

The 410 CONDOMINIUM ASSOCIATION

BYLAWS

IDENTIFICATION OF THE CONDOMINIUM AND DEFINITIONS

ARTICLE I

1.1 Identification of the Condominium

A. The name of the Condominium is The 410 Condominium (hereinafter called the "Condominium"). The name of the Unit Owners Association is The 410 Condominium Association (hereinafter called the "Unit Owners' Association" or "Association").

B. The Condominium was submitted to the provisions of the Condominium Act of 1976 of the District of Columbia, as amended, and subsequently amended from time to time (hereinafter called the "Condominium Act" or "Act") by the recording of The 410 Condominium Declaration. These Bylaws are adopted pursuant to the Act and provide for the self-government of the Condominium Association.

1.2 Definitions

Terms in these Bylaws shall have the same meaning as they are defined to have in the Condominium Declaration and the Condominium Act.

ARTICLE II

ADMINISTRATION: APPLICABILITY

2.1 Administration

The administration and management of the Condominium and the actions of the Unit Owners and the Unit Owners Association and its Board of Directors and officers shall be governed by these Bylaws.

2.2 Applicability

All present and future Unit Owners and their tenants, licensees, invitees, agents, employees and any other person or persons who are permitted to use the Condominium shall be subject to these Bylaws and the other Condominium Instruments and to the Rules and Regulations of the Association. Acquisition, rental or occupancy of a Unit shall constitute the Unit Owner's, tenant's and occupant's acceptance and ratification of, and the agreement to comply with, these Bylaws and other Condominium Instruments, and any Rules and Regulations now existent or hereafter adopted.

ARTICLE III

UNIT OWNERS ASSOCIATION

3.1 Qualification

All Unit Owners in the Condominium, acting as a group in accordance with the Act and the Condominium Instruments, shall constitute the Unit Owners Association. The Association may be an unincorporated association or a nonprofit corporation duly organized under the District of Columbia Nonprofit Corporation Act, as amended, as subsequently amended from time to time. Any Unit Owner, upon acquiring title to his or her Unit, shall automatically become a member of the Association and shall remain a member thereof until such time as his or her Ownership of such Unit ceases for any reason, at which time his or her membership in the Association shall automatically cease. A person who holds any interest in a Unit solely as security for the performance of an obligation shall not be a member of the Association.

3.2 Powers and Responsibilities

Pursuant to the Act, and except as otherwise expressly provided in these Bylaws or in the Declaration, the powers and responsibilities assigned by the Act to the Unit Owners Association are delegated to the Board of Directors, as more particularly set forth in Article IV.

3.3 Place of Meetings

Meetings of the Association shall be held at the principal office or place of business of the Association or at such other suitable place convenient to the membership as may be designated by the Board of Directors.

3.4 Annual Meeting

Annual meetings of the Association shall be held on a date to be established by the Board of Directors, but not later than thirty (30) days prior to the end of the calendar year. The annual meeting of the Association shall be held for the election of directors and the conduct of such other business as may be properly brought before the meeting.

3.5 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 the petition signed and presented to the Secretary by Unit Owners owning Units to which twenty-five percent (25%) or more of the Percentage Interests appertain. The signatures on a petition requesting a special meeting shall be valid for a period of one hundred eighty (180) calendar days after the date of the first such signature. Notices of all special meetings shall state the time and place of each such meeting and the purpose thereof. No business shall be transacted at a special meeting unless stated in the notice thereof.

For a period of two (2) years from recordation of the Declaration or the date of which seventy-five percent (75%) of the undivided interest in the Common Elements of the Condominium are appurtenant have been conveyed by the Declarant, whichever shall first occur, the Declarant shall have the right to appoint and to remove all of the directors of the Board of Directors, without a vote of the unit Owners. However, the Bylaws and Condominium Act require that: (i) at the time Units to which 25% of the percentage interests in the Condominium have been conveyed, the Association shall hold a special meeting at which time not less than twenty-five percent (25%) of the members of the Board of Directors shall be elected by Unit Owners other than the Declarant; and (ii) at the time Units to which 50% of the percentage interests in the Condominium have been conveyed, the Association shall hold a special meeting at which time not less than thirty-three and one third percent (33-1/3%) of the members of the Board of Directors shall be elected by Unit Owners other than the Declarant.

3.6 Notices

It shall be the duty of the Secretary to mail a notice of each annual meeting of the Association and an official proxy to each Unit Owner at least twenty-one (21) days in advance of an annual meeting and at least seven (7) days in advance of any other meeting. The notice shall state the time, place and purposes of the meeting. The notice shall be sent by United States mail to all Unit Owners of record at the address of their respective Units and to such other addresses as any of them may have designated to the Secretary in writing or hand-delivered by the Secretary, provided the Secretary certifies in writing that the notice was delivered to the Unit Owner. The mailing or hand-delivery of a notice of meeting in the manner provided herein shall constitute service of notice.

3.7 Voting

Each Unit is allocated one vote, and accordingly, voting shall not be based on the Percentage Interest assigned to that unit. A Unit Owner is entitled to cast the one vote allocated to his or her Unit. Since a Unit Owner may be more than one person, if only one of such persons is present at a meeting of the Association, that person shall be entitled to cast the vote allocated to that Unit. But if more than one of such persons is present, the vote allocated to that Unit shall be cast only in accordance with the agreement of a majority of them, and such agreement shall be conclusively presumed if any one of them purports to cast the vote allocated to that Unit without protest being made forthwith by any of the others to the person presiding over the meeting. Except where a greater number is required by the Condominium Act, the Declaration, or these Bylaws, a majority of the Unit Owners present, in person or by proxy, at the beginning of such meeting is required to adopt decisions at any meeting of the Association. Unit Owners who are more than sixty (60) days in arrears in the payment of the monthly or special assessments, fees or fines levied by the Board of Directors shall be deemed not in good standing and shall not be qualified to cast their votes nor shall they be counted in determining whether a quorum is present, and this suspension of voting rights shall remain in effect until the assessments and any other fees or fines are paid in full. In the event the Association owns one or more Units, the votes associated with such Unit(s) shall be included in determining whether a quorum is present at any meeting, and shall be deemed to be cast in proportion to the affirmative and negative votes cast at the meeting by all Unit Owners other than the Association.

3.8 Proxies

The votes appertaining to any Unit may be cast pursuant to a proxy or proxies duly executed by or on behalf of the Unit Owner, or, in cases in which the Unit Owner is more than one (1) person, by or on behalf of all such persons. Revocation of a proxy is not binding on the Association unless actual notice of the revocation is received by the officer presiding over the meeting or by the death of the Unit Owner. All proxies must be in writing and must be filed in original or by facsimile with the Secretary in the form approved by the Board of Directors before the appointed time of each meeting. A proxy shall be void if it is not dated, if it purports to be revocable without notice, or if the signature of any Unit Owner executing the same has not been witnessed by a person who shall sign his or her full name and address. A proxy shall terminate automatically upon the final adjournment of the first meeting held on or after the date of the proxy, but shall remain in effect during any recess or temporary adjournment of the meeting.

3.9 Quorum and Adjournment of Meetings

The presence in person or by proxy of Unit Owners entitled to cast more than thirty-three percent (33%) of the votes in the Association based on one unit one vote shall constitute a quorum for the conduct of business. A quorum shall be deemed to be present throughout a meeting of the Association until adjournment if persons entitled to cast more than thirty-three percent (33%) of the votes are present in person or by proxy at the beginning of such meeting. If a meeting cannot be organized because a quorum has not attended, the majority of the Unit Owners who are present in person or by proxy may recess the meeting from time to time until a quorum is present, when any business may be transacted that may have been transacted at the meeting as originally called.

3.10 Order of Business

The order of business at a meeting of the Association shall be as follows: (i) proof of notice of meeting; (ii) proof of quorum; (iii) reading of minutes of preceding meeting; (iv) election of inspectors of election, if applicable; (v) election of directors, if applicable; (vi) reports of officers and committees; (vii) unfinished business; and (viii) new business.

3.11 Conduct of Meeting

The President shall preside at meetings of the Association, and the Secretary shall keep the minutes of meetings. The most recent edition of Roberts Rules of Order shall govern the conduct of all meetings of the Association when not in conflict with the Act or the Condominium Instruments.

ARTICLE IV

BOARD OF DIRECTORS

4.1 Powers and Duties

The Board of Directors is the executive and administrative entity designated to act for the Association in governing the Condominium and the Association, and is an "Executive Board" within

the meaning of the Act. The affairs and business of the Association shall be managed by the Board of Directors. The Board of Directors may delegate to a director or officer, subject to the continuing control of the Board of Directors, any matters relating to the duties of the Managing Agent. In addition to other powers and duties granted or imposed by these Bylaws or by resolution of the Association, the Board of Directors shall have the power and duty to:

- A. Prepare and adopt an annual budget for the Association, in which there shall be established the contribution of each Unit Owner to the Common Expenses.
- B. Make and collect assessments against the Unit Owners to defray the Common Expenses, establish the method of collecting such assessments from the Unit Owners, establish the period of the installment payments of the annual assessment. Unless otherwise determined by the Board of Directors, the annual assessment against each Unit Owner for his or her proportionate share of the Common Expenses shall be payable in equal monthly installments, each such installment to be due and payable in advance on the first day of each month.
- C. Provide for the operation, care, upkeep, maintenance and surveillance of the Common Elements and for services to the Condominium.
- D. Designate, hire and dismiss the personnel necessary for the maintenance, operation, repair and replacements of the Common Elements, and, where appropriate, provide for the compensation of such personnel and for the purchase of equipment, supplies and material to be used by such personnel in the performance of their duties, which supplies and equipment shall be property of the Association; and establish committees for the benefit of the Condominium and the Association to the extent that the Board deems it appropriate to establish such committees and to have such powers as may be granted and delegated to the committees by the Board.
- E. Make and amend Rules and Regulations respecting the use of the Condominium.
- F. Establish bank accounts for the Association.
- G. Contract for the repair, additions, and improvements to, or alterations of, the Condominium and for the restoration of the Condominium, in accordance with the other provisions of these Bylaws.
- H. Enforce by legal means the provisions of the Declaration, these Bylaws and the Rules and Regulations and institute, maintain and defend proceedings and actions brought on behalf of or against the Association.
- I. Maintain insurance required by Article VII of these Bylaws.
- J. Pay the cost of services rendered to the Condominium for which the Association, as distinct from individual Unit Owners, is liable.

K. Keep the books of the Association with detailed accounts of the receipts and expenditures affecting the Condominium, specifying all expenses incurred, including prepaid expenses. The books and supporting vouchers and records shall be available for examination by the Unit Owners, their duly authorized agents or accountants or attorneys, during regular business hours at the time and in the manner set by the Board of Directors. All books and records shall be kept in accordance with generally accepted accounting principles, and shall be audited at least once a year by an independent certified public accountant employed by the Board of Directors, who shall not be a resident of the Condominium or a Unit Owner. The cost of such audit shall be a Common Expense.

L. Purchase Units on behalf of the Association at foreclosure or other judicial sale.

M. Enforce obligations of Unit Owners, allocate Common Profits and Common Expenses, and take such other actions as may be necessary or proper for the sound management of the Condominium. The Board of Directors shall have the power to impose reasonable sanctions and/or levy fines, after notice and an opportunity to be heard, against Unit Owners for violation of any provision of the Declaration, these Bylaws or the Rules and Regulations adopted by the Board of Directors. For each day that a violation continues, after the initial notice, it shall be considered a separate violation. Collection of fines may be enforced against a Unit Owner as if the fines were an assessment for Common Expenses owed by the Unit Owner. If a Unit Owner persists in violating the Rules and Regulations, the Board of Directors may require him or her to post bond, satisfactory to it, to secure future compliance with the Condominium Instruments and Rules and Regulations.

N. Impose on and receive from individual Unit Owners any payment, fee, or charge for the use, rental, or operation of the Common Elements or for any service provided to Unit Owners, including but not limited to, move-in and move-out fees when there is a change in occupancy.

O. Obtain loans by assigning the Association's right to income, including the right to receive Common Expense assessments.

P. Acquire, hold, encumber or convey in the name of the Association any right, title or interest to real or personal property.

Q. Lease, grant licenses, easements, rights-of-way and other rights of use in all or part of the Common Elements of the Condominium.

R. Do such other things and acts (not inconsistent with the Condominium Act and the Condominium Instruments) which may be authorized by the Association.

