

**EXHIBIT A**

**FAIRFAX VILLAGE CONDOMINIUM III**

**BY-LAWS**

**ARTICLE I**

**. PLAN OF UNIT OWNERSHIP**

1. Condominium Submission. The Condominium Project known as "Fairfax Village Condominium III" (hereinafter called the "Condominium") located in the District of Columbia, has been declared and constituted a Horizontal Property Regime by Declaration made on the 11th day of November, 1974, by Fairfax, Inc. a corporation (hereinafter referred to as the "Developer") to which these By-Laws are appended as a part, and shall be governed by the said Declaration and these By-Laws.

2. By-Laws Applicability. The provisions of these By-Laws are applicable to the Property (described in the Declaration), and the use, occupancy, sale, lease or other transfer thereof. All owners of any freehold or leasehold interest, all occupants or users of the premises, and the agents and servants of any of them are subject to the provisions of the Declaration, these By-Laws, and the applicable laws of the District of Columbia.

3. Personal Application. All present and future Co-owners (as defined the Declaration), tenants, future tenants, their guests, licensees, servants, agents employees and any other person or persons who shall be permitted to use the facilities of the Condominium, shall be subject to these By-Laws and to the Rules and Regulations of the Condominium. Acquisition, rental, or occupancy of any of the Units (as defined in the Declaration), in the Condominium shall constitute an acknowledgement that such Co-owner tenant or occupant has accepted and ratified these By-Laws, the provisions of the Declaration and the Rules and Regulations and will comply with them.

## ARTICLE II

### COUNCIL OF CO-OWNERS

1. Composition. All of the Co-owners, acting as a group in accordance with the Horizontal Property Act, the Declaration and these By-Laws, shall constitute the "Council of Co-owners," (hereinafter referred to as the "Council") who shall have the responsibility of performing all of the acts that may be required to be performed by the Council by the Horizontal Property Act. Except as to those matters which the Horizontal Property Act specifically requires to be performed by the vote of the Co-owners, the administration of the Condominium shall be performed by the Board of Directors (as more particularly set forth in Article III), unless delegated to Fairfax Village Community Association, Inc. (hereinafter referred to as the "Community Association").
2. Voting. Voting at all meetings of the Council shall be on a percentage basis and the percentages of the vote to which each Co-owner is entitled shall be the Percentage Interest assigned to his Unit in the Declaration. Where the ownership of a Unit is in more than one person, then the person who shall be entitled to cast the vote of that Unit shall be the person named in a certificate signed by all of the owners of the Unit and filed with the Secretary. Such certificate shall be valid until revoked by a subsequent certificate. Wherever the approval or disapproval of a Co-owner is required by the Horizontal Property Act, the Declaration or these By-Laws, such approval or disapproval shall only be made by the person who would be entitled to cast the vote for the Co-owner of such Unit at any meeting of the Council. Except where a greater number is required by the Horizontal Property Act, the Declaration, or these By-Laws, a majority of the Co-owners present and voting is required to adopt decisions at any meeting of the Council. If the Developer owns or holds title to one or more Units, the Developer shall have the right at any meeting of the Council to cast the votes to which such Unit is entitled.
3. Place of Meeting. Meetings of the Council shall be held at such place as may be designated by the Board of Directors and stated in the notice of the meeting.
4. Annual Meeting. The first annual meeting of the Council shall be held at a time and place to be designated by the Board of Directors: (a) within one hundred twenty (120) days

after eighty percent (80%) of the Units in the Condominium have been sold by the Developer and title to the same has been conveyed; or (b) within ninety (90) days after the first anniversary date of the day on which the Declaration and these By-Laws are filed among the land records of the District of Columbia, whichever date shall first occur, or on such earlier date as may be established by the Board of Directors. Thereafter, the annual meetings of the Council shall be held at 8:00 p.m. on the third Thursday in the month of September of each succeeding year, if not a legal holiday, and if a legal holiday, then on the next secular day following. At such meetings there shall be elected by ballot a Board of Directors in accordance with the requirements of these By-Laws. The Council may also transact such other business as may properly come before it.

5. Special Meetings. It shall be the duty of the President to call a special meeting of the Council if so directed by resolution of the Board of Directors or upon a petition signed and presented to the Secretary by Co-owners owning not less than 30% of the Percentage Interests in the Condominium. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

6. Notice of Meeting. It shall be the duty of the Secretary to mail a notice of each annual or special meeting of the Co-owners, at least ten (10) but not more than thirty (30) days prior to such meeting, stating the purpose thereof, as well as the time and place where it is to be held, to each Co-owner of record, at such address as each Co-owner shall have designated by notice in writing to the Secretary. The mailing of a notice of meeting in the manner provided in this section shall be considered service of notice.

7. Voting Requirements. A Co-owner shall be deemed to be in "good standing" and "entitled to vote" at any annual meeting or at any special meeting of the Council if, and only if, he shall have fully paid all due installments of assessments made or levied against him and his Unit by the Board of Directors as hereinafter provided, together with all interest, costs, attorney's fees, penalties and other expenses, if any, properly chargeable to him and against his Unit, at least three (3) days prior to the date fixed for such annual or special meeting.

8. Proxies. At all meetings of the Council each Co-owner having the right to vote shall be entitled to vote in person, or by proxy appointed by an instrument in writing subscribed by such Co-owner for such meeting. Such proxy shall

only be valid for such meeting or subsequent adjourned meetings thereof. Proxies must be filed with the Secretary at least two (2) days before the time appointed for each meeting in the notice. Proxies may be revoked by written notice of revocation filed with the Secretary. A Co-owner may appoint any other Co-owner, the Developer or the Manager or Managing Agent, as his proxy. In no case may any Co-owner except the Developer or its designee cast more than one vote by proxy in addition to his own vote.

9. Quorum. Except as may otherwise be provided herein or by statute, a majority of the Co-owners shall constitute a quorum for the adoption of decisions. If, however, such quorum shall not be present or represented at any meeting, the Co-owners entitled to vote thereat, present in person or represented by proxy, shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting originally called.

10. Council Action When a quorum is present at any meeting, a majority of the votes represented and voting shall decide any question brought before such meeting, unless the question is one upon which by express provision of the Horizontal Property Act a different vote is required, in which case such express provision shall govern.

11. Order of Business. The order of business at all meetings of the Council shall be as follows: (a) roll call; (b) proof of notice of meeting or waiver of notice; (c) reading of minutes of preceding meeting; (d) reports of officers; (e) reports of committees; (f) election of inspectors of election, if applicable; (g) election of directors, if applicable; (h) unfinished business; and (i) new business.

