Managing Agent. The Secretary shall give notice to all Mortgagees at least thirty (30) days before the Board of Directors undertakes to manage the Condominium without the assistance of a Managing Agent and, to each Mortgagee upon request, before it changes the Managing Agent.

Section 10.5. Other Rights of Mortgagees. Any Mortgagee shall, upon request, be entitled to: (a) inspect the books and records of the Condominium during normal business hours; (b) receive an annual audited financial statement of the Condominium within ninety (90) days following the end of any fiscal year of the Condominium; and (c) written notice of all meetings of the Association and be permitted to designate a representative to attend all such meetings.

## ARTICLE 11

### Compliance and Default

Section 11.1. Relief. Each Unit Owner shall be governed by, and shall comply with, all of the provisions of the Condominium Instruments and the Condominium Act as any of the same may be amended from time to time. In addition to the remedies provided in Section 55-79.53 of the Condominium Act, a default by a Unit Owner shall entitle the Association, acting through any of its Officers or through the Managing Agent, 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 of the act, neglect or carelessness of any member of his family or his employees, agents, or licensees, but only to the extent that such expense is not covered by the proceeds of insurance carried by 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 copy 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 attorney's as may be determined by the court.

(c) No Waiver of Rights. The failure of the Association, the Board of Directors, any Officers, or any Unit Owners to enforce any provision of the Condominium Instruments or the Condominium Act shall not constitute a waiver of the right of the Association, any Officer, or any Unit Owner to enforce such provision in the future. All rights, remedies and privileges granted to the Association, the Board of Directors, any Officer(s), or any Unit Owner(s) pursuant to any provision of the Condominium Instruments or

the Condominium Act 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 Person(s) exercising the same from exercising such other rights, remedies and privileges as may be granted to such Persons(s) by the Condominium Instruments or by law.

(d) Interest. In the event of a failure by any Unit Owner in paying any assessment by the Association against his Unit for a period in excess of fifteen (15) days, 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 legal rate as may be fixed from time to time by resolutions of the Board of Directors.

(e) Abating and Enjoining Violations by Unit Owners. The violation of any of the Rules and Regulations or the breach of any provision of the Condominium Instruments or the Condominium Act shall give the Association, the Board of Directors, any Officer(s), or any agent, employee or independent contractor of any of the foregoing, the right, in accordance with Section 7.9 of these Bylaws, to enter the Unit in which, or as to which, such violation or breach exists and summarily to abate and remove, at the expense of the Unit Owner thereof, any condition that may exist therein contrary to the intent and meaning of the provisions thereof, and neither the Association nor any Officer, nor any agent, employee or independent contractor or either, shall thereby be deemed guilty in any manner of trespass.

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

Section 11.2. Lien for Assessments.

(a) Every assessment made against a Condominium Unit or the Unit Owner thereof pursuant to these Bylaws is hereby declared to be a lien against that Condominium Unit as provided in Section 55-79.84 of the Condominium Act, which lien shall be effective as of the date such assessment is made. Any Officer or the Managing Agent may file or record such other or further notice of any such lien or such other document with respect thereto as may be required by the aforesaid section of the Condominium Act 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 two (2) installments, the maturity of the remaining total of the unpaid installments of such assessment may be accelerated at the option of the Board of Directors and the entire balance of the annual assessment may thereupon be declared due and payable in full by the service of notice to such effect upon the defaulting Unit Owner and his Mortgagee 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 or any Officer(s) or the Managing Agent acting on behalf of the Association. During the pendency of such proceeding the Unit Owner shall be charged by the Association with a reasonable rental for the Unit for the period from the initiation of such proceeding until sale pursuant to any judgment or order of any court having jurisdiction. The plaintiff in such proceeding shall have the right to the appointment of a receiver if available under law.

Section 11.3. Supplemental Enforcement of the Lien. In addition to the proceedings for the enforcement of the lien established or permitted by the Condominium Instruments or the Condominium Act, all of the Unit Owners may be

required by the Declarant or the Association to execute bonds conditioned upon the faithful performance and payment of the installments of the lien established thereby and may likewise be required to secure the payment of such obligations by a declaration of trust recorded among the land records of the jurisdiction in which the Condominium is located, granting unto a trustee or trustees appropriate powers to the end that, upon default in the performance of such bond such declaration of trust may be foreclosed by such trustee or trustees acting at the direction of the Board of Directors. In the event any such bonds are executed or such declaration of trust is recorded, then any subsequent Purchaser of a Unit shall take title subject thereto and shall assume the obligations therein provided for.

Section 11.4. Subordination and Mortgage Protection. Notwithstanding any other provisions hereof to the contrary, the lien of any assessment levied pursuant to these Bylaws upon any Unit (and any penalties, interest on assessments, late charges or the like) shall be subordinate to the rights of a Mortgagee; provided, however, that such subordination shall apply only to assessments which have become due and payable prior to a sale or transfer of such Unit pursuant to 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 Bylaws

Section 12.1. Amendments. These Bylaws may be amended only in accordance with the Condominium Act and Section XIII D of the Declaration.