4.2 Managing Agent

During the Declarant Control Period, the Condominium Association shall be self-managed. After the Declarant Control Period, the Board of Directors may employ for the Association a professional Managing Agent, at a compensation fixed by the Board of Directors, to perform such

duties as the Board of Directors may authorize. The Board of Directors may delegate to the Managing Agent certain powers and duties delegated to the Board of Directors by these Bylaws. The Board of Directors shall not be liable for any omission or improper exercises by the Managing Agent for any such duty, power or function delegated. Any agreement with the Managing Agent shall be in writing and shall provide that it may be terminated, with or without cause, on ninety (90) days' written notice of termination. The term of any such agreement shall not exceed two years. The Board of Directors shall not employ any new Managing Agent without thirty (30) days' prior written notice to the First Mortgagees. The Managing Agent shall at all times be a professional management company, with expertise and experience in the operation of condominiums, and the Board of Directors and/or Association shall not undertake self-management without the written approval of First Mortgagees.

4.3 Number of Directors and Qualifications

The number of directors which constitutes the entire Board of Directors of the Association shall be initially three (3) natural persons. No Unit Owner shall be elected to serve on the Board of Directors if payment by such Unit Owner of any financial obligation to the Association is delinquent for more than thirty (30) days, and the amount necessary to bring the account current has not been paid at the time of such election. After the Declarant control period, the number of directors which constitutes the entire Board of Directors shall be three (3) directors.

4.4 Election and Term of Office

The Board of Directors shall be elected at the annual meeting of the Association to serve for two (2) years, and until their successors have been elected and qualified. In the alternative, Unit Owners may by resolution duly made and adopted at an annual meeting, resolve to fix the term of each Director elected at any such meeting at one (1) year. Directors shall hold office until their successors have been elected and hold their first regular meeting. There shall be no cumulative voting.

4.5 Organizational Meeting

An annual organizational meeting of the Board of Directors should be held within ten (10) days after the annual meeting of the Association to elect officers. No notice shall be necessary to the newly elected directors in order to legally constitute such meeting, providing a majority of the entire Board is present at the meeting.

4.6 Regular Meetings

Regular meetings of the Board of Directors shall be held at such time and place as shall be determined from time to time by the Board of Directors, but at least one meeting shall be held in each quarter of each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each director, personally or by mail, e-mail, facsimile, or telephone, at least seventy-two (72) hours prior to the time of the meeting.

4.7 Special Meetings

Special meetings of the Board of Directors may be called by the President on seventy-two (72) hours' notice to each director. Such notice shall be given personally, by mail, e-mail, facsimile or telephone, and shall state the time, place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of at least two directors.

4.8 Waiver of Notice

Notice of a meeting of the Board of Directors may be waived in writing by a director either before or after the meeting. Attendance at a meeting in person or by telephone communication constitutes waiver of notice of that meeting. If all Directors are present at any meeting of the Board of Directors, no notice shall be required and any business may be transacted at such meeting.

4.9 Quorum

A majority of the entire Board of Directors shall constitute a quorum for a meeting of the Board of Directors. The votes of a majority of the members present at a meeting at which a quorum is present shall constitute the decision of the Board of Directors. If less than a quorum is present at a meeting, the majority of those present may recess or temporarily adjourn the meeting to a designated time and place. An adjourned meeting may be held as designated without further notice, and when a quorum is present any business may be transacted which might have been transacted at the meeting as originally called.

4.10 Vacancies

A vacancy on the Board of Directors caused by any reason, other than removal of a Director by a vote of the Association, shall be filled by a vote of the majority of the remaining directors, even though they constitute less than a quorum, and each person so elected shall serve until the next annual meeting of the Association and until his or her successor is elected. A vacancy occurring on the Board of Directors by reason of an increase in the number of Directors constituting the entire Board of Directors or by reason of the removal of a Director by a vote of the Association shall be filled by the Association at an annual meeting or at a special meeting called for that purpose.

4.11 Removal and Resignation of Directors

At any regular or special meeting duly called of the Association in which a quorum is present, a Director, excluding a director appointed by the Declarant, may be removed, with or without cause, and his or her successor elected by a majority vote of all Unit Owners, in person or by proxy. Any Director whose removal has been proposed shall be given at least ten (10) days' notice of the calling of the meeting and the purpose thereof, and opportunity to be heard at the meeting. In the event that a Director is not in attendance at three (3) consecutive regular meetings of the Board of Directors, the said Director shall be deemed to have been removed without further action of the Board of Directors.

4.12 Compensation

A Director shall not receive compensation from the Association for serving on the Board of Directors, but a Director may be reimbursed for actual out-of-pocket expenses incurred by him or her in the proper performance of his or her duties.

4.13 Conduct of Meeting

The President shall preside at meetings of the Board of Directors and the Secretary shall keep the minutes of the proceedings. The most recent edition of Roberts Rules of Order shall govern the conduct of the meetings of the Board of Directors when not in conflict with the Act or the Condominium Instruments.

4.14 Annual Report of the Board of Directors

The Board of Directors shall present at each annual meeting of the Association, and when called for by majority vote of the Association at any special meeting of the Association, a complete statement of the operating and financial condition of the Condominium.

4.15 Fidelity Bonds

The Board of Directors shall require that all Directors, officers, trustees, volunteers, agents (including the Managing Agent), and employees of the Association handling or responsible for funds furnish adequate fidelity bonds or insurance. The fidelity bonds or insurance shall designate the Association as a named insured and, if obtainable, shall be written in an amount sufficient to provide protection which shall not be less than all of the reserves and one-half the Association's estimated annual operating expenses. The premiums on such fidelity bonds or insurance shall constitute a Common Expense.

4.16 Liability of the Board of Directors

The Directors shall not be liable to the Association or to the Unit Owners for mistakes of judgment or for negligence not amounting to willful misconduct or bad faith. The Unit Owners shall indemnify and hold harmless each of the Directors from and against all contractual liability to others arising out of contracts made by the Board of Directors on behalf of the Association or the Unit Owners unless such contract was made in bad faith or contrary to the provisions of the Condominium Instruments. The directors shall not be personally liable for contracts made by them on behalf of the Association. The liability of any Unit Owner arising out of any contract made by the Board of Directors or arising out of the indemnification of the Directors shall be limited to that proportion of the total liability thereunder as the Percentage Interest of his or her Unit bears to the Percentage Interests of all the Units. 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 by reason of the fact that he or she is or was a Director or officer of the Association against expenses (including attorney's fees), judgments, fines and amounts paid in settlement incurred by him or her in connection with such action, suit or proceeding if he or she acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of

the Association. The provisions of this paragraph shall also apply to each officer, committee member and volunteer appointed by the Board of Directors.

4.17 Action Without Meeting

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

4.18 Common or Interested Directors

A. The Directors shall exercise their powers and duties in good faith and with a view to the interests of the Association and consistent with the purposes set forth in the Declaration.

B. No contract or other transaction between the Association and one or more of its Directors, or between the Association and any corporation, firm, entity or association in which one or more of the Directors are directors or officers or are pecuniarily or otherwise interested, shall be either void or voidable because such Director or Directors are present at the meeting of the Board of Directors or any committee thereof which authorizes or approves the contract or transaction, if any of the conditions specified in any of the following subparagraphs exist:

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

2. The fact of the common directorate or interest is disclosed or known to the Unit Owners, or a majority thereof, and they approve or ratify the contract or transaction in good faith by a vote sufficient for the purpose; or

3. The contract or transaction is commercially reasonable to the Association at the time that it is authorized, ratified, approved or executed.

C. Common or interested Directors may be counted in determining the presence of a quorum at any meeting of the Board of Directors or committee thereof which authorizes, approves or ratifies any contract or transaction. Such Directors may vote thereat to authorize any contract or transaction with like force and effect as if they were not common or interested Directors or officers of such other corporation or were not so interested.

4.19 Board of Directors as Attorney-In-Fact

The Board of Directors is hereby irrevocably appointed as attorney-in-fact for the Unit Owners of all of the Units and for each of them, to manage, control and deal with the interests of such Unit Owners in the Common Elements of the Condominium so as to permit the Board of Directors to fulfill all of its powers, functions and duties under the provisions of the Act, the

Declaration and these Bylaws, and to exercise all of its rights thereunder and to deal with the Building upon its destruction and the proceeds of any insurance indemnity as hereinafter provided. This power shall include, but shall not be limited to, the right to grant easements and licenses from time to time affecting the Common Elements with respect to sewer lines, water lines, electrical cables, telephone cables, gas lines, storm drains, underground conduits, or such other purposes related to the provision of public or private utilities, companies or entities or as may be considered necessary or appropriate by the Board of Directors for the preservation of the health, safety, convenience, or welfare of the Unit Owners of the Units, or any of them. The foregoing shall be deemed to be a power coupled with an interest, and the acceptance by any person or entity of any interest in any Unit shall constitute an appointment of the Board of Directors as attorney-in-fact, as aforesaid.

This power shall be in addition to any authority to grant easements or licenses given to the Board of Directors in the Act, in the Declaration or in these Bylaws.

4.20 Executive Sessions

All meetings of the Board of Directors shall be open to Unit Owners as observers, except that the President or presiding Officer may call the Board into executive session on sensitive matters, including, but not limited to, the following:

- A. Discussion of matters pertaining to employees and personnel;
- B. Consultation with legal counsel;
- C. Consultation with staff personnel, consultants, attorneys, or other persons in connection with pending or potential litigation;
- D. Investigative proceedings, concerning possible or actual criminal misconduct;
- E. Complying with specific constitutional, statutory, or judicially imposed requirement protecting particular proceedings or matters from public disclosure;
- F. Personal and/or financial affairs of Owners or residents;
- G. Enforcement of the Bylaws and Rules and Regulations; and
- H. On an individually recorded affirmative vote of two-thirds (2/3rds) of the Directors present, or some other reason sufficiently compelling to override the general public policy in favor of open meetings.

Any final action taken by the Directors in executive session shall be recorded in the minutes.

4.21 Committees

A. The Board of Directors may establish committees as may be deemed necessary or expedient by the Board of Directors to further the purposes of the Association, and the responsibilities and powers of such committees shall be in accordance with provisions established by the Board of Directors not inconsistent with these Bylaws.

B. The President and Vice President of the Board of Directors shall be members, ex-officio, of all committees.

C. The membership in each committee shall be appointed by the Board of Directors at its first meeting following the annual meeting of the members of the Association or at any other time as the Board of Directors deems it necessary, and members of such committees shall serve at the pleasure of the Board of Directors until their successors are appointed or until their resignation.

ARTICLE V

OFFICERS

5.1 Designation

The principal officers of the Association are a President, a Vice President, a Secretary and a Treasurer. The Board of Directors may appoint assistant secretaries and an assistant treasurer. Officers shall be members of the Board of Directors. Two or more offices may be held by the same person. Officers, who were not appointed by the Declarant to the Board of Directors, must be Unit Owners of the Condominium.

5.2 Election of Officers

The officers of the Association shall be elected annually by the Board of Directors at its annual meeting and shall hold office at the pleasure of the Board of Directors.

5.3 Removal and Resignation of Officers; Vacancies

A. An officer may be removed by the Board of Directors, with or without cause, by the affirmative vote of a majority of the entire Board of Directors. Any officer whose removal has been proposed shall be given at least ten (10) days' notice of the calling of the meeting and the purpose thereof and an opportunity to be heard at the meeting. If the office of any officer becomes vacant for any reason, the vacancy shall be filled by the Board of Directors.

B. An officer may resign at any time and shall be deemed to have resigned upon disposition of the Unit which makes such person ineligible to be an officer as provided by the Condominium Act. In the event that an officer is not in attendance at three (3) consecutive regular meetings in which he or she is to attend, the officer shall be deemed to have been removed without further action of the Board of Directors.

5.4 President

The President is the chief executive officer of the Association. He or she shall preside at meetings of the Association and the Board of Directors and shall be an ex-officio member of all committees. He or she shall have general and active management of the business of the Association, subject to the control of the Board of Directors, and shall see that all orders and resolutions of the Board of Directors are carried into effect. The President must be a member of the Board of Directors.

5.5 Vice President

The Vice President shall perform the duties and exercise the powers of the President in the absence or disability of the President and shall perform such other duties as the Board of Directors may direct. If neither the President nor Vice President is able to act, the Board of Directors shall appoint some other member of the Board of Directors to do so on an interim basis.

5.6 Secretary

The Secretary shall attend all meetings of the Board of Directors and the Association, and shall record the voting and the minutes of all proceedings in a book to be kept by him or her for that purpose. He or she shall give notice of meetings of the Association and the Board of Directors, and shall perform such other duties as may be prescribed by the Board of Directors or the President. The Secretary shall compile and keep current at the principal office of the Condominium a complete record of the Unit Owners and their last known post office addresses and a listing of tenants. The Secretary shall also keep current and retain custody of the minute books of the proceedings of the Association and the Board of Directors. An assistant secretary shall perform the duties and exercise the powers of the Secretary in the absence or disability of the Secretary and shall perform such other duties as the Board of Directors may direct.