12. Dispensing with Vote. Whenever the vote of the Co-owners at a meeting is required or permitted by any provisions of the statutes or of these By-Laws to be taken, the meeting and vote of Co-owners may be dispensed with, if all the Co-owners who would have been entitled to vote upon the action, had such meeting been held, shall consent in writing to such action being taken.

13. Conduct of Meeting. The President shall preside over all meetings of the Council and the Secretary shall keep the minutes of the meeting and record in a Minute Book all

resolutions adopted by the meeting as well as a record of all transactions occurring thereat. Roberts Rules of Order shall govern the conduct of all meetings of the Council when not in conflict with the Declaration, these By-Laws on the Horizontal Property Act.

### ARTICLE III

#### BOARD OF DIRECTORS

1. Powers and Duties The affairs and business of the Condominium shall be managed by a Board of Directors (sometimes hereinafter referred to as the "Board") which shall have all of the powers and duties necessary for the administration of the affairs of the Condominium and may do all such acts and things as are not by the Horizontal Property Act or by these By-Laws directed to be exercised and done by the Council or by the Declaration delegated to the Community Association. The Board of Directors shall have the power from time to time to adopt any Rules and Regulations deemed necessary for the enjoyment of the Condominium provided such Rules and Regulations shall not be in conflict with the Horizontal Property Act or the Declaration. The Board of Directors shall delegate to one of its members the authority to act on behalf of the Board of Directors on all matters relating to the duties of the Managing Agent or Manager, if any, which might arise between meetings of the Board of Directors. It shall also designate one of its members to exercise all requisites of membership on the Community Association, in accordance with the provisions of the Declaration. In addition to the duties imposed by these By-Laws or by any resolution of the Council that may hereafter be adopted, the Board of Directors shall have the power to, and be responsible for, the following (subject only to the delegation of some of the responsibilities enumerated below to the Community Association as more particularly set forth in the Declaration):

(a) Preparation and adoption of an annual budget, in which there shall be established the contribution of each Co-owner to the Common Expenses.

(b) Making assessments against Co-owners to defray the costs and expenses of the Condominium, establishing the means and methods of collecting such assessments from the Co-owners, and establishing the period of the installment payment of the annual assessment for Common Expenses. Unless otherwise determined by

the Board of Directors, the annual assessment against each Co-owner for his proportionate share of the Common Expenses shall be payable in equal monthly installments, each such installment to be due and payable in advance on the first day of each month for said month.

(c) Providing for the operation, care, upkeep, maintenance and surveillance of all of the Common Elements and services of the Condominium.

(d) Designating, hiring and dismissing the personnel necessary for the maintenance operation, repair and replacement of the Common Elements, and providing services for the Property, and, where appropriate, providing for the compensation of such personnel and for the purchase of equipment, supplies and material to be used by such personnel in the performance of their duties, which supplies and equipment shall be deemed the common property of the Co-owners.

(e) Collecting the assessments against the Co-owners, depositing the proceeds thereof in a bank depository which it shall approve, and using the proceeds to carry out the administration of the Property.

(f) Making and amending Rules and Regulations respecting the use of the Property.

(g) Opening of bank accounts on behalf of the Condominium and designating the signatories required therefor.

(h) Making, or contracting for the making of, repairs, additions, and improvements to, or alterations of, the Property and repairs to, and restoration of, the Property, in accordance with the other provisions of these By-Laws, after damage or destruction by fire or other casualty.

(i) Enforcing by legal means the provisions of the Declaration, these By-Laws and the Rules and Regulations for the use of the Property adopted by it, and bringing any proceedings which may be instituted on behalf of the Co-owners.

(j) Obtaining and carrying insurance against casualties and liabilities, as provided in Article VI of these By-Laws, and paying the premium cost thereof.

(k) Paying the cost of all services rendered to the Condominium and not billed to Co-owners of individual Units.

(l) Keeping books with detailed accounts of the receipts and expenditures affecting the Property, and the administration of the Condominium, specifying the maintenance and repair expenses of the Common Elements and any other expenses incurred. The said books and vouchers accrediting the entries thereupon shall be available for examination by the Co-owners, their duly authorized agents or attorneys, during general business hours on working days at the times and in the manner that shall be set and announced by the Board of Directors for the general knowledge of the Co-owners. All books and records shall be kept in accordance with generally accepted accounting practices, and the same 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 Co-owner therein. The cost of such audit shall be a Common Expense.

(m) To do such other things and acts not inconsistent with the Horizontal Property Act and with the Declaration which it may be authorized to do by a resolution of the Council.

2. Managing Agent or Manager. The Community Association or the Board of Directors will employ for the Condominium a professional Managing Agent or Manager at a compensation to be approved by the Board of Directors, to perform such duties and services as the Board of Directors shall authorize, including, but not limited to, the duties listed in paragraphs (a), (c), (d), (e), (h), (j), (k), (l), and (m) of section 1 of this Article III. The Community Association or Board of Directors may delegate to the Managing Agent or Manager all of the powers granted to the Board of Directors by these By-Laws other than the powers set forth in paragraphs (b), (f) (g) and (i), of section 1 of this Article III. Any agreement with the Managing Agent or Manager shall be in writing and shall provide that it may be terminated for cause on ninety (90) days' written notice. The term of any such agreement shall not exceed three years. The Developer, or an affiliate of the Developer, or Community Association, may be employed as Managing Agent or Manager. After the initial Managing Agent or Manager has been named, neither the Community Association nor the Board of Directors shall (i) employ any new Managing Agent or Manager without thirty (30) days prior written notice to the institutional holders of all first mortgages on the Apartment Units, or (ii) employ any new Managing Agent or Manager, or enter into a new management contract, or itself undertake management of the Condominium, unless each institutional holder who holds at least twenty (20) such first mortgages approves in writing the proposed management contract, or other management arrangements.

3. Number of Directors and Initial Selection of Board. The number of directors which shall constitute the whole Board shall be not less than three (3) nor more than five (5). The

initial Board of Directors shall be comprised the three (3) persons appointed by the Developer and shall serve until the election of the Board of Directors takes place at the first annual meeting of the Council. The Developer appointees need not be residents of, nor Co-owners in the Condominium, and the Developer shall have the right in its sole discretion to replace such directors and designate their successors if vacancies occur for any reason.

