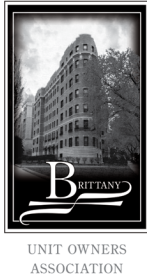


UNIT OWNERS  
ASSOCIATION

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# BYLAWS

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## THE BRITTANY CONDOMINIUM BYLAWS

### 1. IDENTIFICATION OF THE CONDOMINIUM.

The name of the Condominium is: The Brittany Condominium. The address of the Condominium is: 2001 16th street, N.W., Washington, D.C. The name of the Association is: The Brittany Unit Owners Association.

### 2. DEFINITIONS.

Each of the following terms, as used in these Bylaws, shall have the same meaning as the meaning ascribed to it in Section 3 of the Condominium Declaration: “Act”; “Association”; “Board of Directors”; “Building”; “Bylaws”; “Common Elements”; “Common Expenses”; “Condominium”; “Condominium Act”; “Condominium Instruments”; “Condominium Plat”; “Condominium Plans”; “Condominium Unit”; “Declarant”; “Declaration”; “First Mortgagee”; “General Common Elements”; “Identifying Number”; “Land”; “Limited Common Elements”; “Par Value”; “Percentage Interest”; “Person”; “Record”; “Rules and Regulations”; “Unit”; “Unit Owners”; “Unit Owners Association”.

### 3. PURPOSE AND APPLICABILITY OF BYLAWS.

These Bylaws are adopted pursuant to the District of Columbia Condominium Act of 1976 and provide for the self-government of the Condominium. 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. All present and future Unit Owners and their tenants, licensees, invitees, servants, 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 agreement to comply with, these Bylaws and the other Condominium Instruments, and any Rules and Regulations now existent or hereafter adopted.

### 4. UNIT OWNERS ASSOCIATION.

#### 4.1 Membership.

All Unit Owners in the Condominium, acting as a group in accordance with the Condominium Act and the Condominium Instruments, constitute the Unit Owners Association. A person shall automatically become a member of the Association at the time that he becomes a Unit Owner and shall remain a member until such time as his ownership of a Unit ceases for any reason, at which time his membership in the Association shall automatically cease. The ownership of an interest in a Unit solely as security for the performance of an obligation does not entitle the owner of such interest to membership in the Association.

#### 4.2 Powers and Responsibilities.

Pursuant to Subsection 301(b) of the Condominium Act, and except as otherwise expressly provided in these Bylaws or in the Declaration, the powers and responsibilities assigned by the Condominium Act to the Unit Owners Association are delegated to the Board of Directors, as more particularly set forth in Section 5.

### 4.3 Meetings.

#### 4.3.1 Place of Meetings.

Meetings of the Association shall be held at such place as may be designated by the Board of Directors and stated in the notice of the meeting.

#### 4.3.2 Annual Meetings.

The first annual meeting of the Association shall be held at a time designated by the Board of Directors (i) within two years from the date that the first Unit is conveyed or (ii) within 90 days after Units to which 75% of the Percentage Interests appertain have been conveyed by the Declarant, whichever date first occurs, or (iii) on such earlier date as may be established by the Board of Directors. Thereafter an annual meeting of the Association shall be held on a date to be established by the Board of Directors, which shall be not more than 60 days prior to or 30 days after the end of the fiscal year, except that the second annual meeting of the Association shall be held not less than 6 months or more than 18 months after the date of the first annual meeting. 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.

#### 4.3.3 Special Meetings.

A special meeting of the Association may be called by the Board of Directors or by the President; and must be called by the President at the written request (stating the purposes of the meeting) of 25% or more of the Unit Owners. No business shall be transacted at a special meeting except that which is set forth in the notice of the meeting.

#### 4.3.4 Notices.

The Secretary shall send a notice of the meeting of the Association to each Unit Owner at least 21 days in advance of an annual meeting and at least 7 days in advance of a special meeting. The notice shall state the time, place and purposes of the meeting. The notice shall be given to each Unit Owner (i) by United States mail at his Unit address or to such other address as he may have designated to the Secretary in writing or (ii) by hand delivery and by posting in at least two common areas of the Condominium.

Placing the notice under or on the entrance door of the Unit Owner's Unit constitutes hand delivery of the notice. The mailing or hand delivery of a notice of meeting in the manner provided herein shall constitute service of notice.

#### 4.3.5 Voting.

Each Unit is allocated a number of votes in the Association equal to the Par Value assigned to that Unit in the Declaration and set forth in Exhibit B to the Declaration. Each Unit Owner is entitled to cast the votes allocated to his 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 votes allocated to that Unit. But if more than one of such persons is present, the votes allocated to that Unit shall be cast only in accordance with the agreement of the majority of them, and such agreement shall be conclusively presumed if any one of them purports to cast the votes 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, and subject to the quorum requirement, decisions or

actions of the Association shall be taken by a majority of the votes cast in person or by proxy. If the Declarant owns or holds title to any Unit, the Declarant shall have the right to cast the votes assigned to that Unit.

#### 4.3.6 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, but only a Unit Owner, the spouse of a Unit Owner, the Declarant, the Managing Agent or an employee of the Managing Agent may be appointed a proxy. 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. A proxy is not valid unless it is dated and signed by the Unit Owner or by a person having authority to execute deeds on behalf of the Unit Owner. A proxy shall terminate automatically upon the adjournment of the first meeting held on or after the date of the proxy. No person other than the Declarant, the Managing Agent or an employee of the Managing Agent shall cast a vote as a proxy for more than three Units in addition to his own.

#### 4.3.7 Quorum.

The presence in person or by proxy of the Unit Owners entitled to cast at least 25% of the votes in the Association 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 at least 25% 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 is not present, the Unit Owners present may recess the meeting from time to time until a quorum is present, whereupon any business may be transacted that may have been transacted at the meeting as originally called. No further notice thereof shall be required.

#### 4.3.8 Order of Business.

The order of business at a meeting of the Association shall be as follows: (i) proof of notice of meeting; (ii) determination of the presence of a quorum; (iii) election of inspectors of election, if applicable; (iv) election of directors, if applicable; (v) reports of the Board of Directors, officers and committees; (vi) unfinished business; and (vii) new business. Items (vi) and (vii) shall be omitted from the order of business of a special meeting held for the sole purpose of electing a director.