CERTIFICATION OF ADOPTION:

I certify that on the 15<sup>th</sup> day of September, 1980, the above were adopted as the By-Laws of the Unit Owners association of Dominion Square, A Townhouse Condominium by C & B Construction Corporation, a Virginia Corporation, as owner of all units in the condominium on that date.

C & B Construction Corporation

By: [Signature]  
President

11/23/87 TRF AMEPI  
2000 UT 505.

AMENDMENT TO BY-LAWS

DOMINION SQUARE TOWNHOUSE ASSOCIATION

THIS AMENDMENT to Condominium Instruments is made this 10th day of September, 1986, by DOMINION SQUARE TOWNHOUSE ASSOCIATION, hereinafter referred to as "Association".

WITNESSETH:

WHEREAS, by Condominium Instruments dated the 4th day of September, 1980, and recorded in Deed Book 2033, at page 524, and as amended in Deed Book 2078 at Page 243 and Deed Book 2079 at Page 1241, among the land records of Arlington County, Virginia, there was established and created a Condominium known as DOMINION SQUARE TOWNHOUSE CONDOMINIUM; and

WHEREAS, the By-Laws of the Association were recorded in Deed Book 2033, at page 600, among the aforesaid land records which set forth, among other things, the insurance provisions applicable to the Condominium; and

WHEREAS, the Association has determined that it is necessary to make some changes in the language used in the original By-Laws and the unit owners, by their signatures to this Amendment, consent to said changes.

NOW, THEREFORE, the Association does hereby amend the By-laws of Dominion Square Townhouse Association, as provided by Section 55-79.72 of the Virginia Code, 1950 as amended, and in the Condominium Instruments.

The following paragraphs which comprise Articles 8 and 9 shall replace those in the original By-Laws:

Section 8.1

b (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 that the defect be cured, followed by the failure to so cure the defect within thirty (30) days after such demand; and

(3) such policy may not be cancelled or substantially modified for any reason without at least thirty

*Height Townhouse*

(30) days prior written notice to the Association and the Managing Agent and, in the case of physical damage insurance, to all Mortgagees.

Section 8.2

a) The Board of Directors shall obtain and maintain at all times, insurance on common elements against loss, by fire, with endorsement for extended coverage and additional extended coverage, including vandalism and malicious mischief for the full insurable replacement cost of the Condominium, such amount to be redetermined annually by the Board of Directors with the assistance of the Managing Agent and the insurance company affording such coverage. The policy or policies of insurance shall contain a "condominium property endorsement" on the FIRAA Form of March 1966 or such amended, substitute or replacement form of such endorsement as may be approved for use in Virginia, for each Unit Owner and for the lender or lenders having first trust liens upon any Unit or Units or upon all of the Common Elements.

b) Such policy shall also provide:

(1) 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 policy value.

(2) Delete.

Section 8.4

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

Section 8.5

a) Each Unit Owner shall, at his own expense, obtain and maintain at all times and at his own expense, insurance against loss, by fire, with endorsement for extended coverage and

additional extended coverage, including vandalism, insuring his entire unit, and covering his interest and that of his mortgagee, as their interests may appear, for the full replacement cost of the condominium unit.

b) Each Unit Owner may, at his own expense and for his own benefit, obtain insurance coverage upon his personal property and for his personal improvement to his Unit and personal liability. No Unit Owner shall maintain insurance coverage which will decrease the amount which the Association may realize under any insurance policy which it may have in force on the Condominium at any particular time. Each Unit Owner shall file with the Association a copy of each individual policy of insurance purchased by the Unit Owner within thirty (30) days after its purchase.

c) Delete (1), (2), and (3).

Section 8.6 Insurance Trustee

a) All physical damage insurance policies on common elements purchased by the Board of Directors shall be for the benefit of the Association, the Unit Owners and their mortgagees, as their respective interests may appear and shall provide that, with respect to any single loss, if the proceeds thereof equal or exceed Forty Thousand Dollars (\$40,000.00) then all such proceeds shall be paid in trust to such lending institution (hereinafter referred to as the "Insurance Trustee") in the Washington, D. C. Metropolitan Area with trust powers as may be designated by a resolution of the Board. If such proceeds are less than Forty Thousand Dollars (\$40,000.00) then all such proceeds shall be paid to the Treasurer to be applied pursuant to the terms of Article 9 of these By-Laws.

ARTICLE 9

Repair and Reconstruction After Fire or Other Casualty

Section 9.1 When Repair and Reconstruction are

Required. Except as otherwise provided in Section 9.5 of these By-Laws, in the event of damage to or destruction of any common elements as a result of fire or other casualty, the Board of Directors, under the direction of the Insurance Trustee, shall arrange for and supervise the prompt repair and restoration thereof. Any such repair and restoration shall be substantially similar to or better than the original construction of the damaged or destroyed improvements.

All of the other provisions contained in these Articles not mentioned herein, shall remain unchanged. The Articles, other than those set forth herein, shall remain unchanged as well.

EFFECTIVE DATE:

This Amendment shall take effect upon recording.