4. Election and Term of Office. At the first annual meeting of the Council five (5) directors shall be elected. The term of office of three (3) directors shall be fixed at one (1) year and the term of office of two (2) directors shall be fixed at two (2) years. At the expiration of the initial term of office of each respective director, each successor shall be elected at subsequent annual meetings of the Council to serve a term of two (2) years. The directors shall hold office until their successors have been elected and hold their first meeting.

Notwithstanding anything contained in these By-Laws to the contrary, until the first annual meeting of the Council, the Developer shall have the right to select a majority of the Board of Directors and to fill any vacancy occurring from the death, resignation or removal, by Developer or Council, of any director chosen by the Developer, and so long as the Developer continues to be the owner of five (5) Units in the Condominium, it shall have the right to select one member of the Board of Directors and to fill any vacancy occurring from the death, resignation or removal, by Developer or Council, of any such director. This last paragraph of Article III, section 4, may not be changed except by unanimous vote of all Co-owners.

5. Organization Meeting. The first meeting of the members of the Board of Directors following the annual meeting of the Council shall be held within ten (10) days after at such place as shall be fixed by the directors at the meeting at which such directors were elected, and no notice shall be necessary to the newly elected directors in order legally to constitute such meeting, providing a majority of the whole Board shall be present therein.

6. Regular Meeting. Regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by a majority of the directors, but at least four (4) such meetings shall be held during each fiscal year after the first annual meeting of the Council. Notice of regular meetings of the Board of Directors shall be given to each director, personally or by mail, telephone or

telegraph, at least three (3) days prior to the day named for such meeting.

7. Special Meeting. Special meetings of the Board of Directors may be called by the President on three days' notice to each director. Such notice shall be given personally or by mail, telephone or telegraph, and such notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of at least two (2) directors.

8. Waiver of Notice. Before or at any meeting of the Board of Directors, any director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a director at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all the directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

9. Board of Director's Quorum. At all meetings of the Board of Directors, a majority of the directors shall constitute a quorum for the transaction of business, and the acts of the majority of the directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If, at any meeting of the Board of Directors, there be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

10. Vacancies. Except as provided in sections 3 and 4 of this Article III, vacancies in the Board of Directors caused by any reason other than removal of a director by a vote of the Council shall be filled by vote of the majority of the remaining directors, even though they may constitute less than a quorum of the Board; and each person so elected shall be a director until a successor is elected at the next annual meeting of the Council.

11. Removal of Directors. Except as provided in sections 3 and 4 of this Article III, a director may be removed with or without cause, and his successor elected, at any duly called meeting of the Council at which a quorum is present, by an affirmative vote of a majority of the votes represented and voting. Any director whose removal has been proposed by the Co-owners shall be given at least ten (10) days' notice of the calling of the meeting and the purpose thereof an opportunity to

be heard at the meeting.

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

13. Conduct of Meetings. The President shall preside over all meetings of the Board of Directors and the Secretary shall keep a Minute Book of the Board of Directors recording therein all resolutions adopted by the Board of Directors and a record of all transactions and proceedings occurring at such meetings. Roberts Rules of Order shall govern the conduct of the meetings of the Board of Directors when not in conflict with the Declaration, these By-Laws or the Horizontal Property Act.

14. Report of Board of Directors. The Board of Directors shall present at each annual meeting, and when called for by vote of the Council at any special meeting of the Council, a full and clear statement of the business and condition of the Condominium.

15. Fidelity Bonds. The Board of Directors shall require that all officers, agents (including Manager or Managing Agent) and employees of the Council handling or responsible for funds furnish adequate fidelity bonds. The premiums on such bonds shall constitute a Common Expense.

16. Liability of the Board of Directors. The members of the Board of Directors shall not be liable to the Co-owners for any mistake of judgment, negligence, or otherwise except for their own individual willful misconduct or bad faith. The Co-owners shall indemnify and hold harmless each of the directors from and against all contractual liability to others arising out of contracts made by the Board of Directors on behalf of the Co-owners unless any such contract shall have been made in bad faith or contrary to the provisions of the Declaration or of these By-Laws. It is intended that the members of the Board of Directors shall have no personal liability with respect to any contract made by them on behalf of the Co-owners. It is also intended that the liability of any Co-owner arising out of any contract made by the Board of Directors or out of the aforesaid indemnity in favor of the members of the Board of Directors shall be limited to such proportion of the total liability thereunder as his Percentage Interest bears to the Percentage Interests of all of the Co-owners. Every agreement made by Community Association, the Board of Directors or by the Managing Agent or Manager on behalf of the Co-owners shall, if obtainable, provide that Community Association, the members of the Board of Directors, or the Managing Agent or Manager, as the case may be,

are acting only as agents for the Co-owners and shall have no personal liability thereunder (except as Co-owners), and that each Co-owner's liability thereunder shall be limited to such proportion of the total liability thereunder as his Percentage Interest bears to the Percentage Interests of all Co-owners. The Co-owners 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, against expenses (including attorneys' 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 believes to be in, or not opposed to the best interests of the Co-owners.

#### ARTICLE IV

#### **OFFICERS**

1. Designation. The principal officers of the Condominium shall be a President, a Vice President, a Secretary, and a Treasurer, all of whom shall be elected by the Board. The Board may appoint assistant secretaries and such other officers as in its judgment may be necessary. With the exception of the President, no officer need be a member of the Board. Two or more offices may be held by the same person, except that the President shall not hold any other office.

2. Election of Officers. The officers of the Condominium shall be elected annually by the Board at the organization meeting of each new Board and shall hold office at the pleasure of the Board.

3. Removal of Officers. The officers shall hold office until their respective successors are chosen and qualify in their stead. Any officer elected or appointed by the Board of Directors may be removed at any time by the affirmative vote of a majority of the whole Board. If the office of any officer becomes vacant for any reason, the vacancy shall be filled by the Board of Directors.

4. President. The President shall be the chief executive officer; he shall preside at meetings of the Council 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 Condominium and shall see that all orders and resolutions of the Board are carried into effect.

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

6. Secretary. The Secretary shall attend all sessions of the Board of Directors and all meetings of the Council and record all votes and the minutes of all proceedings in a book to be kept by him for that purpose and shall perform like duties for committees when required. He shall give, or cause to be given, notice of all meetings of the Council, the Board and committees and shall perform such other duties as may be prescribed by the Board or President. The Secretary shall compile and keep current at the principal office of the Condominium, a complete list of the Co-owners and their last known post office addresses. This list shall be open to inspection by all Co-owners and other persons lawfully entitled to inspect the same, at reasonable hours during regular business days. The Secretary shall also keep current and retain custody of the minute book of the Council, containing the minutes of all annual and special meetings of the Council and all sessions of the Board including resolutions.