#### 4.3.9 Conduct of Meeting.

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

### 5. BOARD OF DIRECTORS.

#### 5.1. Powers and Duties.

The Board of Directors is the executive and administrative entity designated to act for the Association in governing the Condominium, and is an "Executive Organ" within the meaning of Section 102(m) of the Condominium Act. The affairs and business of the Association shall be managed by the Board of Directors. The Board of Directors may del-



egate 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:

- (1) Prepare and adopt an annual budget for the Condominium.
- (2) Make and collect assessments (including special assessments) against the Unit Owners to defray the Common Expenses, establish the method of collecting such assessments from the Unit Owners, and establish the period of the installment payments of Assessments.
- (3) Provide for the operation, care, upkeep, maintenance and surveillance of the Common Elements and for services to the Condominium.
- (4) 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.
- (5) Make and amend Rules and Regulations respecting the use of the Condominium.
- (6) Establish bank accounts for the Association.
- (7) 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.
- (8) 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.
- (9) Purchase and maintain insurance required by Article 10 of these Bylaws.
- (10) Pay the cost of services rendered to the Condominium for which the Association, as distinct from individual Unit Owners, is liable.
- (11) Keep the books of the Association with detailed accounts of the receipts and expenditures affecting the Condominium, specifying all expenses incurred, including pre-paid 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 outside auditor 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.
- (12) Purchase Units on behalf of the Association at foreclosure or other judicial sale, if the Board of Directors determines that such purchase is in the best interest of the Association.
- (13) 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 man-

agement of the Condominium. The Board of Directors shall have the power to levy fines against Unit Owners for violations. No fine may be levied for more than five dollars for any one violation; but for each day that a violation continues, after notice, it shall be considered a separate violation. Collection of fines may be enforced against a 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 to post a bond, satisfactory to it, to secure future compliance with the Rules and Regulations.

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

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

(16) Establish from time to time a *minimum* term for which a Unit may be leased by a Unit Owner, but the *minimum* Unit leasing term shall be not less than six months nor more than one year or such lesser period as may be required by any secondary mortgage market agency, including the Federal Home Loan Mortgage Corporation and the Federal National Mortgage Association.

5.2 Number and Appointment of Directors Prior to the First Annual Meeting of the Association.

The number of directors which constitutes the initial Board of Directors is three. The initial Board of Directors shall be appointed by the Declarant and shall serve (i) until the election of directors at the first annual meeting of the Association or (ii) until replaced by the Declarant. The Declarant's appointees need not be Unit Owners or residents of the Condominium, and the Declarant shall have the right in its sole discretion to replace such directors and to designate their successors if vacancies occur for any reason. At the time that Units to which 25% of the Percentage Interests appertain have been conveyed, the Declarant shall cause the resignation of one of the three directors appointed by the Declarant and a special meeting of the Association shall be held at which Unit Owners other than the Declarant shall elect a director to fill such vacancy, to serve until the date of the first annual meeting of the Association. Notwithstanding anything contained in these Bylaws to the contrary, until the first annual meeting of the Association the Declarant shall have the right to appoint a majority of the Board of Directors and to fill any vacancy occurring from the death, resignation or removal of a director appointed by the Declarant or by the Association, except a director elected by the Unit Owners other than the Declarant pursuant to this Section 5.2.

5.3 Number and Election of Directors from and after the First Annual Meeting of the Association.

From and after the first annual meeting of the Association, the number of directors which constitutes the entire Board of Directors shall be five. Except as provided in Section 5.2, directors shall be elected by a plurality of votes and a director must be a Unit Owner. Subject to the provisions of Section 4.3.2, directors shall be elected for a one-year term at the annual meeting of the Association. A director's term shall end on the date of the annual meeting at which his successor is elected, so that the director's term may be more or less than one calendar year, depending on the date of the annual meeting. A person shall cease to be a director at such time as he ceases to be a Unit Owner. A director shall hold office until his successor is elected and qualified.

5.4 Meetings.

5.4.1 Annual Meeting.

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

5.4.2. 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.

5.4.3 Special Meetings.

Special meetings of the Board of Directors may be called by the President and shall be called by the President or Secretary on the written request of at least three directors.

5.4.4 Notice and Waiver of Notice.

Notice of regular or special meetings of the Board of Directors shall be given to each director, by mail or hand delivery at least 72 hours prior to the time of the meeting, and shall state the time and place of the meeting. Notice of a special meeting shall state the purposes of the meeting. Placing the notice under or on the entrance door of the director's Unit constitutes hand delivery of the notice. The mailing or hand delivery of a notice of meeting in the manner provided herein shall constitute service 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 constitutes waiver of notice of that meeting, unless the director states at the commencement of the meeting that the notice of the meeting was not given in accordance with the Bylaws or is otherwise defective. If all of the members are present at any meeting of the Board of Directors, no notice shall be required and any business may be transacted at such meeting.

5.4.5 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 the meeting to a designated time and place. A recessed 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.

5.4.6 Conduct of Meeting.

The President shall preside at meetings of the Board of Directors and the Secretary shall keep the minutes of the proceedings.

5.4.7 Actions by Directors without a 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 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.

5.5 Vacancies.

Except as provided in Section 5.2, 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 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.

5.6 Removal of Directors.

Except as provided in Section 5.2, a director may be removed with or without cause, and his successor elected, at a meeting of the Association at which a quorum is present. Any director whose removal has been proposed shall be given at least 10 days' notice of the calling of the meeting and the purpose thereof, and opportunity to be heard at the meeting.

5.7 Compensation.

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

5.8 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 vote of the Association at any special meeting of the Association, a complete statement of the operative and financial condition of the Condominium.

5.9 Fidelity Bonds.

The Board of Directors shall require any director, officer, trustee, volunteer, agent (including the Managing Agent), or employee of the Association handling or responsible for funds to furnish adequate fidelity bond or insurance. The fidelity bond or insurance shall designate the Association as a named insured and shall be written in an amount sufficient to provide protection which shall be not less than one-half the Association's estimated annual operating expenses and reserves or such greater amount as may be required by any secondary mortgage market agency, including the Federal Home Loan Mortgage Corporation and the Federal National Mortgage Association. The Premiums on such fidelity bond or insurance shall constitute a Common Expense.

5.10 Liability of the Board of Directors.

The officers shall not be liable to the Association or to the Unit Owners for mistakes of judgment or for negligence not amounting to wilful misconduct or bad faith. The Unit Owners shall indemnify and hold harmless each of the directors and officers from and against all contractual liability to others arising out of contracts made by the Board of Directors or officers on behalf of the Association or the Unit Owners unless such con-

tract was made in bad faith or contrary to the provisions of the Condominium Instruments. The directors and officers shall not be personally liable for contracts made by them on behalf of the Association. 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 is or was a director or officer of the Association against expenses (including reasonable attorney's fees), judgments, fines and amounts paid in settlement incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in, or not opposed to, the best interests of the Association.

#### 5.11 Common or Interested Directors.

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 these Bylaws. 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.

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.

#### 5.12 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 powers 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 power 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 utilities 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, 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 such attorney-in-fact. This power shall be in addition to any authority to grant easements or licenses given to the Board of Directors by the Act, the Declaration or these Bylaws.

6. OFFICERS.

6.1 Principal and other Officers.

The principal officers of the Association are a President, one or more Vice Presidents, a Secretary and a Treasurer. The Board of Directors may appoint assistant secretaries and an assistant treasurer. With the exception of the President, no officer need be a member of the Board of Directors. Two or more offices may be held by the same person, except that the President shall not hold any other office. An officer must be a Unit Owner, except officers appointed prior to the first annual meeting of the Association.

6.2 Election of Officers.

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

6.3 Removal of Officers: Vacancies.

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. A successor may be elected at any regular meeting of the Board of Directors or at any special meeting called for that purpose.

6.4 President.

The President is the chief executive officer of the Association; he shall preside at meetings of the Association and the Board of Directors and shall be an ex-officio member of all committees; he 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.

6.5 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 prescribe.

