BY-LAWS OF THE
PICKETT CENTER CONDOMINIUM ASSOCIATION, INC.

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BY-LAWS OF THE
PICKETT CENTER CONDOMINIUM ASSOCIATION, INC.

ARTICLE I

PLAN OF CONDOMINIUM UNIT OWNERSHIP

SECTION 1.1 CONDOMINIUM UNIT OWNERSHIP. On ________________, Pickett Center Associates Limited Partnership, as Declarant, executed a Declaration (to which these By-Laws are attached as Exhibit "C") in accordance with the Condominium Act of the Commonwealth of Virginia, creating a Condominium in the City of Alexandria, Virginia, known as Pickett Center, A Condominium.

SECTION 1.2. INTERPRETATION OF WORDS AND PHRASES. The words and phrases used in these By-Laws including, but not limited to, "Condominium," "Pickett Center," "Declaration," "Articles," "Association," "Board," "Land," "Common Elements," "Limited Common Elements," "Secured Parties," "Condominium Instruments" and "Unit" shall have the same meaning as used in the Declaration of Pickett Center, A Condominium, Articles of Incorporation of Pickett Center Condominium Association, Inc. and Virginia Condominium Act, Sec. 55-79.39 *et seq*., except if it clearly appears from the context in which the word or phrase is used a contrary meaning is plainly intended.

SECTION 1.3. BY-LAWS APPLICABILITY. These By-Laws are adopted by the Declarant as sole Unit owner of Pickett Center as the governing By-Laws of the Association.

SECTION 1.4. PERSONAL APPLICATION. All present or future Unit owners, and their tenants or employees, or any other person occupying or using the facilities of the Condominium in any manner, shall be subject to the provisions of the Declaration, Articles, By-Laws, and such other rules and regulations that may be promulgated by the Association from time to time.

ARTICLE II
MEMBERSHIP, VOTING, MAJORITY OF OWNERS, QUORUM, PROXIES

SECTION 2.1. MEMBERSHIP. Ownership of a Unit shall be the sole qualification for membership. The record owner of a fee or undivided fee interest in any Unit which is a part of the Condominium shall be a member of the Association. The membership may be in the name of one or more persons or entities, including those who or which hold an interest as security for the performance of any obligation. There shall be no more than one membership per Unit. Membership shall be appurtenant to and shall not be separated from ownership of any Unit.

SECTION 2.2. ASSOCIATION. The Association may acquire, hold and transfer title to one or more Condominium Units in its own name.

SECTION 2.3. VOTING RIGHTS. The Association shall have one class of voting membership which shall consist of all Unit owners, including the Declarant. Each Unit Owner shall have a vote proportionate to the Units undivided interest in the Common Elements as set forth in Article VIII of the Declaration. When more than one person or entity holds a membership interest in any Unit, the vote for such Unit shall be exercised as they among themselves shall determine, except that if only one such person is present at a meeting of the Association, that person shall be entitled to cast the votes appertaining to that Unit. If there is more than one such person present at said meeting and should there be a dissent or disagreement among such persons as to how to cast the Unit's allocated vote, the decision of the majority of the persons owning that Unit shall control. If there is an even number of persons owning the Unit who deadlock or tie in their decision to cast the Unit's vote, that Unit's vote shall be treated by the Association as an abstention by the Unit as to the particular issue or decision in dispute.

NOTWITHSTANDING THE FOREGOING OR ANYTHING IN THE DECLARATION OR THE BY-LAWS OR OTHER DOCUMENTS TO THE CONTRARY, THE DECLARANT, ITS SUCCESSORS, ASSIGNS OR DULY AUTHORIZED AGENT OR REPRESENTATIVE, SHALL HAVE THE POWER TO APPOINT AND REMOVE ALL OFFICERS OF THE ASSOCIATION AND THE BOARD AND TO EXERCISE ALL POWERS AND RESPONSIBILITIES OTHERWISE ASSIGNED TO THE ASSOCIATION AND ITS BOARD FOR TWO (2) YEARS FROM DATE THE FIRST UNIT IS CONVEYED TO AN OWNER OTHER THAN DECLARANT, OR UNTIL THE CONVEYANCE TO UNIT OWNERS OTHER THAN THE DECLARANT OF UNITS TO WHICH SEVENTY-FIVE PERCENT (75%) OR MORE OF THE UNDIVIDED INTEREST IN THE COMMON ELEMENTS APPERTAIN, WHICHEVER DATE IS EARLIER.