7. Treasurer. The Treasurer shall have the custody of all funds and securities that are not under the control of the Manager or Management Agent, and, with the assistance of the Manager or Management Agent, shall keep full and accurate records of receipts and disbursements and shall deposit all moneys and other valuable effects in such depositories as may be designated by the Board. He shall disburse funds as ordered by the Board taking proper vouchers for such disbursements, and shall render to the President and directors, at the regular meetings of the Board, or whenever they may require it, an account of all of his transactions as Treasurer and of the financial condition of the Condominium.

If required by the Board, he shall give a bond, the premium therefor to be considered a Common Expense, in such sum, and with such surety or sureties as shall be satisfactory to the Board for the faithful performance of the duties of his office and for the restoration, in case of his death, resignation, retirement or removal from office, of all books, papers,

vouchers, money and other property of whatever kind in his possession or under his control.

8. Agreements, Contracts, Deeds, Checks, etc. All agreements, contracts, deeds, leases, checks and other instruments of the Condominium for expenditures or obligations of over \$1000, other than those executed by the Community Association on behalf of the Condominium, shall be executed by any two officers of the Condominium or by such other person or persons as may be designated by the Board of Directors. All such instruments for expenditures or obligations of less than \$1000 may be executed by any one officer of the Condominium or by such other person as may be designated by the Board of Directors.

9. Compensation of Officers. No officer shall receive any compensation from the Condominium for acting as such.

## ARTICLE V

### OPERATION OF THE PROPERTY

#### 1. Determination of Common Expenses and Assessments Against Co-owners.

(a) Fiscal Year. The fiscal year of the Condominium shall consist of the twelve month period commencing on July 1 of each year and terminating on June 30.

(b) Preparation and Approval of Budget. Each year on or before June 1st, the Board of Directors shall adopt a budget for the Condominium containing an estimate of the total amount which it considers necessary to pay the cost of maintenance, management, operation, repair and replacement of the Common Elements and those parts of the Units as to which it is the responsibility of the Board of Directors to maintain, repair and replace, and the cost of wages, materials, insurance premiums, services, supplies and other expenses that may be contracted by the Community Association or the Board of Directors or declared to be Common Expenses by the Horizontal Property Act, the Declaration, these By-Laws or a resolution of the Council, and which will be required during the ensuing fiscal year for the administration, operation, maintenance and repair of the Property and the rendering to the Co-owners of all related services. Such budget shall also include such reasonable reserves as the Board of Directors considers necessary for the purposes hereinafter set

forth. The Board of Directors shall send to each Co-owner a copy of the budget, in a reasonably itemized form which sets forth the amount of the Common Expenses payable by each Co-owner, on or before June 15, preceding the fiscal year to which the budget applies. The said budget shall constitute the basis for determining each Co-owner's contribution for the Common Expenses of the Condominium.

(c) Assessment and Payment of Common Expenses.

The total amount of the estimated funds required for the operation of the Property set forth in the budget for the fiscal year adopted by the Board of Directors shall be assessed against each Co-owner in proportion to his respective Percentage Interest, and shall be a lien against each Co-owner's Unit as of the first day of the fiscal year to which such budget applies. On or before the first day of each fiscal year, and the first day of each of the preceding eleven (11) months in such fiscal year, each Co-owner shall be obligated to pay to the Board of Directors, the Manager or Managing Agent (as determined by the Board of Directors), one-twelfth (1/12) of the assessment for such fiscal year made pursuant to the foregoing provisions. Within sixty(60) days after the end of each fiscal year, the Board of Directors shall supply to all Co-owners an itemized accounting of the Common Expenses for such fiscal year actually incurred and paid, together with a tabulation of the amounts collected pursuant to the budget adopted by the Board of Directors for such fiscal year, and showing the net amount over or short of the actual expenditures plus reserves. Any amount accumulated in excess of the amount required for actual expenses and reserves and any Common Profits shall, in the discretion of the Board of Directors, either be returned to the Co-owners in accordance with each Co-owner's Percentage Interest or be credited according to each Co-owner's Percentage Interest to the next monthly installments due from Co-owners under the current fiscal year's budget, until exhausted. Any net shortage shall, if the Board of Directors deems it advisable, be added according to each Co-owner's Percentage Interest to the installments due in the succeeding six (6) months after the rendering of the accounting.

(d) Reserve Fund for Replacements. The Board of Directors shall establish and maintain a reasonable fund for capital improvements and replacements, by providing for such a reserve fund in the budget, segregating such reserve fund on the books of the Condominium, and allocating and paying monthly to such reserve fund one-twelfth (1/12th) of the total amount budgeted for such reserve fund for the current fiscal year. The portion of the Co-owner's assessments paid into such reserve fund

shall be conclusively deemed to be contributions to the capital of the Condominium by the Co-owners. Such reserve fund may be expended solely for the purpose of capital improvements and replacements, and not for current maintenance and repair. If for any reason, including non-payment of any Co-owner's assessment, such reserve fund is inadequate to defray the cost of a required capital improvement or replacement, the Board of Directors may at any time levy a further assessment, which shall be assessed against the Co-owners according to the respective Percentage Interests of their Units, and which may be payable into such reserve fund in a lump sum or in installments as the Board of Directors may determine. The Board of Directors shall serve notice of any such further assessment on all Co-owners by a statement in writing giving the amount and reasons therefore, and such further assessments shall, unless otherwise specified in the notice, become effective with the next monthly payment which is due more than ten (10) days after the delivery or mailing of such notice of further assessment. All Co-owners shall be obligated to pay the adjusted monthly amount or, if the additional assessment is not payable in installments, the amount of such assessments.

(e) Special Assessments. In addition to the assessments authorized above, the Board of Directors may levy, as a contribution to the capital of the Condominium, a special assessment, for the purpose of defraying the cost of any unexpected repair or other non-recurring contingency, or to meet any deficiencies occurring from time to time. The fund resulting from said special assessments shall be segregated on the books of the Condominium and expended solely for the purposes set forth in the preceding sentence. Said fund shall be initially funded by an initial capital contribution by each Co-owner equal to one (1) month's assessment, and payable by each Co-owner upon the purchase of his Unit from the Developer, and may be replenished or built up by budgetary allocation of assessments for such purposes. Any additional special assessments shall be assessed in the same manner set forth in Paragraph (d) of this Section with respect to additional assessments payable to the reserve fund for replacements.