5.7 Treasurer

The Treasurer shall have custody of all funds and securities except those funds which are placed under the control of the Managing Agent, and, with the assistance of the Managing Agent, shall keep full and accurate records of receipts and disbursements and shall deposit all monies and other valuable effects in such depositories as may be designated by the Board of Directors. He or she shall disburse funds as ordered by the Board of Directors, taking proper vouchers for such disbursements, and shall render to the President and the Board of Directors, at the regular meetings of the Board of Directors, or whenever they may require, an account of all of his or her transactions as Treasurer and of the financial condition of the Association. The Assistant Treasurer shall perform the duties and exercise the powers of the Treasurer in the absence or disability of the Treasurer and shall perform such other duties as the Board of Directors may direct.

5.8 Compensation of Officers

No officer shall receive any compensation from the Association for acting as such, but each shall be reimbursed for reasonable and actual out-of-pocket expenses incurred by him or her in the performance of his or her duties.

5.9 Agreements, Contracts, Deeds, Checks

All agreements, contracts, deeds, leases, checks and other instruments of the Association for expenditures or obligations of over One Thousand Dollars (\$1,000.00) shall be executed by any two officers of the Association or by such other person or persons as may be designated by the Board of Directors. All instruments for expenditures or obligations of \$1,000.00 or less may be executed by any one officer of the Association or by such other person as may be designated by the Board of Directors.

ARTICLE VI

OPERATION OF THE CONDOMINIUM

6.1 Determination of Common Expenses and Assessments Against Unit Owners

A. Fiscal Year. The fiscal year of the Condominium Association is the calendar year; provided that the fiscal year may be changed by the Board of Directors at its discretion.

B. Annual Budget. On or before a date which is not less than forty-five (45) days prior to the end of each fiscal year, the Board of Directors shall adopt an annual budget for the Association for the succeeding fiscal year (hereinafter called the "Annual Budget"). The Annual Budget shall contain an estimate of the amount necessary to pay the Common Expenses for the applicable fiscal year in a reasonably itemized form and a statement of the amount of the Common Expenses payable by each Unit Owner. Common Expenses shall include the amounts necessary to create and maintain the reasonable reserves authorized by Section 6.1.D. The Board of Directors shall send to each Unit Owner at least thirty (30) days prior to the commencement of each fiscal year a copy of the Annual Budget for the fiscal year.

C. Assessment and Payment of Common Expenses. The total amount of the estimated funds required to pay the Common Expenses of the Association set forth in the Annual Budget adopted by the Board of Directors for the fiscal year shall be assessed against each Unit in proportion to the Percentage Interest of the Unit. Common expenses assessed against a Unit shall be a lien against such Unit as of the first day of the fiscal year to which such Annual Budget applies. A Unit Owner shall be personally liable for all lawful assessments, or installments thereof, levied against his or her Condominium Unit which become due while he or she is the Owner of a Unit, and this liability of the Unit Owner is in addition to the lien for assessments in favor of the Association on the Condominium Unit created by the Act. On or before the first day of each fiscal year, and on the first day of each of the succeeding eleven (11) months in such fiscal year, each Unit Owner shall be obligated to pay to the Association or the Managing Agent (as determined by the Board of

Directors), one-twelfth of the assessment for such fiscal year. Within sixty (60) days after the end of each fiscal year, the Board of Directors shall send to each Unit Owner an itemized accounting of the Common Expenses actually incurred for such fiscal year, together with an itemized statement of the amounts collected pursuant to the assessment adopted by the Board of Directors for such fiscal year, any delinquencies in payment of assessments, the amount of any surplus or deficit and the amount of the reserves income derived by assessment pursuant to these Bylaws. If the funds received by the Association exceed the Common Expenses (including reserves) at the end of a fiscal year, such funds may be returned to the Unit Owners or credited to the assessments due under the Annual Budget for the next succeeding fiscal year, as may be determined by the Board of Directors, in proportion to the Percentage Interest of their respective Units.

D. Reserve Fund for Capital Improvements, Replacements and Major Repairs.

The Board of Directors shall establish and maintain a reasonable fund for capital improvements, replacement and major repairs by providing for a reserve fund in the Annual Budget, segregating such reserve fund on the books of the Association, and allocating and paying monthly to such reserve fund one-twelfth (1/12) of the total amount budgeted for such reserve fund for the current fiscal year. The portion of the Unit Owners' assessments paid into such reserve fund shall be conclusively deemed to be contributions to the capital of the Association by the Unit Owners. Such reserve fund may be expended for the purposes of capital improvements, replacements and major repairs and emergencies as determined by the Board of Directors. If for any reason, including nonpayment of any Unit Owner's assessment, such reserve fund is inadequate to defray the cost of a required capital improvement, replacement, major repair or emergencies, the Board of Directors may at any time levy an additional assessment against the Unit Owners in proportion to the respective Percentage Interest of their Units, payable into such reserve fund in a lump sum or in installments as the Board of Directors may determine. The Board of Directors shall give notice of any such further assessment on the Unit Owners by a statement in writing giving the amount and reasons therefor, and such additional assessments shall become due and payable, unless otherwise specified in the notice, with the next monthly assessment payment which is due more than ten (10) days after the delivery or mailing of such notice of additional assessment. All Unit Owners shall be obligated to pay the adjusted monthly amount or, if the additional assessment is not payable in installments, the amount of such assessment.

The proportionate interest of any Unit Owner in any reserve fund shall be considered an appurtenance of his or her Unit and shall not be separately withdrawn, assigned or transferred or otherwise separated from the Unit to which it is appurtenant, and shall not be released to the Owner upon transfer of his or her Unit.

E. Special Assessments. In addition to the assessments authorized above, the Board of Directors may levy a special assessment for the purpose of defraying the cost or any unexpected repair or other nonrecurring contingency, or to meet any deficiencies occurring from time to time. The fund resulting from such special assessment shall be segregated on the books of the Association and expended solely for the purposes for which it was assessed. Any such special assessments shall be assessed in the manner set forth in Paragraph D of this Section 6.1 with respect to additional assessments payable to the reserve fund for capital improvements, replacements and repairs. Notwithstanding the foregoing, the Board of Directors may not levy a special assessment

for any purpose other than to defray the cost of unexpected repairs, without first receiving the approval of a majority of the Unit Owners present, in person or by proxy, at an Association meeting.

F. Effect of Failure to Prepare or Adopt Annual Budget. The failure or delay of the Board of Directors to adopt the Annual Budget for any fiscal year shall not constitute a waiver or release in any manner of a Unit Owner's obligation to pay his or her allocable share of the Common Expenses as herein provided, whenever the same shall be determined, and in the absence of an Annual Budget or adjusted Annual Budget, each Unit Owner shall continue to pay a monthly assessment at the rate established for the preceding fiscal year until a monthly assessment is adopted under such new Annual Budget or adjusted Annual Budget and notice thereof has been sent to the Unit Owner.

G. Liability of Unit Owners. It is intended that the liability of any Unit Owner arising out of any contract made by the Board of Directors or arising out of the indemnification of the Board of Directors shall be limited to such proportion of the total liability thereunder as the Percentage Interest of his or her Unit bears to the aggregate Percentage Interests of all Units. Every agreement made by the Board of Directors or by the Managing Agent on behalf of the Association shall provide, to the extent possible, that the members of the Board of Directors or the Managing Agent, as the case may be, are acting only as agents for the Association and that no Unit Owner shall have any personal liability thereunder (except as a Unit Owner).

H. Accounts. All amounts collected by the Board of Directors with respect to assessments against the Unit Owners may be commingled in a single fund, but shall be held for each Unit Owner in accordance with the Percentage Interest of his or her Unit.

6.2 Payment of Common Expenses

All Unit Owners shall be obligated to pay the assessment for the Common Expenses adopted by the Board of Directors pursuant to Section 6.1. However, the Declarant may elect to pay all Common Expenses for a period not to exceed one (1) year from the conveyance of the first Unit to a purchaser. If the Declarant elects, Common Expenses shall not be assessed against any Unit or imposed upon any Unit Owner. No Unit Owner may exempt himself or herself from liability for his or her contribution toward Common Expenses by waiver of the use or enjoyment of any of the Common Elements or by abandonment of his or her Unit. No Unit Owner shall be liable for the payment of any part of the Common Expenses assessed against his or her Unit subsequent to a sale, transfer or other conveyance by him or her of such Unit. The purchaser of a Unit shall be jointly and severally liable with the selling Unit Owner for all unpaid assessments against the latter for his or her proportionate share of the Common Expenses up to the time of the conveyance without prejudice to the purchaser's right to recover from the selling Unit Owner the amounts paid by the purchaser therefor; provided, however, that any such purchaser shall be entitled to a statement from the Board of Directors or the Managing Agent, setting forth the amount of the unpaid assessments against the selling Unit Owner and such purchaser shall not be liable for, nor shall the Unit conveyed be subject to a lien for, any unpaid assessments in excess of the amount therein set forth; and provided, further, that if the First Mortgagee of record or other purchaser of a Unit obtains title to the Unit as a result of foreclosure or deed (or assignment) in lieu of foreclosure of a first mortgage, such purchaser, its successors 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 title to such Unit by such purchaser pursuant to a foreclosure sale, conveyance or assignment, except as provided by the Condominium Act. Such unpaid share of Common Expenses assessed prior to the acquisition of title to such Unit by such purchaser pursuant to the foreclosure sale, conveyance or assignment shall be collectible from all Unit Owners, including the purchaser, in proportion to the Percentage Interest of their respective Units. No amendment to this Section shall affect the rights of any First Mortgagee whose mortgage is recorded prior to recordation of such amendment unless the First Mortgagee joins in the execution of such amendment.

6.3 Collection of Assessments

The Board of Directors shall take prompt action to collect any assessments for Common Expenses due from any Unit Owner which remain unpaid for more than thirty (30) days after the due date for the payment thereof, and may assess a late charge against any Unit for which payment of any monthly or special assessment is more than fifteen (15) days late, and/or accelerate all monthly and special assessments for the year and send a notice of default to the First Mortgagee. Any payment of a late charge due shall be deemed paid when received by the Board of Directors or the Managing Agent.

6.4 Statement of Unpaid Assessments

A. Upon written request to the Board of Directors by a Unit Owner, purchaser or First Mortgagee, the Board of Directors, a duly designated agent thereof, or the Managing Agent, shall furnish (within the time period prescribed by the Condominium Act) a recordable statement setting forth the amount of unpaid assessments levied against such Unit.

B. The Board of Directors may impose a reasonable fee for each such statement requested and payment thereof shall be a prerequisite to the issuance of a statement.

6.5 Maintenance, Repair and Replacement

A. By the Association. The Association, acting through the Board of Directors, shall be responsible for the maintenance, repair and replacement of the following, the cost of which shall be charged to all Unit Owners as a Common Expense:

(1) The General Common Elements, whether located inside or outside of the Units, including, but not limited to, all exterior caulking, flashing, gutters and down spouts.

(2) All portions of the Units which contribute to the support of the Building, excluding, however, the surfaces of all walls, floors, ceilings, entrance doors, and windows of a Unit.

(3) Incidental damage caused to a Unit by such work done by the Association.

(4) Limited Common Elements, excluding general maintenance by the Unit Owner as discussed below.

This section 6.5(A) shall not relieve a Unit Owner of liability for damage to the Common Elements caused by the Unit Owner's negligence or intentional torts.

B. Additional Authority of Board of Directors. The Board of Directors may repair or replace specified components of a Unit or Limited Common Elements assigned to a Unit using Common Expense funds if failure to make the repair or replacement would have a material adverse effect upon the health, safety, or welfare of the Unit Owners, the Common Elements or the income and Common Expenses of the Association, or, if a limited number of Units are affected, at the expense of the Unit Owners affected.

C. By the Unit Owner. Except for the portions of his or her Unit required to be maintained, repaired or replaced by the Association, each Unit Owner's responsibility shall include, but not be limited to, the maintenance, repair and replacement, at his or her own expense, of the following: any interior walls; interior surface of ceilings, walls and floor; door locks and hardware; entrance doors and windows, including interior and exterior surfaces; lighting fixtures; kitchen and bathroom fixtures; air conditioning and heating system, including air handler, condenser, and compressor serving that Unit; appliances and equipment; and water and sewage pipes located within the boundaries of the Unit and serving only that Unit. In addition, each Owner shall be responsible for the maintenance, repair and replacement of all wires, pipes, equipment, apparatus, etc. that are outside his or her Unit but only serve his or her Unit. Each Unit Owner shall keep the interior of his or her Unit and its equipment 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 the Unit. In addition, each Unit Owner shall be responsible for all damage to any and all other Units or to the Common Elements resulting from his or her failure to make any of the repairs required to be made by him or her by this Section. Each Unit Owner shall perform his or her responsibility in such manner as shall not unreasonably disturb or interfere with the other Unit Owners. Each Unit Owner shall promptly report to the Board of Directors or the Managing Agent any defects or need for repairs for which the Board of Directors is responsible. Notwithstanding any provision in the Declaration or Bylaws to the contrary, the Unit Owner of any Unit to which a limited common element is appurtenant shall perform the normal maintenance for such limited common element, including keeping it in a clean and sanitary condition, and shall also make all repairs thereto caused or permitted by such Unit Owner's negligence, misuse or neglect; all structural repair or replacement to limited common elements shall be made by the Condominium Association as a Common Expense.