6.6 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 for that purpose. He 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 record of the name of each Unit Owner and his last known post office address. This record of Unit Owners shall be open to inspection by

all Unit Owners at reasonable hours during regular business days. 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 prescribe.

6.7 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 funds in such depositories as may be designated by the Board of Directors. He 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 transactions as Treasurer and of the financial condition of the Association. An 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 prescribe.

6.8 Compensation of Officers.

No officer shall receive any compensation from the Association for acting as such unless such compensation is approved by a vote of Unit Owners entitled to cast at least 75% of the votes in the Association. An officer shall be reimbursed for reasonable out-of-pocket expenses incurred by him in the performance of his duties.

7. OPERATION OF THE CONDOMINIUM

7.1 Agreements, Contracts, Deeds, Checks.

All agreements, contracts, deeds, leases, checks and other instruments of the Association for expenditures or obligations in excess of \$500 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 \$500 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.

7.2 Managing Agent.

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 term of any such contract may not exceed one year, renewable by agreement of the parties for successive one-year periods. Any agreement with the Managing Agent shall be in writing and shall provide that it may be terminated without cause on no more than 90 days' prior written notice and with cause on no more than 30 days' prior written notice. The Declarant, or an affiliate of the Declarant, may be employed as Managing Agent. After the initial Managing Agent has been named, the Board of Directors shall not employ any new Managing Agent without 30 days' prior written notice to the First Mortgagees. The Association and the Board of Directors shall not undertake "self-management" or fail to employ a Managing Agent without the consent of a majority of the Unit Owners and the consent of all First Mortgagees, except during the period in which the Declarant controls the Board of Directors in accordance with the Condominium Instruments and the Condominium Act.

7.3 Determination of Common Expenses and Assessments Against Unit Owners.

7.3.1 Fiscal Year.

The fiscal year of the Condominium shall be established by the Board of Directors.

7.3.2. Annual Budget.

On or before a date which is not less than 15 days prior to the end of each fiscal year, the Board of Directors shall adopt an annual budget for the Condominium 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 to be assessed against each Unit. Common Expenses shall include the amount necessary to create and maintain reasonable reserves authorized by the Board of Directors, including the reserve authorized by Section 7.3.4. Any reserve may be carried forward to succeeding fiscal years. If the funds received by the Association from condominium Assessments exceed the Common Expenses for any fiscal year, then the Board of Directors, in its discretion, may (1) apply such surplus funds to the payment of Common Expenses in succeeding fiscal years or (2) credit such surplus funds against condominium assessments levied in succeeding fiscal years in proportion to the respective Par Values of the Units or (3) distribute such surplus funds to the then current Unit Owners in proportion to the respective Par Values of the Units. The Board of Directors shall send to each Unit Owner at least 10 days prior to the commencement of each fiscal year a copy of the Annual Budget for the fiscal year.

7.3.3. Assessments for Common Expenses.

Subject to the provision of Section 7.3.6, the total amount of the estimated funds required to pay the Common Expenses of the Condominium set forth in the Annual Budget adopted by the Board of Directors for the fiscal year shall be assessed against the Units in proportion to the respective Par Value of the Units. The Board of Directors has the discretionary power to determine at any time (either before or after an assessment has been made) that any assessment against the Units can be paid in installments and that a default by a Unit Owner in the payment of installment of an assessment will accelerate the time for payment of all remaining installments by the defaulting Unit Owner. Unless otherwise determined by the Board of Directors, the annual assessment against each Unit for its proportionate share of the Common Expenses shall be payable in 12, equal, monthly installments, and each installment shall be payable in advance on the first day of the month.

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

The Board of Directors shall establish and maintain a reasonable reserve for capital improvements, replacement and major repairs by providing for a reserve in the Annual Budget, segregating such reserve on the books of the Condominium, and allocating and paying monthly to such reserve one-twelfth of the total amount budgeted for such reserve for the current fiscal year. The portion of the Unit's assessments paid into such reserve shall be conclusively deemed to be contributions to the capital of the Condominium by the Unit Owners. Such reserves may be expanded for the purposes of capital improvements, replacements and major repairs. If for any reason, including nonpayment of any Unit's assessment, such reserve is inadequate to defray the cost of a required capital improvement, replacement or major repair, the Board of Directors, may at any time levy an additional assessment against the Units, in proportion to the respec-



tive Par Value of the Units, payable into such reserve in a lump sum or in installments as the Board of Directors may determine. The Board of Directors shall give notice to the Unit Owners of any such further assessment 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 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.

#### 7.3.5 Special Assessments.

In addition to any other assessments authorized by these Bylaws, the Board of Directors may levy a special assessment for the purpose of defraying the cost of 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 Condominium and expanded solely for the purpose for which it was assessed. A special assessment authorized by this Section shall be assessed in a manner provided in Section 7.3.4 for assessments payable to the reserve capital improvements, replacements and major repairs.

#### 7.3.6 Initial Operating Period.

The phrase, "Initial Operating Period," as used in these Bylaws, means the period of time commencing on the date that the Condominium is created and ending on the date that Units to which 75% of the Percentage Interests appertain have been conveyed by the Declarant or on such earlier date as the Declarant in its sole discretion may determine. During the Initial Operating Period, (i) the Declarant shall pay the cost of operating the Condominium and (ii) each Unit Owner, in lieu of an assessment against the Units for Common Expenses, shall reimburse the Declarant proportionally for such costs as set forth in the Condominium Unit Agreement of Purchase and Sale between the Declarant (as seller) and each Unit Owner (as purchaser). The Declarant shall not be obligated to fund or otherwise contribute to any capital or other reserve for the Condominium during the Initial Operating Period.

#### 7.3.7 Effect of Failure to Adopt an 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 allocable share of the Common Expenses as herein provided, and in the absence of an Annual Budget or adjusted Annual Budget, each Unit Owner shall continue to pay (with or without notice) a monthly assessment at the rate established for the preceding fiscal year until an assessment is made under a current Annual Budget and notice thereof has been sent to the Unit Owner.

#### 7.3.8 Liability of Unit Owners.

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 that proportion of the total liability thereunder as the Par Value of his Unit bears to the aggregate Par Values of all Units. Every agreement made by the Board of Directors or by the Managing Agent on behalf of the Unit Owners 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).

7.3.9 Accounts.

Any amounts collected by the Board of Directors with respect to assessments against the Units may be commingled in a single fund.

7.4. Liability for Common Expenses.

A Unit Owner shall be personally liable for all lawful assessments, or installments thereof, levied against his Condominium Unit which has become due while he is the owner of a Unit; and this liability of the Unit Owner is in addition to the Association's statutory lien on the Condominium Unit for such assessments. No Unit Owner may exempt himself from liability with respect to the Common Expenses by waiver of the enjoyment of the right to use any of the Common Elements or by abandonment of his Unit or otherwise. A selling Unit Owner shall not be liable for the payment of any part of the Common Expenses assessed against his Unit subsequent to a sale, transfer or other conveyance by him such Unit. The purchaser of a Unit shall be jointly and severally liable with the selling Unit Owner for all unpaid assessments against the Unit 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 appropriate officer of the Association, setting forth the amount of the unpaid assessments against the Unit and such purchaser shall not be liable for, nor shall the Unit conveyed be subject to a lien for, any unpaid assessments in excess of the amount therein set forth; and provided, further, that each holder of a first mortgage lien on a Unit who comes into possession of the Unit by virtue of foreclosure of the mortgage, or by deed or assignment in lieu of foreclosure, or any purchaser at a foreclosure sale, shall take the Unit free of any claims for unpaid assessments and charges against the Unit which accrue prior to the time such holder comes into possession of the Unit, except for claims for a pro-rata share of such assessments or charges resulting from a pro-rata reallocation of such assessments or charges to all Units including the mortgaged Unit.