(f) Initial Budget. When the first Board of Directors takes office, it shall determine the budget, as defined in this section, for the period commencing upon the sale of the first Unit by the Developer and ending on June 30 of the fiscal year in which their election occurs. Assessments shall be levied against the Co-owners during said period as provided in paragraph (c) of this Section.

**(g) Effect of Failure to Prepare or Adopt Budget.**

The failure or delay of the Board of Directors to prepare or adopt the annual budget for any fiscal year shall not constitute a waiver or release in any manner of Co-owner's obligation to pay his allocable share of the Common Expense as herein provided, whenever the same shall be determined, and in the absence of any annual budget or adjusted budget, each Co-owner shall continue to pay the monthly charge at the then existing monthly rate established for the previous fiscal period until the monthly payment which is due more than ten (10) days after such new annual or adjusted budget shall have been mailed or delivered.

**(h) Accounts.** All sums collected by the Board of Directors with respect to assessments against the Co-owners may be commingled into a single fund, but shall be held for each Co-owner in accordance with his Percentage Units.

**2. Payment of Common Expenses.** All Co-owners shall be obligated to pay the Common Expenses assessed by the Board of Directors pursuant to the provisions of Section 1 of this Article V. No Co-owner may exempt himself from liability for his contribution toward Common Expenses by waiver of the use of enjoyment of any of the Common Elements or by abandonment of his Unit. No Co-owner shall 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 of such Unit. The purchaser of a Unit shall be jointly and severally liable with the selling Co-owner for all unpaid assessments against the latter for his proportionate share of the Common Expenses up to the time of the conveyance, without prejudice to the purchaser's right to recover from the selling Co-owner the amounts paid by the purchaser therefor; provided, however, that any such purchaser shall be entitled to a statement from the Board of Directors, the Managing Agent or the Manager, setting forth the amount of the unpaid assessments against the selling Co-owner and such purchaser shall not be liable for, nor shall the Unit conveyed be subject to a lien for, any unpaid-assessments in excess of the amount therein set forth; and provided, further, that if a mortgagee of a first mortgage of record or other purchaser of a Unit obtains title to the Unit as a result of foreclosure or deed (or assignment) in lieu of foreclosure of a first mortgage, such purchaser, its successors and assigns shall not be liable for, and such Unit shall not be subject to, a lien for the payment of Common Expenses assessed prior to the acquisition of title to such Unit by such purchaser pursuant to the foreclosure sale, conveyance or assignment. Such unpaid share of Common Expenses assessed prior to the acquisition of title to such Unit by such purchaser pursuant to the foreclosure sale, conveyance or

assignment shall be collectible from all Co-owners, including the purchaser, in proportion to their respective Percentage Interests.

3. Collection of Assessments. The Board of Directors shall take prompt action to collect any assessments for Common Expenses due from any Co-owner which remain unpaid for more than thirty (30) days from the due date for payment thereof.

4. Statement of Common Expenses. The Board of Directors shall promptly provide any Co-owner so requesting the same in writing, with a written statement of all unpaid assessments for Common Expenses due from such Co-owner.

5. Maintenance and Repair.

(a) By the Board of Directors. The Board of Directors shall be responsible for the maintenance, repair and replacement (unless necessitated by the negligence, misuse or neglect of a Co-owner, in which case such expense shall be charged to such Co-owner), of the following, the cost of which shall be charged to all Co-owners as a Common Expense:

(1) All of 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 surfaces of all walls, floors and ceilings of a Unit.

(3) The maintenance of the exterior surface of the front door of each Unit opening onto the corridor.

(4) All incidental damage caused to any Unit by such work as may be done or caused to be done by the Board of Directors in accordance herewith.

(b) By the Co-owner. Except for the portions of his Unit required to be maintained, repaired and replaced by the Board of Directors, each Co-owner shall be responsible for the maintenance, repair and replacement, at his own expense, of the following: any interior walls, interior surface of ceiling and lighting, heating, air-conditioning and laundry equipment and those parts of the plumbing system which are wholly contained within his Unit. Each Co-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 his

Unit. In addition, each Co-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 Co-owner shall perform his responsibility in such manner as shall not unreasonably disturb or interfere with the other Co-owners. Each Co-owner shall promptly report to the Board of Directors, the Managing Agent or Manager any defects or need for repairs for which the Board of Directors is responsible.

(c) Manner of Repair and Replacement. All repairs and replacements shall be substantially similar to the construction and installation upon the completion of rehabilitation of the Condominium by Developer, and shall be of first class quality. The method of approving payment vouchers for all repairs and replacement shall be determined by the Board of Directors.

6. Additions, Alterations or Improvements by Board of Directors. Whenever in the judgment of the Board of Directors the Common Elements shall require additions, alterations or improvements costing in excess of Five Thousand Dollars (\$5,000) during any period of twelve (12) consecutive months, and the making of such additions, alterations or improvements shall have been approved by a majority of the Co-owners, the Board of Directors shall proceed with such additions, alterations or improvements and shall assess all Owners for the cost thereof as a Common Expense. Any additions, alterations or improvements costing Five Thousand Dollars (\$5,000) or less during any period of twelve (12) consecutive months may be made by the Board of Directors without approval of the Co-owners and the cost thereof shall constitute part of the Common Expenses. 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 Co-owner or Co-owners requesting the same, such requesting Co-owners shall be assessed therefor in such proportion as they jointly approve or, if they are unable to agree thereon, in such proportions as may be determined by the Board of Directors.

7. Additions, Alterations or Improvements by Co-owners. No Co-owner shall make any structural addition, alteration or improvement in or to his Unit without the prior written consent thereto of the Board of Directors. No Co-owner shall paint or alter the exterior of the Buildings, including the doors and windows, without the prior written consent thereto of the Board of Directors. The Board of Directors shall be obligated to answer any written request by a Co-owner for

approval of a proposed structural addition, alteration or improvement (by painting or otherwise) in such Co-owner's Unit within forty-five (45) days after such request, and its failure to do so within the stipulated time shall constitute a consent by the Board of Directors to the proposed addition, alteration or improvement. Any application to any governmental authority for a permit to make an addition, alteration or improvement in or to any Unit shall be executed by the Board of Directors only, without however incurring any liability on the part of the Board of Directors or any of them to any contractor, subcontractor or materialman on account of such addition, alteration or improvement, or to any person having any claim for injury to person or damage to property arising therefrom. The provisions of this Section 7 shall not apply to Units owned by the Developer until such Units have been initially sold by the Developer and paid for.