D. Manner of Repair and Replacement. All repairs and replacements shall be of first class quality and as nearly similar as practicable to the character of the construction or installation that existed immediately prior to the occasion that necessitated the repairs or replacements. Repairs and replacements may be done with contemporary building materials and equipment.

E. Public Areas. Anything contained in these Bylaws to the contrary notwithstanding, the public areas of the Condominium and those areas exposed to public view

(including portions of Units) shall be kept in good appearance by the Association or Unit Owners who are required to maintain same, as the case may be, and shall be maintained in a first-class condition, in conformity with the dignity and character of the Condominium, and in a manner which does not adversely alter the value of the Condominium.

6.6 Additions, Alterations or Improvements by the Association

Whenever in the judgment of the Board of Directors the Common Elements shall require additions, alterations or improvements costing in excess of Ten Thousand Dollars (\$10,000) during any period of twelve (12) consecutive months, and the making of such additions, alterations or improvements shall have been approved by the Owners of Units to which a majority of the votes at an Association meeting appertain, the Board of Directors shall proceed with such additions, alterations or improvements and shall assess all Unit Owners for the cost thereof as a Common Expense. Any additions, alterations or improvements costing less than Ten Thousand Dollars (\$10,000) during any period of twelve (12) consecutive months may be made by the Board of Directors without approval of the Unit Owners and the cost thereof shall constitute part of the Common Expenses. Notwithstanding the foregoing, if, in the opinion of not less than a majority of the members of the Board of Directors, such additions, alterations or improvements are exclusively or substantially exclusively for the benefit of the Unit Owner or Unit Owners requesting the same, such requesting Unit Owner or Unit Owners shall be assessed therefor, and if more than one Unit Owner in such proportion as they jointly approve or, if they are unable to agree thereon, in such proportions as may be determined by the Board of Directors.

6.7 Additions, Alterations or Improvements by Unit Owners

No Unit Owner shall make any structural addition, alteration or improvements in or to his or her Unit or change or alter the water, plumbing or electrical systems in or to his or her Unit that will have an impact on the Condominium, including the Association's Insurance, without the prior written consent of the Board of Directors. No Unit Owner shall paint, improve, change or alter the exterior of the Building, including the doors and windows or the exterior of the Unit's entrance doors or the Limited Common Elements to his or her unit without the prior written consent of the Board of Directors. The Board of Directors shall be obligated to answer any written request by a Unit Owner for approval of a proposed addition, alteration, change or improvement (by painting or otherwise) in or to such Owner's Unit or the Limited Common Elements within forty-five (45) days after such request, and its failure to do so within the stipulated time shall constitute a consent of the Board of Directors to the proposed addition, alteration, change or improvement. Any application to any governmental authority for a permit to make an addition, alteration or improvement in or to any Unit shall be executed by the Unit Owner and the Board of Directors, without, however, the Board incurring any liability to any contractor, DC Agency, subcontractor or materialman on account of such addition, alteration, change or improvement, or to any person having any claim or injury to a person or damage to property arising therefrom. This section shall not apply to the Declarant or any Unit owned by the Declarant.

6.8 Restrictions on Use of Units and Condominium

A. The Board of Directors is authorized to promulgate, amend and enforce Rules and Regulations concerning the operation and use of the Condominium, provided that such Rules and Regulations are not contrary to or inconsistent with the Condominium Act, the Declaration or these Bylaws. A copy of the Rules and Regulations shall be furnished by the Board of Directors to each Unit Owner prior to the time the same become effective.

B. The use of the Condominium is subject to the following restrictions:

(1) No Unit Owner or other resident of the Condominium shall post any advertisements or posters of any kind in or on the Condominium except as authorized by the Board or as provided by Rules and Regulations of the Association.

(2) A Unit shall be used only for private residential purposes. The resident, whether Unit Owner or tenant, shall have the right to conduct a home business as may be permitted by the zoning laws and Regulations of the District of Columbia. No activity shall be conducted or maintained in any Unit or upon any of the Common Elements which is not in conformity with the zoning regulations of the District of Columbia.

(3) No clothing, laundry, rugs or wash shall be hung from or spread upon or from any window or exterior portion of or in or upon any Common Element. All refuse and trash shall be deposited in bins or chutes designated for such purposes and in the manner prescribed by Board of Directors or Managing Agent.

(4) Absent the express written approval of the Board of Directors, no animal, including common household pets, shall be kept or maintained on the Condominium property, except that one dog or cat may be kept in a Unit without the approval of the Board of Directors. In no event shall any animals be kept, bred or maintained for commercial purposes on the Condominium property. Any Unit Owner who keeps or maintains any pet in the Condominium shall be responsible and may be assessed by the Board of Directors for any costs incurred by the Condominium in enforcing the Rules and Regulations prescribed or to be prescribed by the Board of Directors for the control and regulation of pets in the Condominium, and the Board of Directors may revoke such permission in the event that the Unit Owner violates any such Rules and Regulations.

(5) Unit Owners, residents and lessees shall exercise extreme care to avoid unnecessary noise and the use of musical instruments, radios, televisions and amplifiers that may disturb other Unit Owners. All walking areas (except in kitchens and bathrooms) and eighty-five percent (85%) of all wood floor areas in each Unit located over other Unit(s) must be covered by carpets or rugs and padding. Eighty-five percent (85%) of floor areas in bedrooms in Units located over other Unit(s) must be covered by carpet or rugs.

(6) No nuisances shall be allowed in the Condominium nor shall any use or practice be allowed which is a source of annoyance to residents or which interferes with the peaceful possession or proper use of the Condominium by its residents.

(7) No Unit Owner, resident or lessee shall install wiring for electrical or telephone installation, television antenna or other equipment which protrudes through the walls, windows, ceilings or the roof of the Building except as authorized by the Board of Directors.

(8) No Unit or Common Elements of the Condominium may be used for any unlawful, immoral or improper purpose.

(9) A Unit Owner shall not place or cause to be placed in the public hallways, walkways, alleyways or other Common Elements any furniture, packages or objects of any kind. The public hallways, walkways and alleyways shall be used for no purpose other than for normal transit through them. Bicycles and motorcycles shall be placed only in designated areas.

(10) No Unit Owner, resident or lessee shall direct or engage any employee of the Association in any private business of such Unit Owner, resident or lessee, nor shall he or she direct, supervise or in any manner attempt to assert control over any such employee or over any contractor acting under a contract or agreement with the Association.

(11) No activity shall be done or maintained in any Unit or upon any Common Element which will increase the rate of insurance on any Unit or the Common Elements or result in the cancellation of insurance thereon, unless such activity is first approved in writing by the Board of Directors.

(12) In the use of the Units and the Common Elements of the Condominium, Unit Owners shall obey and abide by all valid laws, ordinances and zoning and other governmental regulations affecting the same and all applicable Rules and Regulations adopted by the Board of Directors.

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

(14) A Unit Owner shall not lease his or her unit for a term of less than twelve (12) months absent Board approval for special circumstances. A Unit shall not be subleased. A fully conformed copy of the lease or renewal thereof, as well as any documents required by the Association to be signed by landlord and tenant, shall be delivered to the Board of Directors within seven (7) days after execution. Such lease shall be consistent with the provisions of the Condominium Instruments, as the same may be amended from time to time, and with the Rules and Regulations of the Association; and the Board of Directors has the power to terminate such lease or to bring summary proceedings to evict the tenant in the name of the lessor thereunder in the event of a default by the tenant in the performance of such lease or in violation of these Bylaws or the Rules and Regulations. The restrictions of this paragraph shall not apply to the Declarant or any mortgagee who comes into possession of a Unit pursuant to a foreclosure sale, judicial sale or transfer or conveyance in lieu of foreclosure.

(15) Passenger automobiles may be parked only in the Limited Common Element spaces in the rear of the building. No trailer, truck, boat, camper, house trailer or similar types of vehicles shall be parked or stored except in such areas, if any, as may be designated by the Board of Directors by resolution or in the Rules and Regulations. No inoperable, unlicensed or abandoned motor vehicle of any type shall be parked or stored upon the Property, and no portion of the Property shall be used for the repair, overhaul, painting or work of a similar nature of any motor vehicle. Any such vehicle may be towed from the Condominium at the offending Unit Owner's risk and expense.

6.9 Right of Access

Each Unit Owner grants a right of access to his or her Unit to the Board of Directors, the Managing Agent and to any other person authorized by the Board of Directors for the purpose of making inspections and for the purpose of correcting any condition originating in his or her Unit and threatening another Unit or Common Element, or for the purpose of performing installations, alterations or repairs to the mechanical or electrical services or other Common Elements in his or her Unit or elsewhere in the Building, or to correct any condition which violates the provisions of any mortgage covering another Unit, provided that requests for entry are made in advance and that any such entry is at a time reasonably convenient to the Unit Owner. In case of an emergency, such right of entry shall be immediate, whether the Unit Owner is present at the time or not. To the extent that damage is inflicted on the Common Elements or any Unit through which access is taken, the Unit Owner or the Association, if it caused the same, shall be liable for the prompt repair thereof.

6.10 Limitation of Liability

The Association shall not be liable for any failure of water supply or other services obtained by the Association or paid for out of the Common Expense funds, or for injury or damage to person or property caused by the elements or resulting from electricity, water, snow or ice which may leak or flow from any portion of the Common Elements or from any wire, pipe, drain, conduit, appliance or equipment. The Association shall not be liable to the Owner of any Condominium Unit for loss or damage, by theft or otherwise, of articles which may be stored upon any of the Common Elements. No diminution or abatement of Common Expense assessments, as provided in these Bylaws, shall be claimed or allowed for inconvenience or discomfort arising from the making of repairs or improvements to the Common Elements, or to any Condominium Unit, or from any action taken by the Association to comply with any law or ordinance or with the order or directive of any municipal or other governmental authority or for the dispossession of the Unit Owner by reason of fire or other casualty, except to the extent covered by insurance.

ARTICLE VII

INSURANCE, DESTRUCTION, RESTORATION, CONDEMNATION AND DISTRIBUTION

7.1 Authority

The Board of Directors shall obtain and maintain casualty and liability insurance under such terms and for such amounts as shall be deemed necessary by the Board of Directors, but in no event less than the amount required by Section 7.2 hereof. The insurance premiums paid by the Board shall be charged as items of Common Expense. Such insurance coverage shall provide for the issuance of certificates of insurance and mortgagee endorsements to all First Mortgagees of the Units, if requested. Such insurance coverage shall be written on the Condominium and shall provide for the insurance proceeds covering any loss to be payable to the Board of Directors as Insurance Trustee for the benefit of each Unit Owner and his or her mortgagee according to his or her Percentage Interest. The insurance provisions in this Article shall be consistent with the Condominium Act. If there is any conflict, the Condominium Act shall control.

7.2 Coverage

The Condominium shall be insured, to the extent available, against casualty in a minimum amount equal to the maximum, insurable replacement value (i.e., 100% of replacement costs based upon the value of replacing the Building and all improvements of the Condominium utilizing contemporary building materials and technology) thereof (exclusive of excavations and foundations) as determined annually by the Board of Directors with assistance of the insurance company affording such coverage. The policy shall cover all the improvements of the Condominium except those improvements and betterments made by a Unit Owner at his or her expense and shall contain a "condominium replacement cost" endorsement. Such coverage shall afford protection against:

A. loss or damage by fire, vandalism, malicious mischief, windstorm, and other hazards covered by the standard extended coverage endorsement; and

B. such other risks as shall customarily be covered with respect to projects similar in construction, location and use as the Directors in their sound discretion may deem advisable. Such coverage shall insure the Building (including all of the Units and the bathroom, laundry and kitchen equipment, carpeting sold with the Unit, fixtures and cabinets, and electrical fixtures, together with all air-conditioning, heating and other equipment, but not including furniture, furnishings or other personal property supplied or installed by Unit Owners), and other Condominium property including all personal property included in the Common Elements. If there is a steam boiler in operation, the Condominium shall have boiler explosion insurance in the amount of Fifty Thousand Dollars (\$50,000) per accident per location. The Condominium shall be insured against liability for personal injury and property damage in such amounts and in such forms as shall be required by the Board, which, however, in no event shall be less than One Million Dollars (\$1,000,000) with respect to any one occurrence. All liability insurance shall contain cross-liability endorsements to cover liabilities of the Association as a group, the Board and each individual Unit Owner. Compensation insurance shall be obtained where necessary to meet the requirements of law.