SECTION 2.4. SUSPENSION OF MEMBERSHIP AND VOTING RIGHTS. During any period in which a Unit owner shall be in default in the payment of any regular or special assessment levied by the Association as provided in Article VIII, the voting rights of such member may be suspended by the Board until such assessment and all interest, penalties or other charges, has been paid. Such rights of a Unit owner also may be suspended for violation of any covenants and restrictions in the Declaration, Articles, By-Laws and rules and regulations established by the Board.

SECTION 2.5. MAJORITY AND PERCENT OF UNIT OWNERS. As used in these By-Laws, the term "Majority of Unit owners" shall mean those Unit owners having more than fifty percent (50%) of the undivided interest in the Common Elements. Percent of Unit owners refers to percent of Unit owners votes.

SECTION 2.6. PROXIES. Votes may be cast in person or by proxy. Proxies must be filed with the Secretary before the appointed time of each meeting. Proxies may only be held by other Unit owners and shall automatically terminate upon the adjournment of the first meeting held on or after the date of the proxy.

ARTICLE III
ADMINISTRATION

SECTION 3.1. ASSOCIATION RESPONSIBILITIES. The members of the Association shall have those responsibilities expressly delegated and required by the Condominium Act. All other responsibilities, rights and powers of the Association, as set forth in the Declaration, Articles, By-Laws, Condominium Act, or otherwise granted to the Association, unless expressly stated otherwise, are hereby assigned and delegated to the Board of Directors who shall have exclusive authority and power over all such matters.

SECTION 3.2. ANNUAL MEETINGS. The first Annual Meeting of the Association shall be held on the first Tuesday day of December, 1987. Thereafter, the Annual Meetings of the Association shall be held on the first Tuesday of November of each succeeding year, unless such day shall be a holiday, in which case the meeting shall be held on the next day not a holiday. At such meetings, the Board shall be elected in accordance with the Articles and these By-Laws. The Unit owners may only transact such other business of the Association as has been stated in the notice of the meeting issued pursuant to Section 3.5.

SECTION 3.3. SPECIAL MEETINGS. The President shall call a Special Meeting of the Unit owners by resolution of the Board or upon written petition of members constituting not less than thirty-five percent (35%) of the undivided interest in the Common Elements of the Condominium. The notice of any Special Meeting shall state the date, 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.

SECTION 3.4. RESIGNATION OF INITIAL DIRECTORS. No later than the earlier of (i) the date the number of Units representing seventy-five percent (75%) or more of the undivided interest in the Common Elements have been conveyed to Unit owners other than Declarant, or (ii) two (2) years from the date the first Unit in the Condominium is conveyed to an owner other than the Declarant, notice shall be given of a Special Meeting of the Association for the purpose of electing Directors. At such Special Meeting, all of the Board designated by the Declarant shall resign, and the members, including Declarant, if the Declarant owns one or more Units, shall elect a successor Board in accordance with the Articles and By-Laws.

SECTION 3.5. NOTICE OF MEETINGS. The secretary shall mail notice of such Annual or Special Meeting of the Association stating the purpose thereof, as well as the date, time and place where it is to be held, to each Unit owner of record, not less than twenty-one (21) days, but not more than thirty (30) days prior to each meeting. Such notice shall be sent by United States mail or given by hand-delivery by an officer of the Association to each member, at the address of their respective Units or to such other address as the member may have designated in writing to an officer of the Association. If notice is given by hand-delivery, such officer shall certify in writing that such notice was delivered to the designated address of the Unit owner.

SECTION 3.6. QUORUM. Except as otherwise provided in these By-Laws, the presence in person or by proxy of members holding twenty percent (20%) of the undivided interest in the Common Elements shall constitute a quorum. However, if a quorum is not present, by majority vote of Unit owners who are present at that meeting, may adjourn to a date no earlier than forty-eight (48) hours nor more than thirty (30) days after the time of the originally scheduled meeting. No additional notice of such meeting shall be required.

SECTION 3.7. ORDER OF BUSINESS. The order of business at all meetings of the Association 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) Report of officers.

(e) Report of the Board.

(f) Report of committees, if any.

(g) Election of Directors.

(h) Old business.

(i) New business.