7.5 Collection of Assessments; Late Fee and Interest.

The Board of Directors shall take prompt action to collect any assessment (or installment) for Common Expenses which remains unpaid for more than 15 days after the due date for the payment thereof. The Board of Directors may charge and a Unit Owner shall be obligated to pay a late fee for any condominium assessment (or installment) not paid by the Unit Owner on the due date. In addition to any late fee authorized by the Board of Directors, in the event of a default by any Unit Owner in the payment of any condominium assessment (or installment) on the due date which continues for a period in excess of 10 days, such Owner shall be obligated to pay interest on the amounts due (including any late fee) at the rate of 10% per annum or the legal rate chargeable in the District of Columbia on such amounts due (whichever is lower) from the due date thereof. Any late fee or interest payable by a Unit Owner shall be deemed to be a condominium assessment.

7.6 Statement of Unpaid Assessments.

7.6.1 Upon written request to the president of the Association by a Unit Owner or purchaser of a Unit or a First Mortgagee, the Board of Directors or a duly designated agent shall

furnish (within the time period prescribed by the Act) a recordable statement setting forth the amount of unpaid assessments levied against such Unit.

- 7.6.2. The Board of Directors may impose a reasonable fee for each statement of unpaid assessments requested, and payment of the fee shall be a prerequisite to the issuance of the statement.

7.7 Maintenance and Repair.

- 7.7.1 By the Association. The Association, acting through the Board of Directors, shall be responsible for the maintenance, repair and replacement of the following:

(1) The Common Elements, whether located inside or outside of the Units.

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

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

Assessment and liability for the cost of the maintenance, repair and replacement of the Common Elements are governed by Section 7.3. This Section 7.7.1 shall not relieve a Unit Owner of liability for damage to the Common Elements caused by the Unit Owner's negligence, misuse or intentional torts.

- 7.7.2 By the Unit Owner. Except for the portions of his Unit required to be maintained, repaired or replaced by the Association, each Unit Owner shall be responsible for and shall bear the cost of the maintenance and repair of his Unit, including but not limited to the following: interior walls; interior surface of ceilings, walls and floor; entrance doors, and door locks and hardware; windows; lighting fixtures; kitchen and bathroom fixtures, appliances and equipment; the Unit's heating/cooling system; and water and sewage pipes located within the boundaries of the Unit and serving only that Unit; and Limited Common Elements assigned to the Unit. Each Unit Owner shall keep the interior of his 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 failure to make any of the repairs required to be made by him by this Section. Each Unit Owner shall promptly report to the Board of Directors or the Managing Agent any defects or need for repairs for which the Association is responsible.

- 7.7.3 Manner of Repair and Replacement.

All repairs and replacements shall be of first class quality and as nearly as practicable similar 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.

- 7.7.4 Public Areas.

Anything contained in these Bylaws to the contrary notwithstanding, the public areas of the Condominium and any areas exposed to public view (including portions of a Unit) shall be kept in good appearance by the Association or the Unit Owner, 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.

7.8 Additions, Alterations or Improvements by the Association.

Whenever the Board of Directors determines that the Common Elements require additions, alterations or improvements costing in excess of \$5,000 during any period of 12 consecutive months, and the making of such additions, alterations or improvements is approved by a majority of the Unit Owners, 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, improvements costing less than \$5,000 during any period of 12 consecutive months may be made by the Board of Directors without approval of the Unit Owners and the cost thereof shall be a Common Expense. Notwithstanding the foregoing, if, in the opinion of not less than 80% 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, in such proportion as they jointly approve, if more than one Unit Owner, or, if they are unable to agree thereon, in such proportions as may be determined by the Board of Directors.

7.9 Structural Additions, Alterations or Improvements by Unit Owners.

No Unit Owner shall make any structural addition, structural alteration or structural improvement in or to his Unit or any change which might affect the Common Elements (including without limitation the electrical and plumbing systems which constitute part of the Common Elements) without the prior written consent of the Board of Directors. No Unit Owner shall paint or alter the exterior of the Building, including the exterior of a Unit, entrance doors and any surface of a window pane. The Board of Directors shall be obligated to answer any written request by a Unit Owner for approval of a proposed structural addition, structural alteration or structural improvement to such Unit Owner's Unit within 45 days after such request is made, and its failure to do so within the stipulated time shall constitute a consent of the Board of Directors to the proposed addition, alteration or improvement. The Board of Directors may condition its consent upon such terms and conditions as it deems to be desirable or necessary to protect the Condominium and its use and enjoyment. Any application to any governmental authority for a permit to make an addition, alteration or improvement to any Unit shall be executed by the Board of Directors only, without, however, incurring any liability on the part of the Board of Directors to any contractor or materialman on account of such addition, alteration or improvement, or to any person having any claim or injury to a person or damage to property arising therefrom. The provisions of this Section 7.9 shall not apply to Units owned by the Declarant or its designee until a deed for such Unit has been delivered to a purchaser thereof.

7.10 Right of Access.

Each Unit Owner grants a right of access to his 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, or correcting any condition originating in his Unit and threatening another Unit or Common Element or performing installations, alterations on repairs to the mechanical or electrical services or other Common Elements in his Unit or elsewhere in the Building, or correcting 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 or not the Unit Owner is present at the time.

7.11 Limitation of Liability.

The Association shall not be liable for any failure of water supply or other services to be obtained by the Association or paid for as a Common Expense 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 any Unit Owner or other person 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 Expense shall be claimed or allowed for inconvenience or discomfort arising from the making of repairs or improvements to the Common Elements, or to any 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.

8. RULES AND REGULATIONS

The Board of Director is authorized to promulgate, amend and enforce Rules and Regulations concerning the operation and use of the Condominium; but the Rules and Regulations shall not be contrary to or inconsistent with the Act, the Declaration or these Bylaws. A copy of Rules and Regulations (and any amendment) shall be furnished by the Board of Directors to each Unit Owner at the time the Rules and Regulations (or any amendment) become effective.