In addition to the foregoing, the Board of Directors may obtain such additional insurance coverage as it may deem advisable and appropriate or as may be requested from time to time by a majority of the Unit Owners present, in person or by proxy, at an Association meeting.

7.3 Limitations

Insurance obtained pursuant to the requirements of this Article VII shall be subject to the following provisions:

A. Each policy shall be written with a company or companies which are licensed to do business in the District of Columbia and which hold a rating of excellent or better.

B. No insurance coverage obtained and maintained pursuant to the requirements of this Article VII shall be brought into contribution with insurance purchased individually by any of the Unit Owners or their mortgagees, as herein permitted, and any "no other insurance" or similar clause in any policy obtained by the Board of Directors pursuant to the requirements of this Article shall exclude such policies from consideration. If at the time of loss under an insurance policy carried by the Board of Directors there is other insurance in the name of a Unit Owner that covers the same risk covered by the Association's policy, the Association's policy shall provide primary coverage.

C. Each policy shall provide that it may not be canceled or substantially modified or reduced without at least thirty (30) days' prior written notice to all insureds named thereon, including all named First Mortgagees.

D. Each policy of casualty insurance shall provide that, notwithstanding any provision thereof which gives the carrier the right to elect to restore or repair damage or reconstruct in lieu of making a cash settlement, such option shall not be exercisable without the prior written approval of the Board of Directors.

E. Each policy shall contain a waiver of subrogation by the insurer as to any and all claims against the Unit Owners, the Association, the Board of Directors, the Managing Agent, and their respective agents, and of any defenses based upon coinsurance or invalidity arising from the acts of the insured.

F. Each policy shall contain provisions: (i) that its coverage shall not be prejudiced by any act or neglect of any occupant or Unit Owner of the Condominium or their agents when such act or neglect is not within the control of the insured, or the Unit Owners collectively; and (ii) that it shall not be prejudiced by failure of the insured, or the Unit Owners collectively, to comply with any warranty or condition with regard to any portion of the Condominium over which the insured or the Unit Owners collectively have no control.

7.4 Notice of Insurance Coverage

The Board of Directors shall promptly furnish to each Unit Owner written notice of the procurement, subsequent changes, or termination of each insurance policy obtained on behalf of the Association.

7.5 Individual Policies

Each Unit Owner or any mortgagee shall obtain at his or her own expense additional insurance, including a "condominium Unit Owner's endorsement" for improvements and betterment to a Unit made or acquired at the expense of the Unit Owner. Such insurance should contain the same waiver of subrogation provision as that required by Section 7.3E hereof. It is recommended that each Unit Owner obtain, in addition to the insurance hereinabove provided to be obtained by the Association, a "Condominium Unit Owner's Policy," or equivalent, to insure against loss or damage to personal property used or incidental to the occupancy of the Unit, additional living expense, vandalism or malicious mischief, theft, personal liability and the like. Such policy should include a "condominium Unit Owner's endorsement" covering losses to improvements and betterments to the Unit made or acquired at the expense of the Unit Owner. No Unit Owner shall maintain insurance coverage which will tend to decrease the amount which the Association may realize under any insurance policy which it may have in force at any particular time. The Board of Directors may require that each Unit Owner shall file with the Managing Agent a copy of each individual policy of insurance purchased by the Unit Owner within thirty (30) days after its purchase; and the Board of Directors may also require that each Unit Owner notify the Board of Directors of all improvements made by him or her to the Unit having a value in excess of One Thousand Dollars (\$1,000.00). Tenants shall also obtain the necessary insurance to protect their interests.

7.6 Insurance Trustee

The Board of Directors shall serve as the Insurance Trustee. All insurance policies purchased by the Association shall be for the benefit of the Association, each Unit Owner and his or her First Mortgagee, as their respective interests may appear in connection with the Unit, and shall provide that proceeds payable pursuant to the policies shall be paid directly to the Board of Directors as Insurance Trustee. All policies shall provide that adjustment of loss shall be made by the Board of Directors.

7.7 Covenants for Benefit of Mortgagees

Proceeds of insurance policies received by the Insurance Trustee shall be distributed to or for the benefit of the Unit Owner entitled thereto, after first paying or making provision for the payment of the expenses of the Insurance Trustee, in the following manner:

A. Proceeds are to be paid first to repair or restore damage or destruction, as elsewhere provided herein. After defraying the cost of the repair or restoration, all remaining proceeds shall be payable jointly to the Unit Owners and First Mortgagees, if any, entitled thereto. This covenant is for the benefit of any First Mortgagee and may be enforced by such mortgagee.

B. If it is determined in the manner elsewhere provided herein that the damage for which the proceeds are paid shall not be reconstructed or repaired, then and in that event, the Condominium shall be deemed to be owned in common by the Unit Owners and shall be subject to an action for partition upon the suit of any Unit Owner or Mortgagee, in which event the net proceeds of sale together with the net proceeds of any insurance shall be distributed pro rata to the Unit Owners, after first paying off out of the share of each Unit Owner, to the extent sufficient for that purpose, all liens, including mortgage liens, on the Unit of such Unit Owner. This is a covenant for the benefit of any mortgagee and may be enforced by such mortgagee.

7.8 Reconstruction

If any part of the Condominium shall be damaged by casualty, the determination of whether or not to reconstruct or repair the same shall be made as follows, subject to the provisions of the Condominium Declaration and Condominium Act:

A. Where there is a partial destruction, which shall be deemed to mean destruction which does not render two-thirds (2/3rds) or more of the Units untenable, there shall be compulsory reconstruction or repair.

B. Where there is total destruction, which shall be deemed to mean destruction which renders more than two-thirds (2/3rds) of the Units untenable, reconstruction or repair shall not be compulsory unless at a meeting which shall be called within ninety (90) days after the occurrence of the casualty, or, if by such date the insurance loss has not been finally adjusted, then within one hundred and twenty (120) days after the occurrence of the casualty, all of the Unit Owners unanimously vote in favor of such reconstruction or repair.

C. If any Building or improvement standing or erected upon the Condominium shall be destroyed or damaged by some casualty and such destroyed or damaged property is to be reconstructed or repaired, the reconstruction or repair thereof shall be, at least, to the extent of the replacement value of the property destroyed or damaged, and as nearly similar as practicable to the character of the Building or improvement existing immediately prior to such casualty. Any reconstruction or repair shall be done in accordance with the outstanding building code requirements of the District of Columbia and may be done with contemporary building materials and by utilizing updated construction systems and technology.

If the damage is only to those parts of one Unit for which the responsibility of maintenance and repair is borne by the Unit Owner, then the Unit Owner shall be responsible for reconstruction and repair after casualty and shall be entitled to apply, with the assistance of the Board of Directors, for the applicable insurance proceeds. In all other instances the responsibility of reconstruction and repair after casualty shall be with the Board of Directors.

D. The proceeds of insurance collected on account of casualty and funds received by the Board of Directors from collections of assessments against Unit Owners on account of such casualty shall constitute a construction fund which shall be disbursed in payment of the costs of reconstruction and repair in the following manner:

(1) If the amount of the estimated cost of reconstruction and repair is Twenty Thousand Dollars (\$20,000) or less (as estimated by the Board of Directors), then the construction fund shall be disbursed in payment of such costs upon order of the Board of Directors, provided, however, that upon request of a mortgagee which is a beneficiary of an insurance policy, the proceeds of which are included in the construction fund, such fund shall be disbursed in the manner hereinafter provided;

(2) If the estimated cost of reconstruction and repair of the building or other improvement is more than Twenty Thousand Dollars (\$20,000), then the construction fund shall be disbursed in payment of such costs upon approval of an architect qualified to practice in the District of Columbia and employed by the Board of Directors 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 rendered and materials furnished by various contractors, subcontractors, materialmen, the architect, or other persons who have rendered services or furnished materials in connection with the work, and stating the following:

(a) the sums requested by them in payment are justly due and owing and that said sums do not exceed the value of the services and materials furnished;

(b) there is no other outstanding indebtedness known to the said architect for the services and materials described; and

(c) the cost as estimated by said 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 sum so requested.

7.9 Condemnation

A taking of, injury to, or destruction of part or all of the Condominium by the exercise of the power of eminent domain shall be considered to be included in the term damage or destruction as provided in Section 7.8A and 7.8B hereof and the award or settlement or any other compensation arising out of any taking or condemnation shall be treated in the same manner as insurance proceeds arising from a casualty loss.

7.10 Assessments if Insurance is Inadequate

Immediately after a casualty causing damage to property for which the Board of Directors has the responsibility of maintenance and repair, the Board shall obtain reliable and detailed estimates of the cost to replace the damaged property in as good a condition as it was before the casualty. Such costs may include professional fees and premiums for such bonds as the Board desires. If the proceeds of insurance are not sufficient to defray such estimated costs, a special assessment shall be made against all the Units in proportion to the Percentage Interest of the Units in sufficient amounts to provide funds to pay the estimated costs. If at any time during reconstruction and repair, or upon completion of reconstruction or repair, the funds for payment of the costs thereof are insufficient, assessments shall be made against all of the Units in proportion to their Percentage Interest in sufficient amounts to provide funds for the payment of such costs.

7.11 Disbursements

Any and all disbursements of funds, whether such funds consist of insurance proceeds, special assessments, sales proceeds, or any combination thereof, to be made by the Insurance Trustee for any purpose whatsoever, shall be made pursuant to and in accordance with a certified statement of the Association or the Board of Directors.

7.12 Notification

The Board of Directors shall notify: (a) the First Mortgagee of the Unit whenever damage to the Unit covered by the mortgage exceeds One Thousand Dollars (\$1,000) and (b) all First Mortgagees whenever damage to the Common Elements exceeds Ten Thousand Dollars (\$10,000).

7.13 Premiums and Deductibles

Premiums upon all insurance policies purchased by the Board of Directors shall be deemed to be a Common Expense. The Association shall pay the deductible for loss or damage in which the event causing loss or damage initially occurred in or to the Common Elements provided, however, the Association shall not pay the deductible for loss or damage arising from the negligence of the Unit Owner or an event which initially occurred in or to a Unit, including all pipes that serve only that Unit. This includes, but is not limited to, condensation pipes, waste lines and supply lines even

if such pipes are located outside the boundary of the Unit. In such case, the Unit Owner shall be responsible for the deductible. The Board of Directors shall determine where the initial event occurred that caused the loss or damage, and who is responsible for the deductible. Unit Owners shall obtain the necessary insurance coverage through their individual Unit Owner insurance company to cover any deductible that they may be responsible for as stated above.

ARTICLE VIII

MORTGAGEES

8.1 Notice to Board

A Unit Owner who mortgages his or her Unit shall notify the Board through the Managing Agent of the name and address of his or her mortgagee. The Board shall maintain such information in a book entitled "Mortgagees of Units."

The Board, whenever so requested in writing by a mortgagee, shall promptly report any then unpaid assessments due from, or any other default by, the Owner of the mortgaged Unit.

8.2 Notice of Default

The Board 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.

8.3 Examination of Books

Each Unit Owner and each First Mortgagee shall be permitted to examine the books of account of the Association at reasonable times on business days, but not more than once a month.

8.4 Notice of Meetings

Upon request, each First Mortgagee of a Unit shall receive notice, in writing, of all meetings of the Association, and shall be permitted to designate a representative to attend all such meetings.

ARTICLE IX

NOTICE

9.1 Manner of Notice

Unless specified otherwise in other sections of these Bylaws, whenever any notice is required to be given under the provisions of the Act or of the Condominium Instruments to any mortgagee, director or Unit Owner, it shall not be construed to require personal notice, but such notice may be given in writing, by mail, by depositing the same in a post office or letter box, in a post-paid sealed wrapper, addressed to such mortgagee, director or Unit Owner at such address as appears on the books of the Association, and such notice shall be deemed to be given at the time when the same shall be thus mailed.

9.2 Waiver of Notice

Whenever any notice is required to be given under the provisions of the Act or the Condominium Instruments, a waiver thereof, in writing, signed by the person or persons entitled to such notice, whether signed before or after the time stated therein, shall be deemed equivalent thereto.

ARTICLE X

AMENDMENT OF BYLAWS

10.1 Amendment of Bylaws

At a meeting of the Association called for that purpose, these Bylaws may be amended by the affirmative vote of Unit Owners representing at least sixty-seven percent (67%) of the votes in the Association. Amendments may be proposed by the Board of Directors or by petition signed by Unit Owners representing at least thirty percent (30%) of the votes in the Association. The amendment to the Bylaws shall not become effective until recorded. The provisions of Article VII, Section 3 of the Declaration shall apply also to amending the Bylaws. In addition, the Declarant shall have the right to amend the Bylaws without Unit Owner approval, as provided by the Condominium Act.