ARTICLE IV
BOARD OF DIRECTORS

SECTION 4.1. NUMBER; QUALIFICATIONS; INITIAL DIRECTORS: CONTROL BY DECLARANT. The initial Directors selected by the Declarant as set forth in the Articles shall act as such from the date upon which the Declaration is recorded until such time as their successors are duly chosen and qualified, or elected, as the case may be. If, pursuant to the Declaration, the Declarant shall desire to remove or add a Director, the Declarant by notice in writing to the Secretary of the Association, shall have the irrevocable and unconditional authority and right to appoint and to remove any or all of the members of the Board without a vote of the Association. Notice of the names of the persons from time to time appointed to the Board by the Declarant shall be given in writing by the Declarant to the Secretary of the Association within a reasonable time following any such appointment and, in the absence of any notice to the contrary delivered to the Secretary of the Association, the persons named in the Articles shall continue to serve as Directors of the Association until their successors are duly elected pursuant to Section 3.4 above, following the expiration of the period of Declarant's control.

SECTION 4.2. POWERS AND DUTIES. Except as otherwise expressly provided in these By-Laws or mandated by the Condominium Act, all the affairs of the Association shall be conducted by the Board. The Board shall have all the powers and duties necessary for the administration of the affairs of the Association and the Condominium and may do all such acts and things as are not by law or by the Declaration, or the Articles, or the By-Laws directed to be exercised and done by the Unit owners. The powers and duties of the Board shall include, but not be limited to, the following:

(a) To adopt rules and regulations deemed necessary for the benefit and enjoyment of the Condominium; provided, however, that such rules and regulations are not in conflict with the Condominium Act, the Declaration, Articles, or these By-Laws; and

(b) To provide for the care, upkeep, maintenance and security of the Condominium and its General and Limited Common Elements and related services in a manner consistent with law and the provisions of the Declaration, Articles and By-Laws; and

(c) To provide for the establishment, collection, use and expenditure of common expense assessments from the Unit owners and for the filing and enforcement of any Memorandum of Lien for Condominium assessments in a manner consistent with law and the provisions of the Declaration, Articles and By-Laws; and

(d) To delegate to one or more of its members or a person employed for such purpose the authority to act on behalf of the Board on such matters; and

(e) To provide for the designation, hiring and dismissal of the personnel necessary for the good working order of the Condominium and for the proper care of the Common Elements and to provide services for the Condominium in a manner consistent with law and the provisions of the Declaration, Articles and By-Laws; and

(f) To provide for the promulgation and enforcement of such rules and regulations and such restrictions or requirements as may be deemed reasonable and proper respecting the use, occupancy and maintenance of the Condominium and the use of the general and limited common elements and to prevent unreasonable interference with the use and occupancy of the Condominium and of the general and limited common elements by the Unit owners and others, all of which shall be consistent with law and the provisions of the Declaration, Articles and By-Laws; and

(g) To authorize, in their discretion, the payment of surplus common profits when and as reflected in the annual reports; and

(h) Subject to the limitations of the Condominium Act, to enter into agreements whereby the Association acquires leaseholds, memberships and other possessory or use interest in real or personal property for the purpose of promoting the common enjoyment, recreation or welfare of the Condominium and its members and to declare expenses incurred in connection therewith to be the Common Expenses of the Association; and

(i) To purchase insurance for the Condominium in the manner provided for in these By-Laws; and

(j) To repair, renovate, restore or reconstruct all or any part of the Condominium, as the result of wear and tear, the elements or after any casualty loss, in a manner consistent with law and the provisions of the Declaration and these By-Laws and to otherwise improve the Condominium; and

(k) To lease, grant licenses, easements, rights-of-way and other rights of use in all or any part of the Common Elements of the Condominium; and

(l) To appoint the members of the Architectural and Environmental Control Committee provided for in Article VII of these By-Laws and to appoint the members of such other committees as the Board may from time to time designate; and

(m) To review all applications, leases and contracts of sale to purchase any Retail Unit or lease any Unit to ensure that the proposed use of the Retail Unit or lease complies with the restrictions and covenants set forth in the Declaration, Articles and By-Laws, and to issue its approval or disapproval of any such application, contract, or lease based upon such a review. It shall be incumbant upon any Retail Unit owner who desires to sell his Unit or any Unit owner who desires to lease his Unit to submit to the Board a copy of the proposed purchase contract or lease along with a brief description of the proposed business use of the Unit, including but not limited to, the number of employees, hours of operation, and other reasonable information requested by the Board. The Board's approval shall not be unreasonably withheld and a decision shall be rendered within ten (10) working days of the final submission of the requested information.