8. Restrictions of Use of Units. To assist the Condominium in providing for congenial occupancy and the protection of the value of the Units, it is necessary that the Board of Directors have the right and authority to exercise reasonable controls over the use of the Units. Violation of the following enumerated prohibitions shall not be permitted, and the Board of Directors is hereby authorized to take all steps necessary to prevent or discontinue any violations thereof, all at the expense of the violator:

(a) No Co-owner or other resident of the Condominium shall post any advertisements or posters of any kind in or on the Property except as authorized by the Board. This restriction shall not apply to advertisements, signs or posters utilized by the Developer, or its agents, in selling the Units.

(b) All Apartment Units shall be used only for private residential purposes, except for such temporary other uses as may be permitted by the Board of Directors from time to time. This provision shall not, however, be so construed as to prevent the Developer from using any Unit for model, sales office or display purposes nor so as to prohibit the leasing of Units owned by the Developer subject to all of the provisions of the Declaration and these By-Laws.

(c) 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. All refuse and trash shall be deposited in bins designated for such purposes.

(d) No animal, other than common household pets,

weighing no more than thirty (30) pounds, shall be kept or maintained on the Property, nor shall common household pets be kept, bred or maintained for commercial purposes on the Property.

Pets shall not be permitted outside of Units unless they are accompanied by an adult person and carried or leashed. Any Co-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.

(e) Co-owners, residents and lessees shall exercise extreme care to avoid unnecessary noise or the use of musical instruments, radios, television and amplifiers that may disturb other Co-owners.

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

(g) No Co-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 any Building or is otherwise visible on the exterior of the Buildings except as presently installed or as authorized by the Board.

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

(i) A Co-owner shall not place or cause to be placed in the public hallways, walkway, driveways, parking areas or other Common Elements any bicycles, furniture, packages or objects of any kind. The public hallways, walkways and driveways shall be used for no purpose other than for normal transit through them.

(j) No Co-owner, resident or lessee shall direct or engage any employee of the Condominium on any private business of such Co-owner, resident or lessee, nor shall he direct, supervise or in any manner attempt to assert control over any such employee.

(k) 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.

In the use of the Common Elements of the Condominium, Co-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. 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. Right of Access. A Co-owner shall grant a right of access to his Unit to the Board of Directors or the Management Agent, or the Manager or to any other person authorized by the Board for the purpose of making inspections or for the purpose of correcting any condition originating in his Unit and threatening another Unit or a Common Element, or for the purpose of performing installations, alterations or repairs to the mechanical or electrical services or other Common Elements in his Unit or elsewhere in the Buildings, or to correct any condition which violates the provisions of any mortgage covering another Unit, provided that requests for entry are made in advance and that any such entry is at a time reasonably convenient to the Co-owner. In case of any emergency, such right of entry shall be immediate whether the Co-owner is present at the time or not.

10. Storage Areas. The Board of Directors, Management Agent, or Manager is authorized to subdivide and/or assign portions of the storage areas of the Condominium for the exclusive use of a certain Unit or number of Units.

## ARTICLE VI

### INSURANCE, DESTRUCTION, RESTORATION, CONDEMNATION AND DISTRIBUTION

1. Authority. The Board of Directors shall obtain and maintain casualty and liability insurance under such terms and for such amounts as shall be deemed necessary by the Board, but in no event less than the amount required by section 2 of this Article. The insurance premiums purchased by the Board shall be charged as items of Common Expense. Such insurance coverage shall provide for the issuance of certificates of insurance and mortgage endorsements to all mortgagees of the Units. Such insurance coverage shall be written on the Condominium and shall

provide for the insurance proceeds covering any loss to be payable to the Board of Directors as Insurance Trustee for the benefit of each Co-owner and his mortgagee according to his Percentage Interest in the Condominium.

**2. Coverage.** The Condominium shall be insured, to the extent available, against casualty in a minimum amount equal to the maximum insurable replacement value (i.e. 100% of replacement costs) thereof (exclusive of excavations and foundations) as determined annually by the Board with assistance of the insurance company affording such coverage. The policy shall cover all the improvements on the Property except those made by a Co-owner at his expense and shall contain a "condominium replacement cost" endorsement. Such coverage shall afford protection against:

- (i) loss or damage by fire, vandalism, malicious mischief, windstorm, and other hazards covered by the standard extended coverage endorsement; and
- (ii) such other risks as shall customarily be covered with respect to projects similar in construction, location and use as the Directors in their sound discretion may deem advisable.

Such coverage shall insure the Buildings (including all of the Units and the bathroom, laundry and kitchen equipment, fixtures and cabinets, and electrical fixtures of like kind and/or quality as those initially furnished by Developer, together with all air conditioning, heating and other equipment, but not including furniture, furnishings or other personal property supplied or installed by Co-owners) and other Condominium property including all personal property included in the Common Elements. The Condominium shall be insured against liability for personal injury and property damage in such amounts and in such forms as shall be required by the Board which, however, in no event shall be less than \$1,000,000 with respect to any one occurrence. All liability insurance shall contain cross-liability endorsements to cover liabilities of the Council as a group, the Board and each individual Co-owner. Workmen's Compensation Insurance shall be obtained where necessary to meet the requirements of law. In addition to the foregoing, the Board of Directors may obtain such additional insurance coverage as it may in its sole discretion deem advisable and appropriate.

**3. Limitations.** Any insurance obtained pursuant to the requirements of this Article shall be subject to the following

**provisions:**

(a) All policies shall be written with a company or companies licensed to do business in the District of Columbia and holding a rating of "BBB+" or better in Best's Insurance Reports.

(b) In no event shall the insurance coverage obtained and maintained pursuant to the requirements of this Article be brought into contribution with insurance purchased individually by any of the Co-owners or their mortgagees, as herein permitted, and any "no other insurance" or similar clause in any policy obtained by the Council pursuant to the requirements of this Article shall exclude such policies from consideration.

(c) All policies shall provide that such policies may not be cancelled or substantially modified without at least thirty (30) days prior written notice to any and all insureds named thereon, including any and all mortgagees.

(d) All policies 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, when in conflict with the provisions of these By-Laws or the provisions of the Horizontal Property Act of the District of Columbia.

(e) All policies shall contain a waiver of subrogation by the insurer as to any and all claims against the Co-owners, the Council, the Board, the Manager or Managing Agent, if any, and their respective agents, and of any defenses based upon co-insurance or invalidity arising from the acts of the insured.