10.2 Approval of Mortgagees

These Bylaws contain provisions concerning various rights, priorities, remedies and interests of the First Mortgagees of Units. Such provisions in these Bylaws are to be construed as covenants for the protection of the First Mortgagees on which they may rely in making loans secured by mortgages of the Units. Accordingly, all First Mortgagees shall be given thirty (30) days' notice of all proposed amendments, and no amendment or Modification of these Bylaws impairing or affecting the rights, priorities, remedies or interests of a First Mortgagee shall be adopted without the prior written consent of such mortgagee. If there is more than one First Mortgagee holding mortgages on the Units, it shall be sufficient for this purpose to obtain the written consent of the First Mortgagee or Mortgagees holding mortgages on at least two-thirds (2/3rds) of the Units encumbered by mortgages.

10.3 Limitations on Actions

Any action by a Unit Owner to challenge the validity of an amendment to the Declaration or these Bylaws adopted and duly recorded by the Association may not be brought more than one (1) year after the amendment is so recorded.

ARTICLE XI

COMPLIANCE AND DEFAULT

11.1 Relief

Each Unit Owner shall be governed by and shall comply with the Act, all of the terms of the Condominium Instruments, the Rules and Regulations, and any amendments of the same. A default or violation by a Unit Owner shall entitle the Association acting through the Board of Directors or Managing Agent, to the following relief:

A. Legal Proceedings. Failure to comply with any of the terms of the Act, the Condominium Instruments or the Rules and Regulations shall be grounds for relief which may include, without limiting the same, an action to recover any sums due for money damages, injunctive relief, fines, sanctions, foreclosure or power of sale of the lien for payment of all assessments, any other relief provided for in these Bylaws, the Act, the Rules 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, the Managing Agent, or, if appropriate, by an aggrieved Unit Owner and shall not constitute an election of remedies.

No suit or other proceeding may be brought by the Association to foreclose the lien for any assessments levied pursuant to the Declaration or these Bylaws except after fifteen (15) days' written notice to the First Mortgagee on the Unit which is the subject of the proceeding.

B. Additional Liability. Each Unit Owner shall be liable for the expenses of all maintenance, repair or replacement rendered necessary by his or her act, neglect or carelessness, or the act, neglect or carelessness of any member of his or her family or his or her employees, tenants, agents, or licensees, but only to the extent that such expense is not covered by the proceeds of insurance carried by the Board of Directors. Such liability shall include any increase in fire 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 an insurance company of its rights of subrogation. Any costs, including without limitation, legal fees incurred as a result of a failure to comply with any of the terms of the Condominium Act, the Declaration, these Bylaws or the Rules and Regulations by any Unit Owner (or such Unit Owner's guests, invitees, tenants, agents or employees) may be assessed against such Unit or Unit Owner.

C. Costs and Attorneys' Fees. In any proceeding arising out of any alleged default or violation by a Unit Owner, the prevailing party shall be entitled to recover the costs of the proceeding, and such reasonable attorneys' fees as may be determined by the court.

D. No Waiver of Rights. The failure of the Association, the Board of Directors or any Unit Owner to enforce any right, provision, covenant or condition which may be granted by the Condominium Instruments or the Rules and Regulations shall not constitute a waiver of the right of the Association, the Board of Directors or any Unit Owner to enforce any right, provision, Covenant or condition of the Condominium Instruments or the Rules and Regulations in the future. All rights, remedies and privileges granted to the Association, Board of Directors or any Unit Owner pursuant to any term, provision, covenant or condition of the Condominium Instruments or Rules and Regulations 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 party exercising the same from exercising such privileges as may be granted to such party by the Condominium Instruments or the Rules and Regulations, or at law or in equity.

E. Interest and Late Fees. In the event of a default by any Unit Owner which continues for a period in excess of fifteen (15) days, such Owner shall be obligated to pay interest on the amounts due at the lesser of twenty percent (20%) per annum or the maximum rate of interest permitted to be charged to natural persons in the District of Columbia with respect to first mortgage

loans at the time of the due date of such amount. Late Fees, as determined by the Board of Directors, may also be imposed on the Unit and the Unit Owner.

F. Abatement and Enjoinment of Violations by Unit Owners. The violation of any Rules and Regulations adopted by the Board of Directors, or the breach of any Bylaw contained herein, or the breach of any provision of the Condominium Instruments (after notice and an opportunity to be heard, unless it is an emergency) shall give the Board of Directors the right, in addition to any other rights set forth in these Bylaws: (i) to enter the Unit in which, or as to which, such violation or breach exists and summarily to abate and remove, at the expense of the defaulting Unit Owner, any structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions hereof, and the Board of Directors shall not thereby be deemed liable for or guilty in any manner of trespass; or (ii) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach.

11.2 Lien for Contributions

A. The total annual contribution of each Unit Owner for the Common Expenses and any other expenses, fees or assessments levied pursuant to these Bylaws is hereby declared to be a lien levied against the Unit of such Unit Owner within the purview of the Act, which lien shall be effective as of the first day of each fiscal year of the Condominium Unit. The Board of Directors, or Managing Agent, may file or record such other or further notice of lien, or such other or further document as may be required by the then laws of the District of Columbia to confirm the establishment 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 payment of any single installment which continues for ten (10) days after written notice of such default has been sent to the Unit Owner, 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 then balance owing may be declared due and payable in full together with interest thereon at the lesser of twenty percent (20%) per annum or the maximum rate of interest permitted to be charged to natural persons in the District of Columbia with respect to first mortgage loans at the time such installment or assessment became due, plus the cost of collection thereof, by the service of notice to such effect upon the defaulting Unit Owner by the Board of Directors or Managing Agent. The Unit Owner who is delinquent shall be prohibited from voting at any meeting of the Unit Owners Association until the amount necessary to release the lien has been paid.

C. The lien for assessments may be enforced and foreclosed in the manner provided by the Condominium Act or any other applicable law by power of sale or action brought in the name of the Board of Directors, acting on behalf of the Association. As per the Condominium Act, a Unit Owner may pay all outstanding assessments and costs prior to the foreclosure.

D. The lien for assessments shall be prior to all other liens and encumbrances except: (i) liens and encumbrances recorded prior to the recordation of the Declaration; (ii) liens of any first priority mortgage or deed of trust on such Unit recorded prior to the due date of such

assessment or the due date of the first installment payable on such assessment, except as provided by law; and (iii) liens for real estate taxes and municipal assessments or charges against the Unit.

11.3 Information to be Furnished in the Event of Resale by a Unit Owner

The Board of Directors, upon written request of any Unit Owner, shall furnish to the Unit Owner upon not less than ten business days' prior written notice, the certificate prescribed by D.C. Code Section 42-1904.11, as follows:

- A. Statement regarding any unpaid assessments and any rights of first refusal or other restraints on free alien ability.
- B. Statement of any capital expenditures anticipated by the Association within the current or succeeding two fiscal years.
- C. Statement of the status and amount of any reserves for capital expenditures, contingencies, and improvements, and any portion of the reserves earmarked for any specified project by the Board of Directors.
- D. A copy of the statement of financial condition of the Association for the then most recent fiscal year for which the statement is available and the current operating budget, if any.
- E. Statement of the status of any pending suits or judgments to which the Association is a party.
- F. Statement setting forth what insurance coverage is provided for all Unit Owners by the Association and a statement whether the coverage includes public liability, loss or damage, or fire and extended coverage with respect to the Unit and its contents.
- G. Statement that any improvements or alterations made to the Unit, or the Limited Common Elements, by the prior Unit Owner are not in violation of the Condominium Instruments.
- H. Statement of the remaining term of any leasehold estate affecting the Condominium or the Unit and the provisions governing any extension or renewal.
- I. The date of issuance of the certificate.

The Board of Directors may impose a reasonable fee to furnish all the information required above, and payment thereof shall be a prerequisite to the issuance of any such statement.

ARTICLE XII

MISCELLANEOUS

12.1 Compliance

These Bylaws are set forth in compliance with the requirements of the Act.

12.2 Conflict

These Bylaws are subordinate and subject to the Act, the Declaration and the Condominium Plat and Condominium Plans. In the event of any conflict between these Bylaws and the other Condominium Instruments, the provisions of the other Condominium Instruments shall control.

12.3 Severability

These Bylaws are adopted to comply with the laws and regulations of the District of Columbia. If any provision of these Bylaws or the application thereof in any circumstances is held invalid, the validity of the remainder of these Bylaws shall not be affected thereby, and to this end, the provisions of these Bylaws are declared to be severable.

12.4 Waiver

No restriction, condition, obligation or provision of these Bylaws shall be deemed to be abrogated or waived by reason of any failure to enforce the same.

12.5 Captions

The captions contained in these Bylaws are for convenience only and are not a part of these Bylaws and are not intended in any way to limit or enlarge the terms and provisions of these Bylaws.

12.6 Gender

Whenever in these Bylaws the context so requires, the singular number shall include the plural and the converse, and the use of any gender shall be deemed to include all genders.

IN TESTIMONY WHEREOF, on this ____ day of _____, 2008, the said 410 15th Street, LLC Grantor/Declarant, has caused these presents to be signed and does acknowledge and deliver these presents as its act and deed.

WITNESS:

GRANTOR/DECLARANT:

410 15th Street, LLC

By:

Stuart J. Long, Member

) to wit:
)

I, _____, a notary public in and for the District of Columbia do hereby certify that Stuart J. Long, Member of 410 15th Street, LLC appeared in said District of Columbia and being personally known to me, and acknowledged the foregoing instrument bearing date of _____, 2008 to be the act and deed of 410 15th Street, LLC and have delivered the same as such.

WITNESS under my hand and seal this ____ day of _____, 2008.

Notary Public

My Commission Expires: _____

The trustees hereby consent to the provisions and the recordation of this Declaration.

_____(SEAL)

_____(SEAL)

) to wit:
)

I, _____, a notary public in and for the District of Columbia do hereby certify that _____ personally appeared before me in the said District of Columbia and being personally known to me, acknowledged the foregoing instrument to be his or her act and deed as Trustee and have delivered the same as such.

WITNESS under my hand and seal this _____ day of _____, 2008.

Notary Public

My Commission Expires: _____

) to wit:
)

I, _____, a notary public in and for the District of Columbia do hereby certify that _____ personally appeared before me in the said District of Columbia and being personally known to me, acknowledged the foregoing instrument to be his or her act and deed as Trustee and have delivered the same as such.

WITNESS under my hand and seal this _____ day of _____, 2008.

Notary Public

My Commission Expires: _____

EXHIBIT A to BYLAWS

Legal Description:

Lot 116 in Square 1053, as per plat recorded in Book 202 at Page 142, among the Records
Office of the Surveyor of the District of Columbia.

ESTIMATES OF INITIAL CONDOMINIUM FEE

SAMPLE DEED

After recording please mail to:

Kass, Mitek & Kass, PLLC
1050 17th Street, NW, Suite 1100
Washington, DC 20036
First American Title Insurance Company

File No. _____

SPECIAL WARRANTY DEED

THIS DEED, made this _____ day of _____, 2008, by and between 410 15th Street, LLC, party of the first part, and _____, party of the second part:

WITNESSETH, that in consideration of _____ Dollars (\$_____), the said party of the first part does hereby grant unto the party of the second part in fee simple as Tenants In Common/Joint Tenants/Tenants by the Entirety/Sole Owner, all that piece or parcel of the land, together with the improvements, rights, privileges and appurtenances to the same belonging, situate in the District of Columbia, described as follows, to wit:

Part of Lot _____ in Square _____ as per plat recorded in Liber _____ at folio _____ among the Records of the Office of the Surveyor for the District of Columbia.

The part of the land being more particularly designated as UNIT No. _____ of the The 410 Condominium, according to the Declaration of Condominium recorded _____ as Instrument No. _____ and Bylaws relating thereto recorded _____ as Instrument No. _____ among the Land Records of the District of Columbia, and as per Plat of Condominium Subdivision recorded in Condominium Book No. _____ at page _____ of the Records of the Office of the Surveyor for the District of Columbia.

NOTE: At the date hereof the above described land is designated on the Records of the Assessor of the District of Columbia for taxation and assessment purposes as Lot _____ in Square 1053.

TOGETHER WITH all of the appurtenances incident to said Unit(s), as contained in the Declaration of Condominium.

SUBJECT, HOWEVER, to all the provisions, restrictions, easements and conditions as contained in said Declaration of Condominium and the Bylaws relating thereto.

The Condominium Declaration allocates to the Condominium Unit an undivided interest (stated as a percentage) in the common elements of the Condominium (hereinafter called the "Percentage Interest"). The Percentage Interest of the Condominium Unit is set forth in the Condominium Declaration.

AND the said party of the first part covenants that he/she/they will warrant specially the property hereby conveyed; and that he/she/they will execute such further assurances of said land as may be requisite.

WITNESS his/her/their hand(s) and seal(s) the day and year hereinbefore written.