9. RESTRICTIONS OF USE OF UNITS.

- 9.1 No Unit Owner (other than the Declarant) or other resident of the Condominium shall post any advertisements or posters of any kind in or on the Condominium unless authorized by the Board. The Declarant and its agents have the right to post and utilize advertisements, signs and posters in selling the Units.
- 9.2 A Unit shall be used only as a residence. This provision shall not be construed to prevent the Declarant from using any Unit for a model, sales office or display purposes or to prohibit the leasing of Units owned by the Declarant; and the Declarant, in adopting the Condominium Instruments, specifically reserves an easement and express right and power to so utilize these Units. 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.
- 9.3 No clothing, laundry, rugs or wash shall be hung from or spread upon or from any window or exterior portion of a Unit or in or upon any Common Element. No object shall be placed on any exterior ledge or projection of the Building. All refuse and trash shall be placed in plastic bags and deposited in bins or chutes designated for such purposes.
- 9.4 Common household pets may be kept on the Condominium property only with the prior written approval of the Board of Directors. Such approval may be revoked by the Board at their discretion. 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 for the cost of repairing any damage caused by such pet to the Common Elements.

- 9.5 Unit Owners, residents and lessees shall exercise extreme care to avoid unnecessary noise or the use of musical instruments, radios, televisions and amplifiers that may disturb other Unit Owners. All walking areas (except bathrooms and kitchens) and 85% of all wood floor areas in each apartment Unit must be covered by carpet or rugs.
- 9.6 No nuisance or use or practice which is a source of annoyance to the Condominium residents or which interferes with the peaceful possession or proper use of the Condominium by its residents shall be allowed in the Condominium.
- 9.7 No Unit Owner, resident or lessee shall install wiring for electrical or telephone installation, television antennae or other equipment, which protrudes through the walls or the roof of the Building or is otherwise visible on the exterior of the Building except as authorized by the Board of Directors.
- 9.8 No Unit or Common Element of the Condominium may be used for any unlawful, immoral or improper purpose.
- 9.9 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 solely for normal transit. Bicycles shall be placed only in those areas designated by the Board.
- 9.10 No Unit Owner, resident or lessee shall direct or engage any employee of the Condominium on any private business of such Unit Owner, resident or lessee, nor shall he 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.
- 9.11 No activity shall be done or maintained in any Unit or upon any Common Elements 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.
- 9.12 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.
- 9.13 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.
- 9.14 No Unit shall be rented for transient or hotel purposes or in any event for an initial period of less than six months or less than the minimum Unit leasing term established from time to time by the Board of Directors, whichever is greater. No portion of any Unit (other than the entire Unit) shall be leased for any period. No Unit Owner shall lease a Unit other than on a written form of lease requiring the lessee to comply with the Condominium Instruments and Regulations, and providing that failure to comply constitutes a default under the lease. The Board of Directors may provide a suggested standard form lease for use by Unit Owners. Each Unit Owner of a Unit shall, prompt-

ly following the execution of any lease of a Condominium Unit, forward a conformed copy thereof to the Board of Directors. The foregoing provisions of this subparagraph, except the restriction against use for hotel or transient purposes, shall not apply to the Declarant, or to a First Mortgagee in possession of a Unit as a result of a foreclosure or other judicial sale or as a result of any proceeding in lieu of foreclosure.

10 INSURANCE, DESTRUCTION, RESTORATION, CONDEMNATION AND DISTRIBUTION.

10.1 Authority to Purchase Insurance.

Except as otherwise provided in Section 10.5, all insurance policies relating to the Condominium shall be purchased by the Board of Directors. Neither the Board of Directors nor the Managing Agent nor the Declarant shall be liable for failure to obtain any coverages required by this Section 10 or for any loss or damage resulting from such failure if such failure is due to unavailability of such coverages from reputable insurance companies, or if such coverages are so available only at demonstrably unreasonable cost.

10.2 Physical Damage Insurance. The Board of Directors shall obtain and maintain a blanket, "all-risk" form policy of fire insurance with extended coverage, vandalism, malicious mischief, windstorm, sprinkler, leakage (if applicable), debris removal, cost of demolition and water damage endorsements, insuring the entire Condominium (including all of the Units and the bathroom and kitchen fixtures initially installed therein by the Declarant and the replacements thereto installed by the Declarant but not including furniture, wall coverings, furnishings or other personal property supplied or installed by Unit Owners), together with all air conditioning equipment and other service machinery contained therein and covering the interests of the Association, the Board of Directors and all Unit Owners and their Mortgagees, as their interests may appear, (*subject, however*, to the loss payment and adjustment provisions in favor of the Board of Directors and the Insurance Trustee contained in Sections 10.7 and 10.8, in an amount equal to 100% of the then current replacement cost of the Condominium (exclusive of the Land, excavations, foundations and other items normally excluded from such coverage), without deduction for depreciation (such amount to be redetermined annually by the Board of Directors with the assistance of the insurance company affording such coverage). Such policy shall also provide:

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

(2) the following endorsements (or equivalent): (i) "no control"; (ii) "Contingent liability from operation of building laws or codes"; (iii) "increased cost of construction" or "condominium replacement cost"; and (iv) "agreed amount" or elimination of co-insurance clause; and

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

A duplicate original of the policy of physical damage insurance, all renewals thereof, and any subpolicies or certificates and endorsements issued thereunder together with

proof of payment of premiums shall be delivered by the insurer to any First Mortgagee requesting the same at least thirty days prior to expiration of the then current policy. Prior to obtaining any policy of physical damage insurance or any renewal thereof the Board of Directors shall obtain an appraisal from an insurance company, or such other source as the Board of Directors may determine, of the current replacement cost of the Condominium (exclusive of the land, excavations, foundations and other items normally excluded from such coverage), without deduction for depreciation, for the purpose of determining the amount of physical damage insurance to be secured pursuant to this Section 10.2. All Mortgagees shall be notified promptly of any event giving rise to a claim under such policy arising from damage to the Common Elements in excess of one percent of the current replacement cost of the Condominium. The First Mortgagee of a Unit shall be notified promptly of any event giving rise to a claim under such policy arising from damage to such Unit.

### 10.3 Liability Insurance.

The Board of Directors shall obtain and maintain comprehensive general liability (including libel, slander, false arrest and invasion of privacy coverage and errors and omissions coverage for directors) and property damage insurance in such limits as the Board of Directors may from time to time determine, insuring each member of the Board of Directors, the Managing Agent, each Unit Owner and the Declarant against any liability to the public or to the Unit Owners (and their invitees, agents and employees) arising out of, or incident to the ownership or use of the Common Elements. Such insurance shall be issued on a comprehensive liability basis and shall contain: (i) a cross liability endorsement under which the rights of a named insured under the policy shall not be prejudiced with respect to his action against another named insured; (ii) hired and non-owned vehicle coverage; (iii) host liquor liability coverage with respect to events sponsored by the Association; (iv) deletion of the normal products exclusion with respect to events sponsored by the Association; and (v) a "severability of interest" endorsement which shall preclude the insurer from denying liability to a Unit Owner because of negligent acts of the Association or of another Unit Owner. The Board of Directors shall review such limits once each year, but in no event shall such insurance be less than \$1,000,000 covering all claims for bodily injury or property damage arising out of one occurrence. Reasonable amounts of "umbrella" liability insurance in excess of the primary limits may also be obtained in an amount not less than the Board of Directors may determine and not less than the amount required by any governmental or quasi-governmental agency including without limitation the Federal Home Loan Mortgage Corporation or the Federal National Mortgage Association.