(f) Each of the policies of insurance obtained by the Council shall contain provisions (i) that they shall not be prejudiced by any act or neglect of any occupants or Co-owners of the Condominium when such act or neglect is not within the control of the insured, or Co-owners collectively, or (ii) that they shall not be prejudiced by failure of the insured, or Co-owners collectively, to comply with any warranty or condition with regard to any portion of the Condominium over which the insured, or Co-owners collectively have no control.

**4. Individual Policies. Any Co-owner and any mortgagee**

may obtain at his own expense additional insurance (including a "condominium unit-owner's endorsement" for improvements and betterments to a Apartment Unit made or acquired at the expense of the Co-owner). Such insurance should contain the same waiver of subrogation provision as that set forth in Section 3(e) of this Article. It is recommended that each Co-owner obtain, in addition to the insurance hereinabove provided to be obtained by the Board of Directors, a "Tenant's Homeowners Policy", or equivalent, to insure against loss or damage to personal property used or incidental to the occupancy of the Apartment Unit, additional living expense, vandalism or malicious mischief, theft, personal liability and the like. Such policy should include a "condominium unit-owner's endorsement" covering losses to improvements and betterments to the Apartment Unit made or acquired at the expense of the Co-owner.

No Co-owner shall maintain insurance coverage which will tend to decrease the amount which the Council may realize under any insurance policy which it may have in force at any particular time; the Board of Directors may require that each Co-owner shall file with the Manager or Managing Agent a copy of each individual policy of insurance purchased by the Co-owner within thirty (30) days after its purchase; the Board may also require that each Co-owner shall notify the Council of all improvements made by him to his Unit having a value in excess of \$1,000.

5. Insurance Trustee. The Board of Directors shall serve as the Insurance Trustee. All insurance policies purchased by the Board shall be for the benefit of the Council, each Co-owner and his mortgagee, as their respective interests may appear, and shall provide that proceeds payable pursuant to the policies shall be paid directly to the Board as the Insurance Trustee. All policies shall provide that adjustment of loss shall be made by the Board or its designee.

6. Covenants for Benefit of Mortgagees. Proceeds of insurance policies received by the Insurance Trustee shall be distributed to or for the benefit of the Co-owner entitled thereto, after first paying or making provision for the payment of the expenses of the Insurance Trustee, in the following manner:

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

(b) If it is determined in the manner elsewhere provided herein that the damage for which the proceeds are paid shall not be reconstructed or repaired, then and in that event, the Property shall be deemed to be owned in common by the Co-owners and shall be subject to an action for partition upon the suit of any Co-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 Co-owners, after first paying off, out of the share of each Co-owner, to the extent sufficient for that purpose, all liens, including mortgage liens, on the Unit of such Co-owner. This is a covenant for the benefit of any mortgagee and may be enforced by such mortgagee.

7. Reconstruction. If any part of the Condominium shall be damaged by casualty, the determination of whether or not to reconstruct or repair the same shall be made as follows:

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

(b) Where there is total destruction, which shall be deemed to mean destruction which does render more than two-thirds of the Units untenable, reconstruction or repair shall not be compulsory unless at a meeting which shall be called within ninety (90) days after the occurrence of the casualty, or, if by such date, the insurance loss has not been finally adjusted, then within thirty (30) days thereafter, all of the Co-owners unanimously vote in favor of such reconstruction or repair.

(c) Any such reconstruction or repair shall be substantially in accordance with the original plans and specifications under which the Condominium was originally constructed or rehabilitated with the proceeds of insurance available for that purpose, if any.

If the damage is only to those parts of one Unit for which the responsibility of maintenance and repair is borne by the Co-owner, then the Co-owner shall be responsible for reconstruction and repair after casualty. In all other instances the responsibility of reconstruction and repair after casualty shall be that of the Council.

8. 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 7(a)(b) for purposes of this Article VI 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.

9. Assessments if Insurance is Inadequate. Immediately after a casualty causing damage to property for which the Council has the responsibility of maintenance and repair, the Board shall obtain reliable and detailed estimates of the cost to place the damaged property in as good a condition as it was before the casualty. Such costs may include professional fees and premiums for such bonds as the Board desires. If the proceeds of insurance are not sufficient to defray such estimated costs, a special assessment shall be made against all the Co-owners in proportion to their aforementioned Percentage Interests 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 the payment of the costs thereof are insufficient, assessments shall be made against all the Co-owners in proportion to their Percentage Interests in sufficient amounts to provide funds for the payment of such costs.

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

11. Notification. The Board of Directors shall notify: (a) the mortgagee of a Unit whenever damage to the Unit covered by the mortgage exceeds \$1,000; and (b) all mortgagees whenever damage to the Common Elements exceeds \$10,000.

## ARTICLE VII

### MORTGAGES

1. Notice to Board. A Co-owner who mortgages his Unit, shall notify the Board through the Manager or Managing Agent of the name and address of his mortgagee, if any; the Board shall maintain such information in a book entitled "Mortgagees of Units."

2. Notice of Unpaid Common Charges. The Board whenever so requested in writing by a mortgagee, shall promptly report any then unpaid common charges due from or any other default by the owner of the mortgaged Unit.

3. Notice of Default. The Board shall give written notice to a Co-owner of any default by the Co-owner in the performance of any obligations under the Act, Declaration or By-Laws, and, if such default is not cured within thirty (30) 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.

4. Examination of Books. Each Co-owner and each mortgages shall be permitted to examine the books of account of the Condominium at reasonable times, on business days, but not more often than once a month.

5. "Mortgagee" and "Mortgage". As used in this Article and generally in the Declaration and By-Laws, the term "mortgagee" includes the holder of a note secured by a deed of trust of mortgage encumbering a Unit and recorded among the land records of the District of Columbia, and the term "mortgage" includes any deed of trust recorded among the said land records.

6. Rights of First Mortgagees. Unless all holders of first mortgage liens on individual Units have given their prior written approval, the Council shall not:

(a) change any Unit's Percentage Interest in Common Expenses and Common Profits or in the Common Elements;

(b) partition or subdivide any Unit or that Unit's Percentage Interest in Common Expenses and Common Profits or in the Common Elements of the Condominium nor subdivide the Common Elements of the Condominium;

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

(d) modify or amend the provisions of these By-Laws or the Declaration;

(e) modify the method of determining and collecting assessments; nor

(f) use the proceeds of casualty insurance for any purpose other than restoration.

## ARTICLE VIII

### NOTICE

1. Manner of Notice. Whenever any notice is required to be

given under the provisions of applicable statutes or of the Declaration or these By-Laws to any mortgagee, Director or Co-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 Co-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.