WITNESS the following signatures:

DOMINION SQUARE TOWNHOUSE ASSOCIATION

BY: Phillip W. Petroski  
President

STATE OF VIRGINIA AT LARGE, TO-WIT:

I, Malcolm M. Ware, a Notary Public in and for the State of Virginia, do hereby certify that

Phillip W. Petroski, whose name is signed to the foregoing Instrument, has acknowledged the same before me in my jurisdiction as President of Dominion Square Townhouse Association.

Malcolm M. Ware  
Notary Public

My Commission expires: April 17, 1990

WITNESS the following signatures of Unit Owners:

NAME	ADDRESS
<p><u>Philip W. Ritchie</u>  <u>Christine Blair</u></p>	<p>3347 South Fifth Street            Arlington, VA 22204</p>
<p><u>Paul L. Williams</u>  <u>Barbara K. Williams</u></p>	<p>3301 South Fifth Street            Arlington, VA 22204</p>
<p><u>Daniel E. Fennell</u>  <u>Carolyn J. Fennell</u></p>	<p>3327 South Fifth Street            Arlington, VA 22204</p>
<p><u>William J. Montcalm</u>  <u>Paula J. Montcalm</u></p>	<p>3314 South Second Street            Arlington, VA 22204</p>
<p><u>R. Fargo</u>  <u>Sarah C. Fargo</u></p>	<p>3309 South Fifth Street            Arlington, VA 22204</p>
<p><u>Robert J. Williams</u></p>	<p>3307 South Fifth Street            Arlington, VA 22204</p>
<p><u>David Johnson</u></p>	<p>3318 South Second Street            Arlington, VA 22204</p>
<p><u>Richard A. Kobi</u></p>	<p>3354 South Second Street            Arlington, VA 22204</p>



Karen A. White

3305 South Fifth Street  
Arlington, VA 22204

David L. Cook

3311 South Fifth Street  
Arlington, VA 22204

Nancy Jean Ware

3349 South Fifth Street  
Arlington, VA 22204

Kobler Sitrak  
Margaret M. Sitrak

3351 South Fifth Street  
Arlington, VA 22204

Bernard Sanders  
Luis K. Sanders

3358 South Second Street  
Arlington, VA 22204

Thomas D. Howard

3332 South Second Street  
Arlington, VA 22204

Robert W. Stetebal  
David L. Stetebal  
Allen Stetebal  
Robert E. Stetebal

3325 South Fifth Street  
Arlington, VA 22204

Sara Beth Fingle  
Karen Bremer

3359 South Fifth Street  
Arlington, VA 22204

Carol Sappitt

3319 South Fifth Street

Arlington, VA 22204

Cynthia Keltus  
(Kinsom)

3317 South Fifth Street

Arlington, VA 22204

Maureen S. Sawicki

3329 South Fifth Street

Arlington, VA 22204

Kenneth R. Smith

3341 South Fifth Street

Arlington, VA 22204

Robert J. Smith  
Michelle Smith

3357 South Fifth Street

Arlington, VA 22204

Paul R. Kirkwood  
Paul D. Kirkwood

3322 South Second Street

Arlington, VA 22204

John Z. Boyd  
Ann Gardner

3352 South Second Street

Arlington, VA 22204

Richard D. Dreyfus

3321 South Fifth Street

Arlington, VA 22204

Quinn Brown Lopez  
Victor H. Lopez

3323 South Fifth Street  
Arlington, VA 22204

Matthew J. Haggerty

3360 South Second Street  
Arlington, VA 22204

Donny

3330 South Second Street  
Arlington, VA 22204

Sam

3316 South Second Street  
Arlington, VA 22204

Thomas M. White  
Don J. White

3364 South Second Street  
Arlington, VA 22204

Mary Kay

3355 South Fifth Street  
Arlington, VA 22204

Richard J. Sullivan  
David M. Pennington

3326 South Second Street  
Arlington, VA 22204

Deborah R. Brown  
George J. Brown, II

3320 South Second Street  
Arlington, VA 22204

*[Handwritten signature]*

3345 South Fifth Street  
Arlington, VA 22204

*[Handwritten signature]*

3313 South Fifth Street  
Arlington, VA 22204

*[Handwritten signature]*

3338 South Second Street  
Arlington, VA 22204

*[Handwritten signature]*

3310 South Second Street  
Arlington, VA 22204

*[Handwritten signature]*

3303 South Fifth Street  
Arlington, VA 22204

WITNESSED BY THE CLERK'S OFFICE OF THE  
CIRCUIT COURT OF THE COUNTY OF ARLINGTON

This deed was presented, and with the  
certificate annexed, admitted to record  
on Sept. 12, 1986 at 9:58 o'clock am.

CONSIDERATION \$ \_\_\_\_\_  
STATE TAX \_\_\_\_\_  
COUNTY TAX \_\_\_\_\_  
TRANSFER FEE \_\_\_\_\_  
CLERK'S FEE 15.00  
GRANTOR'S TAX \_\_\_\_\_  
TOTAL 15.00  
TESTE: David A. Bell CLERK