### 10.4 Other Insurance.

The Board of Directors shall obtain and maintain:

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

(2) If required by any governmental or quasi-governmental agency including without



limitation the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation, flood insurance in accordance with the then applicable regulations of such agency;

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

(4) if there is a steam boiler in operation, broad form machinery and pressure vessel explosion insurance in an amount not less than \$500,000 per accident per location; and

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

#### 10.5 Limitations.

Insurance obtained pursuant to the requirements of this Section 10 shall be subject to the following provisions:

(1) Each policy shall be written with a company or companies which are licensed to do business in the District of Columbia and which holds a rating of "A-X" or better in the current edition of *Best's Key Rating Guide*. Physical damage policies shall be in form and substance acceptable to the First Mortgagees.

(2) No insurance coverage obtained and maintained pursuant to the requirements of this Section 10 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 Section shall exclude such policies from consideration.

(3) Each policy shall provide that it may not be cancelled (including cancellation for nonpayment of premium) or substantially modified or reduced without at least 30 day's prior written notice to the Board of Directors and the Managing Agent and, in the case of physical damage insurance, to all First Mortgagees.

(4) Each policy of casualty insurance shall provide that, notwithstanding any provisions thereof which give 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.

(5) Each policy shall contain a waiver of subrogation by the insurer as to any and all claims against the Declarant, the Unit Owners, the Association, the Board of Directors, the Managing Agent, and their respective agents, employees, guests, and, in the case of Unit Owners, the members of their households and of any defenses based upon coin-surance or invalidity arising from the acts of the insured.

(6) Each policy shall provide that (i) the policy's coverage shall not be prejudiced by any act or neglect of any occupants or Unit Owners of the Condominium or their agents, employees, tenants, mortgagees or invitees when such act or neglect is not within the control of the insured or the Unit Owners collectively; (ii) the policy 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; and (iii) the policy shall not be cancelled, invalidated or suspended due to the conduct of any Unit Owner (including his invitees, agents and employees) or of any member, officer, or employee of the Board of Directors

or the Managing Agent without a prior demand in writing that the Board of Directors or the Managing Agent cure the defect and neither shall have so cured such defect within 60 days after such demand.

10.6 Separate Insurance.

Each Unit Owner shall have the right, at his own expense, to obtain insurance for his own Unit and for his own benefit and to obtain insurance coverage upon his personal property and for his personal liability as well as upon any improvements made by him to his Unit under coverage normally called "tenants' improvements and betterments coverage"; *provided, however*, that no Unit Owner shall be entitled to exercise his right to acquire or maintain such insurance coverage so as to decrease the amount which the Board of Directors, on behalf of all Unit Owners, may realize under any insurance policy maintained by the Board of Directors or to cause any insurance coverage maintained by the Board of Directors to be brought into contribution with insurance coverage obtained by a Unit Owner. All such policies shall contain waivers of subrogation. No Unit Owner shall obtain separate insurance policies on the Condominium except as provided in this Section 10.6.

10.7 Insurance Trustee.

All physical damage insurance policies purchased by the Board of Directors shall be for the benefit of the Association, the Unit Owners, their First Mortgagees and the Declarant, as their interests may appear, and shall provide that, with respect to any single loss, if the proceeds thereof exceed \$25,000, then all such proceeds shall be paid in trust to such lending institution in the metropolitan Washington, D.C. area with trust powers as may be designated by the Board of Directors (which trustee is herein referred to as the Insurance Trustee). If such proceeds do not exceed \$25,000, then all such proceeds shall be paid to the Board of Directors to be applied pursuant to the terms of Section 10.9. The Board of Directors shall enter into an Insurance Trust Agreement with the Insurance Trustee which shall provide that the Insurance Trustee shall not be liable for payment of premiums, the renewal of the policies, the sufficiency of coverage, the form or contents of the policies, the correctness of any amounts received on account of the proceeds of any insurance policies nor for the failure to collect any insurance proceeds. The sole duty of the Insurance Trustee shall be to receive such proceeds as are paid to it and to hold the same in trust for the purposes elsewhere stated in these Bylaws, for the benefit of the insureds and their beneficiaries thereunder.

10.8 Board of Directors as Agent.

The Board of Directors is hereby irrevocably appointed the agent for each Unit Owner, each First Mortgagee, other named insureds and their beneficiaries and any other holder of a lien or other interest in the Condominium to adjust and settle all claims arising under insurance policies purchased by the Board of Directors and to execute and deliver releases upon the payment of claims.

10.9 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:

(1) 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 remain-

ing 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.

(2) 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.

#### 10.10 Reconstruction.

10.10.1 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:

(1) Where there is partial destruction, which shall be deemed to mean destruction which does not render more than two-thirds of the Units untenable, there shall be compulsory reconstruction or repair.

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

(3) 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, at least, be to the extent of the replacement value of the property destroyed or damaged; and as nearly 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 achieved by utilizing updated construction systems and technology. If the damage is only to parts of a 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 and use the applicable insurance proceeds. In all other instances the responsibility of reconstruction and repair after casualty shall be that of the Board of Directors.

(4) 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:

(i) If the amount of the estimated cost of reconstruction and repair is \$25,000 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;

(ii) If the estimated cost of reconstruction and repair of the building or other improvement is more than \$25,000, 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 that: (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.

10.11 Condemnation.

A taking of, injury to, or destruction of part or all of the property 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 10.7 and the award or settlement may 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.

10.12 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 or as may be required. 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 Par Value 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 the Par Value in sufficient amounts to provide funds for the payment of such costs.

10.13 Disbursements.

Any and all disbursements of funds, whether such funds consist of insurance proceeds, special assessments, sale 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.

10.14 Notification to and Priority of First Mortgagees.

The Board of Directors shall give written notice to: (a) the First Mortgagee of the Unit whenever damage to the Unit covered by the mortgage exceeds \$1,000; and (b) all First Mortgagees whenever damage to the common elements exceeds \$10,000. No provision of the Condominium Instruments shall entitle a Unit Owner or other party priority over

the holder of any first mortgage on a Unit with respect to the distribution to such Unit of any insurance proceeds. If any Unit or portion thereof or the Common Elements or any portion thereof is made the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority, then the holder of any first mortgage on a Unit will be entitled to timely written notice of any such proceeding or proposed acquisition and no provision of any Condominium Instruments shall entitle the owner of a Unit or other party to priority over such holder with respect to the distribution to such Unit of the proceeds of any award or settlement.

10.15 Premiums and Deductibles.

Premiums and deductibles upon all insurance policies purchased by the Board of Directors shall be deemed to be a Common Expense.

11. MORTGAGES.

11.1 Notice to Board

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

11.2 Notice to First Mortgagees.

The holder of a first mortgage on a Unit, upon request, shall be entitled to: (a) inspect the books and records of the Condominium during business hours; and (b) receive an annual audited financial statement of the Condominium within 90 days following the end of any fiscal year of the Condominium; (c) written notice of all meetings of the Association and be permitted to designate a representative to attend all such meetings; and (d) notification of unpaid assessments due from the owner of such Unit.

11.3 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 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.

12. NOTICE.

12.1 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 Condominium, and such notice shall be deemed to be given at the time when the same shall be thus mailed.