(n) Insofar as permitted by law, to do any other thing that, in the judgment of the Board, will promote the purpose of the Association or the common benefit of the members and, in general, to exercise the powers provided for in the Declaration, the Condominium Act and Articles, and to do every other act not inconsistent with law which may be appropriate to promote and attain the purposes set forth in the Declaration and these By-Laws and to ensure that the Unit owners comply with and do not violate any of the restrictions, covenants or conditions set forth in the Declaration, Articles, By-Laws or rules and regulations promulgated by the Board.

(o) The Board of Directors shall have authority to designate and adopt a parking plan providing for the allocation and usage of the Condominium parking area. Parking Plan "A", attached hereto as Exhibit 1, is hereby adopted as the Condominium current parking plan. Included in Exhibit 1 are parking plans "B" and "C" from which the Board of Directors may select a substitute parking plan to Parking Plan "A" for use by the Condominium. The Association may adopt Parking Plan "D" in lieu of Parking Plans "A", "B", and "C" available to the Board as set forth in Exhibit 1 attached hereto, at a meeting of the Assocation properly called and noticed for such purpose, by a vote of Unit Owners representing more than sixty percent (60%) of the undivided interest in the Common Elements in attendance at the meeting. If the Association does not adopt Parking Plan D, it may adopt an alternative parking plan at a meeting properly called and noticed for such purposes by a vote of seventy-five percent (75%) of the undivided interest in the Common Elements in attendance at the meeting. However, any alternative parking plan adopted by the Association which fully assigns the spaces per Unit cannot allocate fewer parking spaces per Unit than the minimum number of parking spaces per Unit set forth in the schedule attached hereto as Exhibit 2. Regardless of which parking plan is adopted, no Unit Owner or lessee or their employees shall use parking spaces at any one time in excess of the allocated spaces in Exhibit 2 on a regular day-to-day basis, which shall include specific identifiable invitees that frequent the Unit on a regular basis. A Unit Owner(s) is expressly prohibited from taking any action to enforce any parking rule, regulation or restriction, with the exception of the right to petition the courts or Board regarding any complaint. The Board shall have exclusive authority and responsibility for taking appropriate action to enforce the parking rules, regulations, and restrictions, and to abate any parking problem in a reasonable and diligent manner. The Board of Directors may adopt such rules and regulations as necessary to enforce the parking plan in effect.

(p) To adopt rules and regulations governing the uniform designation and regulations of all signage to be used by Unit Owners.

The foregoing enumeration of specific powers and duties shall not be deemed to limit or restrict in any manner the general powers of the Board, and the enjoyment and the exercise thereof, as conferred by the laws of the Commonwealth of Virginia and as set forth in the Condominium Act.

SECTION 4.3. MANAGEMENT AGENT. The Board may employ for the Association a professional management agent or manager (the "Management Agent") at a rate of compensation established by the Board to perform such duties and to provide such services as the Board shall from time to time authorize in writing. Any management agreement entered into by the Association shall provide, <u>inter alia</u>, that such agreement may be terminated with or without cause and without the payment of any termination fee, upon thirty (30) days written notice thereof. Notwithstanding any other provision of these By-Laws to the contrary notwithstanding, the term of any such management agreement shall not exceed one (1) year; provided, however, that the term of any such management agreement may be renewable by mutual agreement of the parties for successive one year periods.

SECTION 4.4. ELECTION AND TERM OF OFFICE. Following the expiration of the period of Declarant control, the election of the Board shall be by oral ballot, unless any Unit owner requests written or secret balloting, in which event members of the Board shall be elected by written ballot. The number of Directors shall be five (5) natural persons of which two (2) members shall be elected from the owners of Retail Units and two (2) members shall be elected from the owners of the Office Units, with the fifth member being elected on a "at-large" basis. The members of the Association may vote to amend the By-Laws to increase the number of Board members to seven (7), of which three (3) members shall be elected from the owners of the Retail Units and three (3) members shall be elected from the Office Units and the seventh member being elected on an "at-large" basis. There shall be no cumulative voting. At the first annual meeting of the Unit owners following the expiration of the period of Declarant control, the term of office of the Director receiving the greatest number of votes shall be fixed for three (3) years. The term of office of the Director receiving the second greatest number of votes shall be fixed for two (2) years and the term of office of the other Director or Directors shall be fixed for one (1) year. At the expiration of the initial term of office of each respective Director so elected, his successor shall be elected to serve a term of three (3) years.