In Presence of

_____ {Seal} _____ {Seal}

) to wit:
)

I, _____, a notary public in and for the District of Columbia do hereby certify that _____, who is/are personally well known to me (or satisfactorily proven to be) as the party who executed the foregoing and annexed Deed bearing date on the _____ day of _____, 2008, personally appeared before me in said district and acknowledged the same to be the act and deed of the party of the first part as named above.

WITNESS under my hand and seal this _____ day of _____, 2008.

Notary Public

My Commission Expires: _____

ESTIMATE OF SETTLEMENT CHARGES

The 410 Condominium
ESTIMATE OF SETTLEMENT CHARGES AND
PREPAID ITEMS FOR PURCHASER'S SETTLEMENT

The purchaser should expect or may be required to pay at settlement, in addition to the down payment, a charge for title examination, preparation of papers and settlement fee. Additional charges will include a mortgagee title insurance premium; District of Columbia recordation taxes currently 1.1% of the purchase price if the purchase price is less than \$400,000 and 1.45% if the purchase price is \$400,000 or more; recording charges for the deed and the deed of trust; loan placement fee; private mortgage insurance premium; Owner's title insurance premium; tax certificate and service charge; financing statement recording fee; and proration of prepaid items such as real estate taxes and insurance.

The Purchase Agreement requires the purchaser to pay at settlement an initial capital contribution in an amount equal to two month's estimated Condominium fee (in addition to any regular Condominium fee), which will be allocated to the Condominium's capital reserve account.

Seller, as Declarant of the Condominium, shall be entitled to reimbursement from the Condominium Association by each Unit Owner for any advances and prepaid items paid by Declarant on behalf of the Association, including the initial payment of the Master Insurance premiums. Accordingly, each Unit Owner shall pay to Seller at settlement his/her pro rata share based on percentage interest of the amount advanced.

THE ABOVE COSTS ARE APPROXIMATE EXPENSES AND SUBJECT TO CHANGE.

I hereby certify that, to the best of my knowledge and having reviewed the District of Columbia Land Records which have a "through-date" of 12-19-07, 2008, the above-described real property is titled in the name of 410 15th Street, LLC. Further, there are no encumbrances on title other than as reflected in the attached Owner's Policy of Title Insurance issued by First American Title Insurance Company, Policy # 105788322.

Kass, Mitek & Kass, PLLC



Member

1/10/08

Date



Nº 105788322 VMDO

Policy Page 1

OWNER'S POLICY OF TITLE INSURANCE

ISSUED BY

First American Title Insurance Company

Any notice of claim and any other notice or statement in writing required to be given to the Company under this policy must be given to the Company at the address shown in Section 18 of the Conditions.

COVERED RISKS

SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE EXCEPTIONS FROM COVERAGE CONTAINED IN SCHEDULE B AND THE CONDITIONS, FIRST AMERICAN TITLE INSURANCE COMPANY, a California corporation (the "Company") insures, as of Date of Policy and, to the extent stated in Covered Risks 9 and 10, after Date of Policy, against loss or damage, not exceeding the Amount of Insurance, sustained or incurred by the Insured by reason of:

1. Title being vested other than as stated in Schedule A.
2. Any defect in or lien or encumbrance on the Title. This Covered Risk includes but is not limited to insurance against loss from
 - (a) A defect in the Title caused by
 - (i) forgery, fraud, undue influence, duress, incompetency, incapacity, or impersonation;
 - (ii) failure of any person or Entity to have authorized a transfer or conveyance;
 - (iii) a document affecting Title not properly created, executed, witnessed, sealed, acknowledged, notarized, or delivered;
 - (iv) failure to perform those acts necessary to create a document by electronic means authorized by law;
 - (v) a document executed under a falsified, expired, or otherwise invalid power of attorney;
 - (vi) a document not properly filed, recorded, or indexed in the Public Records including failure to perform those acts by electronic means authorized by law; or
 - (vii) a defective judicial or administrative proceeding.
 - (b) The lien of real estate taxes or assessments imposed on the Title by a governmental authority due or payable, but unpaid.
 - (c) Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land. The term "encroachment" includes encroachments of existing improvements located on the Land onto adjoining land, and encroachments onto the Land of existing improvements located on adjoining land.
3. Unmarketable Title.
4. No right of access to and from the Land.
5. The violation or enforcement of any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (a) the occupancy, use, or enjoyment of the Land;
 - (b) the character, dimensions, or location of any improvement erected on the Land;
 - (c) the subdivision of land; or
 - (d) environmental protectionif a notice, describing any part of the Land, is recorded in the Public Records setting forth the violation or intention to enforce, but only to the extent of the violation or enforcement referred to in that notice.
6. An enforcement action based on the exercise of a governmental police

power not covered by Covered Risk 5 if a notice of the enforcement action, describing any part of the Land, is recorded in the Public Records, but only to the extent of the enforcement referred to in that notice.

7. The exercise of the rights of eminent domain if a notice of the exercise, describing any part of the Land, is recorded in the Public Records.
8. Any taking by a governmental body that has occurred and is binding on the rights of a purchaser for value without knowledge.
9. Title being vested other than as stated in Schedule A or being defective
 - (a) as a result of the avoidance in whole or in part, or from a court order providing an alternative remedy, of a transfer of all or any part of the title to or any interest in the Land occurring prior to the transaction vesting Title as shown in Schedule A because that prior transfer constituted a fraudulent or preferential transfer under federal bankruptcy, state insolvency, or similar creditors' rights laws; or
 - (b) because the instrument of transfer vesting Title as shown in Schedule A constitutes a preferential transfer under federal bankruptcy, state insolvency, or similar creditors' rights laws by reason of the failure of its recording in the Public Records
 - (i) to be timely, or
 - (ii) to impart notice of its existence to a purchaser for value or to a judgment or lien creditor.
10. Any defect in or lien or encumbrance on the Title or other matter included in Covered Risks 1 through 9 that has been created or attached or has been filed or recorded in the Public Records subsequent to Date of Policy and prior to the recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

The Company will also pay the costs, attorneys' fees, and expenses incurred in defense of any matter insured against by this policy, but only to the extent provided in the Conditions.

First American Title Insurance Company

BY  PRESIDENT

ATTEST  SECRETARY



First American Title Insurance Company
OWNER'S POLICY SCHEDULE A

Policy Number: 105788322 VMDO

Amount of Insurance: \$2,037,750.00

Date of Policy: 06/19/07

File Number: 077166

Policy Issued Simultaneously with Policy Number: 105818140 VMDL

INSURED

410 15TH STREET, LLC, Sole Owner

1. Title to the estate or interest covered by this Policy at the date hereof is vested in the insured.
2. The estate or interest in the land described or referred to in this Schedule and covered herein is (identify estate covered, i.e. fee, leasehold, etc.) **Fee Simple**
3. The land referred to in this Policy is situate in the City of Washington, District of Columbia and is described on the attached Exhibit A.

First American Title Insurance Company

ROCK CREEK TITLE, LLC

Name of Agent

Authorized Signatory

06/19/07

Date

EXHIBIT A
DESCRIPTION OF PROPERTY

Policy Number: 105788322 VMDO

Lots numbered Eighty-six (86) to Eighty-nine (89), inclusive, in Benjamin H. Gruver's subdivision of parts of Lot numbered Fifteen (15) in Square numbered Ten Hundred Fifty-three (1053), as per plat recorded in the Office of the Surveyor for the District of Columbia in Liber 74 at folio 11.

Now known for purposes of assessment and taxation as Lot numbered Eight Hundred Ten (810) in Square numbered Ten Hundred Fifty-three (1053).

Property Address: 410 15th Street, NE, Washington, DC 20002

First American Title Insurance Company

OWNER'S POLICY/SCHEDULE B

Policy No. 105788322 VMDO

This policy does not insure against loss or damage by reason of the following:

1. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of said land or by making inquiry of persons in possession thereof.
2. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by public records.
3. Any lien, or right to a lien, for services, labor or material theretofore or hereafter furnished, imposed by law and not shown by the public records.
4. All assessments and taxes for the Year 2007 and all subsequent years.
5. Roads, ways, streams, or easements, if any, not shown of record, riparian rights and the title to any filled-in lands.
6. Deed of Trust dated June 8, 2007 and recorded June 19, 2007 as Instrument No. 2007081468, among the Land Records of the District of Columbia, from 410 15TH STREET, LLC to James W. Cornelsen and Christine M. Rush, Trustees, securing OLD LINE BANK, a Maryland Chartered Bank, in the principal sum of \$3,200,000.00.
7. UCC Financing Statement from 410 15th Street, LLC securing Old Line Bank recorded June 19, 2007 in the Financing Records of the Office of the Surveyor for the District of Columbia.
8. Fifteen (15) foot Public Alley to the west of captioned property and ten (10) foot Public Alley to the south of captioned property per record plat.
9. Pending disbursement of the full proceeds of the loan secured by the Deed of Trust insured, this policy only insures to the extent of the amount actually disbursed but increases as each disbursement is made in good faith without actual knowledge of any defects in, or objections to, the title up to the face amount of the policy.

ENDORSEMENT

Attached to Policy No. 105818140 VMDL
Issued By
First American Title Insurance Company

CONSTRUCTION LOAN DISBURSEMENT ENDORSEMENT

Effective date of endorsement: 11/24/07

Previous Amount of Insurance \$ 1,895,581.66

Increase in Amount of Insurance \$225,000.00.

The Amount of Insurance is amended to \$2,120,581.66.

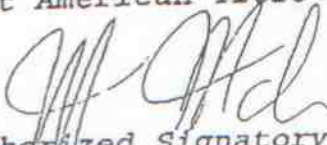
Schedule B is amended as follows: none

(Insert intervening matters)

This endorsement is made a part of the policy and is subject to all of the terms and provisions thereof and of any prior endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the policy and prior endorsement, nor does it extend the effective date of the policy and any prior endorsement, nor does it increase the face amount thereof.

Date: 12/19/07

First American Title Insurance Company


Authorized Signatory

F.A. Form 61.1

Construction Loan Disbursement

ALTA Loan Policy

RULES AND REGULATIONS

OF

The 410 CONDOMINIUM

GENERAL

1. The 410 Condominium Association ("Association"), acting through its Board of Directors, has adopted the following Rules and Regulations ("Regulations"). These Regulations may be amended from time to time by resolution of the Board of Directors.

2. Whenever in these Regulations reference is made to "Unit Owners," such term shall apply to the Owner of any Unit, to such Owner's tenant whether or not in residence, and such Owner's (or such tenant's) family, servants, employees, agents, visitors, guests, invitees or licensees. Wherever in these Regulations reference is made to the Association, such reference shall include the Association and the managing agent when the managing agent is acting on behalf of the Association.

3. The Unit Owners shall comply with all the Regulations hereinafter set forth governing Condominium.

4. The Association reserves the right to alter, amend, modify, repeal or revoke these Regulations and any consent or approval given hereunder at any time by resolution of the Association or the Board of Directors.

RESTRICTIONS ON USE

5. No part of the Condominium shall be used for any purpose except for residential purposes.

6. No Unit Owner shall obstruct any of the Common Elements nor shall any Unit Owner place or cause or permit anything to be placed on or in any of the Common Elements without the approval of the Board. Nothing shall be altered or constructed in or removed from the Common Elements except with the prior written consent of the Board of Directors.

7. 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. The sidewalks shall be used for no purpose other than for normal transit.

8. Nothing shall be done or kept in any of the Common Elements which will increase the rate of insurance for the building or contents thereof applicable for residential or permitted commercial uses without the prior written consent of the Board of Directors. No Unit Owner shall permit anything to be done or kept in the Unit or on the Common Elements which will result in the cancellation of insurance on the building or contents thereof or which would be in violation of any

public law, ordinance or regulation. No gasoline or other explosive or inflammable material may be kept in any Unit or storage area. No waste shall be committed on the Common Elements.

9. All garbage and trash must be placed in the proper receptacles designated for refuse collection and no garbage or trash shall be placed elsewhere on any Common Element.

10. Except for any areas designated as such by the Board of Directors, no playing or lounging shall be permitted, nor shall baby carriages, bicycles, playpens, wagons, toys, benches, chairs or other articles of personal property be left unattended in common areas of the building or elsewhere on the Common Elements.

11. The toilets and other water and sewer apparatus shall be used only for the purposes for which designed, and no sweepings, matches, rags, ashes or other improper articles shall be thrown therein. The cost of repairing any damage resulting from misuse of any of such apparatus shall be borne by the Unit Owner causing such damage.

12. Each Unit Owner shall keep the Unit in a good state of preservation, repair and cleanliness and shall not sweep or throw or permit to be swept or thrown therefrom, or from the doors, windows, any patios or balconies thereof, any dirt or other substance.

13. Nothing shall be done in any Unit or on the Common Elements which may impair the structural integrity of the building or which may structurally change the building nor shall anything be altered or constructed on or removed from the Common Elements, except upon the prior written consent of the Board of Directors.