12.2 Waiver of Notice.

Whenever any notice 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.

13. AMENDMENT OF BYLAWS.

13.1 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 two thirds of the vote in the Association; provided, however, that: (a) Section 5.2 insofar as it relates to the selection of members of the Board of Directors by the Declarant, (b) Section 4.3.5 insofar as it provides that the Declarant, so long as it is the owner of one or more Units, may vote the votes appurtenant thereto, and (c) Section 9 may not be amended without the consent in writing of the Declarant, so long as the Declarant shall be a Unit Owner. Furthermore, notwithstanding the foregoing, so long as Declarant is the owner of one or more Units, no amendment to the Bylaws or Rules and Regulations may be adopted which could interfere with the display, sale, lease, or other disposition of such Unit or Units. Amendments may be proposed by the Board of Directors or by petition signed by Unit Owners representing at least 30% of the votes in the Association. No amendment to the Bylaws shall become effective until recorded. The Declarant reserves the right to amend these Bylaws so long as there is no Unit Owner other than the Declarant.

13.2 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 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 75% of the Units encumbered by mortgages.

13.3 Amendment by Declarant.

Notwithstanding the provisions of Sections 13.1 and 13.2, the Declarant reserves the right to amend the Condominium Instruments in accordance with the provisions of the Condominium Act.

14 COMPLIANCE AND DEFAULT

14.1 Relief.

Each Unit Owner shall be governed by, and shall comply with, all of the terms of the Condominium Instruments and the Rules and Regulations, and any amendments of the same. A default by a Unit Owner shall entitle the Association acting through the Board of Directors, the Managing Agent or the Manager, to the relief set forth in this Section 14.

14.2 Legal Proceedings.

Failure to comply with any of the terms of the Condominium Instruments, the Rules and Regulations or any articles of incorporation of the Association shall give rise to a cause of action in the Association and any aggrieved Unit Owner and shall be grounds for relief which may include without limiting the same, an action to recover money damages, injunctive relief, foreclosure of the lien for payment of all assessments, any other relief provided for in these Bylaws, or any combination thereof, and any other relief afforded by a court of competent jurisdiction, all of which relief may be sought by the Association, the Board of Directors, the Manager or the Managing Agent, or if appropriate, by an aggrieved Unit Owner.

14.3 In any action brought by the Board of Directors to foreclose a lien against a Unit because of unpaid common charges, the Unit Owner, if in possession of the Unit, shall be required to pay a reasonable rental for the use of his Unit, and the plaintiff in such foreclosure action shall be entitled to the appointment of a receiver to collect the same, such rent to accrue from the date that an action to foreclose and to recover possession of Unit is commenced.

14.4 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 15 days' written notice to the First Mortgagee on the Unit which is the subject matter of the proceeding.

14.5 Additional Liability.

Each Unit Owner shall be liable for the expenses of all maintenance, repair or replacement rendered necessary by his act, neglect or carelessness, or the act, neglect or carelessness of any member of his family or his employees, agents, or licensees, but only to the extent that such expense is not covered by the proceeds of insurance carried by the 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.

14.6 Costs.

In any proceeding arising out of any alleged default by a Unit Owner, including but not limited to a default in the payment of any condominium assessment (or installment), the prevailing party shall be entitled to recover the costs of the proceeding, and such reasonable attorney's fees as may be determined by the court.

14.7 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 Regulation 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.

14.8 Late Fee and Interest. (See Section 7.5)

14.9 Abatement and Enjoinment of Violations by Unit Owners.

The violation of any Rule and Regulation 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 due notice to the Unit Owner that said violation or breach constitutes an immediate danger to the Condominium Unit Owners) 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 to which, such violation or breach exists and summarily to abate and remove, at the expense of the defaulting Unit Owner, any structures, thing or condition that may exist therein contrary to the intent and meaning of the provisions hereof, and the Board of Directors shall not thereby be deemed guilty in any manner of trespass; or (ii) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach.

14.10 Lien for Contributions.

14.10.1 The total annual contribution of each Unit Owner for the Common Expenses 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. The Board of Directors, or the Manager 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.

14.10.2 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 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 lesser of 10% 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, whichever is lesser, and 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.

14.10.3 The Board of Directors may post a list of Unit Owners who are delinquent in the payment of any assessment or other fees which may be due the Association, including any installment thereof which becomes delinquent, in any prominent location within the Condominium. 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.

14.10.4 The lien for assessments may be foreclosed in the manner provided by the laws of the District of Columbia by suit brought in the name of the Board of Directors, acting on behalf of the Association. During the pendency of such suit the Unit Owner shall be required to pay a reasonable rental for the Unit for any period to sale pursuant to any judgment or order of any court having jurisdiction over such sale. The plaintiff in such proceedings shall have the right to the appointment of a receiver, if available under the



then laws of the District of Columbia.

14.10.5 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; and (iii) liens for real estate taxes and municipal assessments or charges against the Unit.

14.11 Information to be furnished in the Event of Resale by a Unit Owner.

14.11.1. The Board of Directors or a duly designated agent or the Managing Agent, upon written request of any Unit Owner, shall furnish to such Unit Owner upon not less than ten business days' prior written notice the statements prescribed by Section 411(a) of the Act, as follows:

(1) Statement regarding any unpaid assessments.

(2) Statement concerning any rights of first refusal or other restraints on free alienability.

(3) Statement of any capital expenditure anticipated by the Association within the current or succeeding two fiscal years.

(4) Statement of the status and amount of any reserves for capital expenditures, contingencies, and improvements, and any portion of such reserves earmarked for any specified project by the Board of Directors.

(5) A copy of the statement of financial condition of the Association for the then most recent fiscal year for which such statement is available and the current operating budget, if any.

(6) Statement of the status of any pending suits or any judgments to which the Association is a party.

(7) Statement setting forth that insurance coverage is provided for all Unit Owners by the Association and a statement whether such coverage includes public liability, loss or damage by fire and extended coverage insurance with respect to the Unit and its contents.

(8) Statement that any improvements or alterations made to the Unit, or the Limited Common Elements assigned thereto, by the prior Unit Owner are not in violation of the Condominium Instruments.

14.11.2 The Board of Directors may impose a reasonable fee not to exceed \$50 to furnish all the information required in accordance with Section 14.11.1 and payment thereof shall be a prerequisite to the issuance of any such statement.

15. MISCELLANEOUS

15.1. Compliance.

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

15.2 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.

15.3 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 circumstance 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.

15.4 Waiver.

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

15.5 Captions.

The captions (section headings) of 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.

15.6 Gender, Number.

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

15.7 Consents.

Any other provision of these Bylaws or of the Declaration to the contrary notwithstanding, neither the Association nor the Board of Directors shall institute any proceeding (or by omission cause or allow to occur), without the prior written consent of (i) First Mortgagees holding liens on at least seventy-five percent (75%) of the Units (based upon one vote for each first mortgage owned) and (ii) at least 80% of the Unit Owners, to take any of the following actions:

- (1) change any Unit's Percentage Interest in the Common Elements;
- (2) partition or subdivide any Unit's or any Unit's Percentage Interest in the Common Elements, nor subdivide, abandon, encumber, sell or transfer the Common Elements;
- (3) seek to abandon or terminate the Condominium status of the Property except as provided by the Act in the case of substantial loss to the Units the Common Elements;
- (4) modify the method of determining and collecting assessments or allocating distributions of casualty insurance proceeds or condemnation awards;
- (5) use the proceeds of casualty insurance for any purpose other than restoration, repair or replacement, except as otherwise provided in the Condominium Act in the case of substantial loss.