2. Waiver of Notice. Whenever any notice is required to be given under the provisions of the statutes, the Declaration or of these By-Laws, a waiver thereof, in writing, signed by the person or persons entitled to such notice, whether signed before or after the time stated therein, shall be deemed equivalent thereto.

## ARTICLE IX

### AMENDMENT OF BY-LAWS

These By-Laws may be amended by the affirmative vote of Co-owners representing at least sixty-six and two-thirds percent (66 2/3%) of the total individual percentage interests in the Condominium, at a meeting of the Council called for that purpose; provided, however, that all mortgagees shall be given thirty (30) days notice of all proposed amendments provided, that no amendments affecting express rights of any mortgagees shall be valid unless they are approved in writing by all the mortgagees holding mortgages on Units in the Condominium. No amendments to the By-Laws shall become effective until recorded among the Land Records of the District of Columbia.

## ARTICLE X

### COMPLIANCE AND DEFAULT

1. Relief. Each Co-owner shall be governed by, and shall comply with, all of the terms of the Declaration, these By-Laws, and the Rules and Regulations, and any amendments of the same. A default by a Co-owner shall entitle the Council acting through the Board of Directors, the Manager or the Managing Agent, to the following relief:

(a) Legal Proceedings. Failure to comply with any of the terms of the Declaration, these By-Laws, and the Rules and Regulations shall be grounds for relief which may include without limiting the same, an action to recover any sums due for money damages, injunctive relief, foreclosure of the lien for payment of all assessments, any other relief provided for in these By-Laws, or any combination thereof, and any other relief afforded by a court of competent jurisdiction, all of which relief may be sought by the Council, the Board of Directors, the Manager or Managing Agent, or, if appropriate, by an aggrieved Co-owner.

(b) Additional Liability. Each Co-owner shall be liable for the expense of all maintenance, repair or replacement rendered necessary by his act, neglect or carelessness, or the act, neglect or carelessness of any member of 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.

(c) Costs and Attorneys' Fees. In any proceeding arising out of any alleged default by a Co-owner, the prevailing party shall be entitled to recover the costs of the proceeding, and such reasonable attorneys' fees as may be determined by the court.

(d) No Waiver of Rights. The failure of the Council, the Board of Directors, or of Co-owner to enforce any right, provision, covenant, or condition which may be granted by the Declaration, these By-Laws or the Rules and Regulations shall not constitute a waiver of the right of the Council, the Board of Directors, or any Co-owner pursuant to any term, provision, covenant or condition of the Declaration or the 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 Declaration, these By-Laws or the Rules and Regulations, or at law or in equity.

(e) Interest. In the event of a default by any Co-owner against him which continues for a period in excess of fifteen (15) days, such Co-owner shall be obligated to pay interest on the amounts due at the rate of eight percent (8%) per annum from the due date thereof.

(f) Abatement and Enjoinment of Violations by Co-owners.  
The violation of any Rule or Regulation adopted by the Board of Directors, or the breach of any By-Law contained herein, or the breach of any provision of the Declaration, shall give the Board of Directors the right, in addition to any other rights set forth in these By-Laws: (i) to enter the Unit in which, or as to which, such violation or breach exists and summarily to abate and remove, at the expense of the defaulting Co-owner, any structure, thing or condition that may exist therein contrary to the intent and meaning of 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.

2. Lien for Contributions.

(a) The total annual contribution of each Co-owner for the Common Expenses levied pursuant to these By-Laws is hereby declared to be a lien levied against the Unit of such Co-owner within the purview of the Horizontal Property 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.

(b) In any case where an assessment against a Co-owner is payable in installments, upon a default by such Co-owner in the payment of any single installment, which continues for ten (10) days after written notice of such default has been sent to the Co-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 by the service of notice to such effect upon the defaulting Co-owner by the Board of Directors or Managing Agent or Manager.

(c) The lien for contribution 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 Council. During the pendency of such suit the Co-owner shall be required to pay a reasonable rental for the Unit for any period prior to sale pursuant to any judgment or order of any court having jurisdiction over such sale. The plaintiff in such proceeding shall have the right to the appointment of a receiver, if available under the then laws of the District of Columbia.

(d) Suit to recover a money judgment for unpaid contributions shall be maintainable without foreclosing or waiving the lien securing the same.

## ARTICLE XI

### COMPLIANCE, CONFLICT, AND MISCELLANEOUS PROVISIONS

1. Compliance. These By-Laws are set forth in compliance with the requirements of the Horizontal Property Act (herein sometimes referred to as the "Act").
2. Conflict. These By-Laws are subordinate and subject to all provisions of the Declaration and to the provisions of the Act. All of the terms hereof, except where clearly repugnant to the context, shall have the same meaning as they are defined to have in the Declaration or the Act. In the event of any conflict between these By-Laws and the Declaration, the provisions of the Declaration shall control; and in the event of any conflict between the Declaration and the Act, the provisions of the Act shall control.
3. Severability. These By-Laws are set forth to comply with the requirements of the District of Columbia. In case any of the By-Laws are in conflict with the provisions of any of its statutes, the provisions of the statutes will apply. If any provisions of these By-Laws or any section, sentence, clause, phrase, or word, or the application thereof in any circumstance is held invalid, the validity of the remainder of these By-Laws, shall not be affected thereby and to this end, the provisions hereof are declared to be severable.
4. Waiver. No restriction, condition, obligation or provision of these By-Laws shall be deemed to have been abrogated or waived by reason of any failure or failures to enforce the same.
5. Captions. The captions contained in these By-Laws are for convenience only and are not a part of these By-Laws and are not intended in any way to limit or enlarge the terms and provisions of these By-Laws.
6. Gender, etc. Whenever in these By-Laws the context so requires, the singular number shall include the plural and the converse; and the use of any gender shall be deemed to include all genders.

**ARTICLE XII**

**RESIDENT AGENT**

D.W. Withers, 2001 1/2 - 38th Street, S.E., Washington, D.C. 20020, shall be designated as the person authorized to accept service or process in any action relating to two or more Units or to the Common Elements as authorized under Section 5-914(a)(7) of the Act. Such resident agent is a resident of the District of Columbia and maintains an office therein.

**ARTICLE XIII**

**NOTICE AS TO NON-EXISTENCE OF DECLARATION IN TRUST**

Notice is hereby given that no Co-owner has executed a Bond secured by a Declaration in Trust for the enforcement of a lien for Common Expenses.