14. No improper, offensive or unlawful use shall be made of the Property or any part thereof, and all valid laws, zoning ordinances and regulations of all governmental agencies having jurisdictions thereof shall be observed. All laws, orders, rules, regulations or requirements of any governmental agency having jurisdiction thereof relating to any portion of the Property shall be complied with, by and at the sole expense of the Unit Owner or the Board of Directors, whichever shall have the obligation to maintain or repair such portion of the Property, and, if the latter, then the cost of such compliance shall be a common expense.

15. No Unit Owner shall make or permit any disturbing noises in any building or do or permit anything which will interfere with the rights, comforts or convenience of other Unit Owners. All Unit Owners shall keep the volume of any radio, television, musical instrument or other sound producing device in their Units sufficiently reduced at all times so as not to disturb other Unit Owners. Despite such reduced volume, no Unit Owner shall operate or permit to be operated any such sound producing devices in a Unit between the hours of eleven o'clock p.m. and the following eight o'clock a.m. if such operation shall disturb or annoy other occupants.

16. No industry, business, trade, occupation or profession of any kind, commercial, religious, educational or otherwise, designed for profit, altruism, exploitation or otherwise, shall be conducted, maintained or permitted in or on the Condominium, except for a home office as provided by the D.C. zoning laws. No "For Sale," "For Rent" or "For Lease" signs or other window displays or advertising may be maintained or permitted on any part of the Condominium or in any Unit. No

Unit shall be used or rented for transient, hotel or motel purposes. The right is reserved by the Declarant and the Board of Directors or the managing agent, to place "For Sale," "For Rent" or "For Lease" signs on any unsold or unoccupied Units, and the right is hereby given to any Mortgagee who may become the Owner of any Unit to place such signs on any Unit owned by such Mortgagee, but in no event will any sign be larger than one foot by two feet.

17. Draperies, curtains or venetian blinds must be installed by each Unit Owner on all windows of the Unit and must be so maintained thereon at all times so that the exterior color will appear white.

18. No Unit Owner shall cause or permit anything to be hung, displayed or exposed on the exterior of a Unit or Common Elements appurtenant thereto, whether through or upon the windows, doors or appurtenances of such Unit. The prohibition herein includes without limitation laundry, clothing, rugs, signs, awnings, canopies, shutters, radio or television antennas or any other items. Under no circumstances shall any exhaust fan, air conditioning apparatus, television or radio antennas or other items be installed by the Unit Owner beyond the boundaries of the Unit. No clothesline, clothes rack or any other device may be used to hang any items on any window, nor may such devices be used anywhere on the Common Elements except in such areas as may be specifically designated for such use by the Board of Directors. No area shall be enclosed or covered by a Unit Owner without the prior written consent of the Board of Directors.

PET RULES

19. No animals, livestock, poultry or reptiles of any kind, regardless of number, may be maintained, kept, boarded or raised, in any Unit or upon the Common Elements, except that the keeping of orderly domestic pets (e.g., dogs, cats or caged birds) not to exceed one per Unit without the approval of the Board of Directors, and aquarium fish and other limited species of animals which do not normally leave the Unit and which do not make noise is permitted, subject to the Rules and Regulations adopted by the Board of Directors and provided, that such animals are not kept for breeding purposes.

20. A pet may be maintained in a Unit only for so long as it is not a nuisance. Any such pet causing or creating a nuisance or any unreasonable disturbance or noise may be permanently removed from the Condominium upon ten days' written notice from the Board of Directors. Actions which will constitute a nuisance include but are not limited to abnormal or unreasonable crying, barking, scratching or unhygienic offensiveness.

21. Pets must be leashed or carried; leashes must be short in order to permit close control of the pet.

22. Pet Owners are fully responsible for personal injuries and/or property damage caused by their pets and shall be deemed to have indemnified and agreed to hold the Association, each Unit Owner and the Declarant free and harmless from any loss, claim or liability of any kind or character whatever arising by reason of keeping or maintaining such pet within the Condominium.

23. All pets which may leave the Unit must be registered and inoculated as required by law and registered with the Association office and the Board of Directors may establish reasonable fees for registration, not to exceed the additional costs incurred by the Association resulting from the presence of the pets.

24. Owners of pets walked upon the Common Elements must promptly clean up their pet's droppings.

PARKING AND STORAGE

25. No personal property may be stored on the Common Elements except in storage areas designated as such by the Condominium Instruments or by the Board of Directors. All personal property placed in any portion of the building or any place appurtenant thereto shall be at the sole risk of the Unit Owner, and the Association shall in no event be liable for the loss, destruction, theft or damage to such property.

26. Should an employee of the Association at the request of a Unit Owner move, handle or store any articles in storage rooms or remove any articles therefrom or handle, move, park or drive any automobile, then, and in every such case, such employee shall be deemed the agent of the Unit Owner. The Association shall not be liable for any loss, damage or expense that may be suffered or sustained in connection therewith.

27. Trailers, campers, recreational vehicles, boats and other large vehicles may not be parked on the Property. No junk or derelict vehicle or other vehicle on which current registration plates are not displayed shall be kept upon any of the Common Elements. Except in areas designated by the Board of Directors, vehicle repairs other than: (i) emergency maintenance, (ii) ordinary light maintenance (excluding fluid changes and other operations which might soil the Common Elements) and (iii) normal cleaning (in areas designated by the Board, if any) are not permitted on the Common Elements.

28. No vehicle shall be parked on the Condominium with conspicuous "For Sale" signs attached.

29. All Unit Owners shall observe and abide by all parking and traffic regulations posted by the Association or by municipal authorities. Vehicles parking in violation of any such regulations may be towed away at the Unit Owner's sole risk and expense.

30. . Parking so as to block sidewalks or driveways shall not be permitted. If any vehicle owned or operated by a Unit Owner shall be illegally parked or abandoned on the Condominium, the Association shall be held harmless by such Unit Owner for any and all damages or losses that may ensue, and any and all rights in connection therewith that the Owner or driver may have under the provisions of state or local laws and ordinances are hereby expressly waived. The Unit Owner shall indemnify the Association against any liability which may be imposed on the Association as a result of such illegal parking or abandonment of vehicles and any consequences thereof.

ENTRY INTO UNITS

31. The Board of Directors or managing agent shall not cause a master key system to be used for Units in the Condominium; however, each Unit Owner shall provide to the Association or the managing agent, and the Association or managing agent shall have the right to keep, a working copy of any key(s) required to gain entry to any Unit. These key(s) ("emergency keys") shall be coded in such a way as to prevent identification by unauthorized persons and secured by the Association or managing agent in a locked box for use only if entry to such Unit is necessitated by the fact or threat of fire, flood, or any other condition which may adversely affect the Common Elements or other Units. The Board of Directors or managing agent (subject to the prior approval of the Board of Directors) shall establish and implement procedures and controls to ensure the proper use of such emergency keys. In no event shall such keys be removed from the locked box and used to facilitate entry to a Unit for purposes other than those noted above. No Unit Owner shall alter any lock or install additional locks, or a knocker, or a bell or any other fixtures on any doors of a Unit without the prior written consent of the Board of Directors.

32. The agents of the Board of Directors or the managing agent, and any contractor or workman authorized by the Board of Directors or the managing agent, may enter any room or Unit in the building upon reasonable notice to the Unit Owner at any reasonable hour of the day (except in case of emergency in which case entry may be immediate and without such permission) for the purpose of exercising and discharging their respective powers and responsibilities, including without limitation inspecting such Unit for the presence of any vermin, insects or other pests and for the purpose of taking such measures as may be necessary to control or exterminate any such vermin, insects or other pests.

33. Employees and agents of the Association are not authorized to accept packages, keys, money or articles of any description from or for the benefit of a Unit Owner. If packages, keys (whether for a Unit or an automobile), money or articles of any description are left with the employees or agents of the Association, the Unit Owner assumes the sole risk therefor and the Unit Owner, not the Association, shall be liable for injury, loss or damage of any nature whatsoever directly or indirectly resulting therefrom or connected therewith. The Association does not assume any responsibility for loss or damage in such cases. Deliveries requiring entrance to a Unit Owner's Unit will not be accepted.

COMMON AREAS

34. All persons using any of the common areas do so at their own risk and sole responsibility. The Association does not assume responsibility for any occurrence, accident or injury in connection with such use. No Unit Owner shall make any claim against the Association, its servants, agents, or employees, for or on account of any loss or damage to life, limb or property sustained as a result of or in connection with any such use of any of the common areas. Each Unit Owner shall hold the Association harmless from any and all liabilities and any action of whatsoever nature by any tenants, guests, invitees or licensees of such Unit Owner growing out of the use of the common areas, except where such loss, injury or damage can be clearly proved to have resulted from and been proximately caused by the direct negligence of the Association or its agents, servants or employees in the operation, care or maintenance of such common areas.

35. No Owner shall make any changes, alterations, improvements or repairs to the exterior of the building or to the Common Elements without the prior written approval of the Board of Directors.

36. Any damage to the building or other Common Elements or equipment caused by a Unit Owner or such Unit Owner's invitees, guests, family members, agents, employees, contractors and pets shall be repaired at the expense of the Unit Owner.

ROOF

37. The roof shall be used for its intended purpose and in accordance with the written approval and resolutions of the Board of Directors.

MOVING

38. Move-ins and move-outs are restricted to the hours between 9:00 a.m. and 5:00 p.m., Monday through Saturday, excluding holidays. Each Unit Owner is responsible for the proper removal of trash, debris, crating or boxes relating to that Unit Owner's move-in or move-out. There shall be a move-in/move-out fee of \$200.00 to be paid in advance.

ASSOCIATION

39. All charges and assessments imposed by the Association are due and payable on the first day of each month, unless otherwise specified. Payment shall be made to the location as determined by the Board by check or money order, payable to the Condominium. Cash will not be accepted.

40. Complaints regarding the management of the Condominium or regarding actions of other Unit Owners shall be made in writing to the managing agent or the Board of Directors.

41. No Unit Owner shall direct, supervise or in any manner attempt to assert control over or request favors of any employee of the managing agent or the Unit Owners' Association.

CONSIDERATION IN USE OF UNITS

42. All persons shall be properly attired when appearing in any common area of the Property including stairwells and any other public spaces of the Condominium.

43. All radio, television or other electrical equipment of any kind or nature installed or used in each Unit shall fully comply with all rules, regulations, requirements and recommendations of the Board of Fire Underwriters and the public authorities having jurisdiction, and the Unit Owner alone shall be liable for any damage or injury caused by any radio, television or other electrical equipment in such Unit.

44. No electrical business equipment, other than normal computers may be installed in Residential Units without the prior written consent of the Board of Directors. No electrical

equipment shall be installed in any Unit which causes interference with the normal operation of electrical equipment in other Units. All electrical equipment of any kind or nature installed or used in each Unit shall fully comply with all rules, regulations, requirements or recommendation of the Board of Fire Underwriters and the public authorities having jurisdiction, and the Unit Owner alone shall be liable for any damage or injury caused by any electrical equipment in such Unit Owner's Unit. Facilities or equipment of any nature which will or may necessitate any changes, replacements or additions to, or otherwise burden the portion of the Common Elements providing for water, electricity, heat, or air-conditioning shall not be installed except with the prior written consent of the Board of Directors. If the Board of Directors so determine that such facilities or equipment causes an additional expense to the Unit Owners' Association, then such increase shall be assessed against the Unit Owner installing the facilities or equipment as a specific expense to the Unit.

45. The installation of additional major appliances in any Unit is prohibited. Such appliances include, but are not limited to, washing machines, dryers, refrigerators, freezers, and dishwashers. Replacement of existing major appliances with other than comparable equipment is permitted only with the prior written approval of the Board of Directors.

46. Unit Owners are cautioned against excessive use of soaps and other detergents in their appliances or plumbing apparatus which may cause overflow of suds in any Unit or in any central waste disposal system. Detergents and soaps shall be used only pursuant to manufacturer's directions.

47. Unit entrance doors shall be kept closed and secured at all times except when in use. Windows and doors should be kept closed during air-conditioning season while the air conditioning system is in use in order to prevent condensation from forming in the Unit's cooling mechanism and causing damage to carpets and floors.

48. All walking areas (except in kitchens and bathrooms) and eighty-five percent (85%) of all wood floor areas in each Unit located over other Unit(s) must be covered by carpets or rugs with padding. Eighty-five percent (85%) of floor areas in bedrooms in Units located over other Unit(s) must have carpet or rugs.

GENERAL

49. The planting of plants, flowers, trees shrubbery and crops of any type is prohibited anywhere on the Common Elements without the prior written consent of the Board of Directors. No fences may be erected around or on the Common Elements.

50. Solicitors are not permitted. If any Unit Owner is contacted by a solicitor on the Property, the Board or managing agent must be notified immediately.