15.8 Notice of Loss to or Taking of Common Elements.

The Board of Directors shall give written notice to Federal Home Loan Mortgage Corporation (c/o its Servicer) of any loss to or taking of the Common Elements of the Condominium, if such loss or taking exceeds \$10,000 or, with respect to a Unit covered by a mortgage which has been purchased, in whole or in part, where the loss of taking exceeds \$1,000.

Triangles Properties, Inc., and Delta Properties, Inc., as the general partners of The Odyssey Company (the Declarant) hereby appoint \_\_\_\_\_ attorney-in-fact to acknowledge this instrument as the Condominium Bylaws of The Odyssey Company (the Declarant). These Condominium Bylaws are signed on behalf of The Odyssey Company (the Declarant) by its general partners, this \_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, pursuant to resolutions adopted by the Boards of Directors of the general partners of The Odyssey Company.

DECLARANT:

ATTEST:  
[corporate seal]

THE ODYSSEY COMPANY:  
BY: Triangle properties, Inc.,  
a general partner

\_\_\_\_\_  
Secretary

By: \_\_\_\_\_  
President

ATTEST:  
[corporate seal]

BY: Delta properties, Inc.,  
a general partner

\_\_\_\_\_  
Secretary

By: \_\_\_\_\_  
President

I, \_\_\_\_\_, a Notary Public in and for the District of Columbia, do hereby certify that \_\_\_\_\_ who is named in the foregoing Bylaws dated \_\_\_\_\_, 19\_\_\_\_ as attorney-in-fact for The Odyssey Company, a District of Columbia general partnership which is named as the Declarant in the foregoing Bylaws, personally appeared before me in the District of Columbia and, as attorney-in-fact, acknowledged the foregoing to be the act and deed of The Odyssey Company, at the Declarant, and that be delivered the same as such.

WITNESS my hand and official seal this date: \_\_\_\_\_  
\_\_\_\_\_. My commission expires: \_\_\_\_\_

\_\_\_\_\_  
Notary Public, D.C.  
[notorial seal]

FIRST AMENDMENT TO THE BYLAWS  
OF THE BRITTANY CONDOMINIUM  
2001 Sixteenth Street, N.W. Washington, D.C.

WHEREAS, The Brittany Condominium, located at 2001 Sixteenth Street, N.W., Lot 4, Square S-188, in the District of Columbia, as shown on the subdivision plat recorded in Subdivision Book 55 at page 83 in the Office of the Surveyor of the District of Columbia, became a duly created Condominium upon recordation in the Office of the Recorder of Deeds of the District of Columbia, of a Declaration, recorded on September 9, 1980, as Instrument No. 28969 (herein after Declaration) and of Bylaws, recorded on September 9, 1980, as Instrument No. 28697 (hereinafter “Bylaws”); and

WHEREAS, Article XIII of the Bylaws provides that the Bylaws may be amended upon a vote of sixty-six and two-thirds percent (66 2/3%) of the owners; and

WHEREAS, the requisite number of owners have voted in favor of the following amendments to the Bylaws:

NOW, THEREFORE, the Bylaws are hereby amended as follows:

1.

Article 5, Section 5.1. Paragraph (13), of the Bylaw is amended by deleting from that paragraph the words “No fine may be levied for more than Five Dollars (\$5.00) for any one violation: but” so that amended Paragraph reads as follows:

(13) 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 levy fines against Unit Owners for violations of the Rules and Regulations. For each day that the violation continues, after notice, it shall be considered a separate violation. Collection of fines may be enforced against an Owner as if the fines were an assessment for Common Owner Expenses owed by the Unit Owner. If a Unit Owner persists in violating the Rules and Regulations, the Board of Directors may require him to post a bond, satisfactory to it, to secure future compliance with the Rules and Regulations.

To the extent that any other provision of the Bylaws conflicts with this Amendment, the same is superceded hereby.

2.

Article 7, Section 7.1 is amended by changing “\$500” to “\$2,000” so that the amended Section reads as follows:

All agreements, contracts, deeds, leases, checks and other instruments of the Association for expenditures or obligations in excess of \$2,000 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 \$2,000 or less may be executed by any one officer of the Association or by such other persons as may be designated by the Board of Directors.

To the extent that any other provision of the Bylaws conflicts with this Amendment, the same is superceded hereby.

3.

Article 10, Section 10.7, of the Bylaws is amended by deleting the same in its entirety and substituting therefor the following:

*10.7 Insurance Trustee.* All physical damage insurance policies purchased by the Board of Directors shall be for the benefit of the Association, the Unit Owners, their First Mortgagees and the Declarant, as their interests may appear, and shall provide that, with respect to any single loss, all such proceeds shall be paid to the Board of Directors (herein referred to as the Insurance Trustee) to be applied pursuant to the terms of Section 10.9.

To the extent that any other provision of the Bylaws conflict with this Amendment, the same is superceded hereby.

4.

Article 10, Section 10.5. of the Bylaws is amended by deleting the words “and deductibles” from both the text of this Section and its title, so that the amended Sections reads as follows:

*10.15 Premiums.* Premiums upon all insurance policies purchased by the Board of Directors shall be deemed to be a Common Expense.

To the extent that any other provision of the Bylaws conflicts with this Amendment the same is superceded hereby.

In testimony whereof. The Brittany Condominium Unit Owners Association (“Association”) has this [15th] day of [April, 1988] caused this First Amendment to the Bylaws of the Brittany Condominium (“First Amendment”) to be signed by Alan S. Friedman, its President, and attested by its Secretary, and does hereby appoint Alan S. Friedman as its true and lawful attorney-in-fact to acknowledge and deliver this First Amendment as the act and deed of the Association done in accordance with the Association’s Bylaws, referred to herein.

THE BRITTANY CONDOMINIUM UNIT  
OWNERS ASSOCIATION

By: /s/ Alan S. Friedman  
Alan S. Friedman, President

Attest:

/s/  
Secretary

STATE OF [Virginia]  
COUNTY OF [Arlington] To Wit:

I, [Karen B. Adler], a Notary Public in and for the stated jurisdiction, do hereby certify that Alan S. Friedman, who is personally well known to me or satisfactorily proven to be the President of the Brittany Condominium Unit Owners Association (“Association”) and the person named as attorney-in-fact in the foregoing First Amendment to the Bylaws of Brittany Condominium (“First Amendment”), bearing the date of [April 15,] 1988, personally appeared in before me and as attorney-in-fact as aforesaid and by virtue of the power vested him by said First Amendment, acknowledged the same to be the act and deed of the Association.

Given under my hand and seal this [15th] Day of [April,] 1988.

/s/ Karen B. Adler  
Notary Public

My Commission Expires: [January 19, 1991]