SECTION 4.5. VACANCIES. Vacancies in the Board caused by any reason other than the removal of a Director by a vote of the Association shall be filled by appointment by the President of the Board with the advice and consent of a majority of the remaining Directors at a special meeting of the Board held for such purpose promptly after the occurrence of any such vacancy. Each person so selected shall be a Director for the remainder of the term of the member being replaced. Notwithstanding anything to the contrary in this Section, so long as the Declarant owns more than twenty-five percent (25%) of the undivided interest in the Common Element (but in no event after two years from the date the first Unit is conveyed to an owner other than Declarant), the Declarant shall designate the successor to any resigned or removed Director previously designated by the Declarant.

SECTION 4.6. REMOVAL. Except with respect to Directors designated by Declarant, at any Annual or Special Meeting of the Association duly called, any Director may be removed, with or without cause, by the affirmative vote of Unit owners present or voting by proxy constituting two-thirds (2/3) or more of the undivided interest in the Common Elements. Immediately thereafter, a successor Director shall be elected to fill the vacancy.

SECTION 4.7. COMPENSATION. No compensation shall be paid to Directors for their services as Directors. No remuneration shall be paid to any Director for services provided to the Association in any other capacity unless a resolution authorizing such remuneration shall be adopted by the Board before such services are performed. Directors may be reimbursed for their actual out-of-pocket expenses reasonably and necessarily incurred in connection with their services as Directors, and shall be deemed a Common Expense.

SECTION 4.8. ORGANIZATION MEETING. An organizational meeting of the Board shall be held within ten (10) days following each election at such place as shall be fixed by the Directors at the election meeting. No other notice of the Board's organizational meetings shall be necessary.

SECTION 4.9. REGULAR MEETINGS. Regular meetings of the Board may be held at any time and place as shall be determined, from time to time, by a majority of the Directors, but at least two (2) such meetings shall be held during each fiscal year of the Association. Written notice of regular meetings of the Board shall be given by the Secretary of the Association to each Director, personally, by mail, or telegraph, at least six (6) days prior to the day named for such meeting.

SECTION 4.10. SPECIAL MEETINGS. Special meetings of the Board may be called by the President on three (3) days' prior written notice to each Director, given personally, by mail, or telegraph, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board shall be called in like manner and on like notice on the written request of at least two of the Directors delivered to the President or Secretary.

SECTION 4.11. WAIVER OF NOTICE. Before, at or after any meeting of the Board, any Director may, in writing, waive notice of the time, place and purpose 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, place and purpose thereof, unless he expressly objects to the meeting proceeding based upon lack of adequate notice as required by this Article.

SECTION 4.12. QUORUM. At all meetings of the Board 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 any meeting at which a quorum is present shall constitute the decision of the Board. If at any meeting of the Board there shall be less than a quorum present, the majority of those present may adjourn the meeting from time to time. After any such adjourned meeting, any business for which that meeting was called and which might have been transacted at the meeting may be transacted at a meeting where a quorum is present without further notice.

SECTION 4.13. ACTION WITHOUT MEETING. Any action by the Board required or permitted to be taken at any meeting may be taken without a meeting if all of the members of the Board shall consent in writing to such action. Such written consent shall be filed with the minutes of the proceedings of the Board.

SECTION 4.14. FIDELITY BONDS. There shall be obtained fidelity bonds in an amount not less than one hundred percent (100%) of the total annual Condominium assessments for the year for all officers, Directors and employees of the Association, including without limitation the Managing Agent who is responsible for Condominium funds. The premiums on such bonds required for the Association (excluding the bonds maintained by the Managing Agent) shall constitute a Common Expense.

ARTICLE V
OFFICERS

SECTION 5.1. DESIGNATION. The principal officers of the Association shall be a President, Vice President, Secretary and a Treasurer, all of whom shall be elected by the Board. Prior to the termination of the authority and rights reserved to the Declarant, the officers of the Association need not be Unit owners. The Directors may appoint an Assistant Secretary and an Assistant Treasurer and such other officers as in their judgment are necessary. A person may hold more than one office but may not serve concurrently as both President and Secretary.

SECTION 5.2. ELECTION OF OFFICERS. The officers of the Association shall be elected annually by the Board from among themselves at the organizational meeting, and shall hold office at the pleasure of the Board.

SECTION 5.3. REMOVAL OF OFFICERS. Upon an affirmative vote of a majority of the members of the Board, any officer may be removed either with or without cause, and his successor elected at any regular meeting of the Board, or at any special meeting of the Board duly called for such purpose.

SECTION 5.4. PRESIDENT. The President shall be the chief executive officer of the Association. He shall preside at all membership and Board meetings. He shall have all of the general powers and duties which are usually vested in the office of President of a corporation, including without limitation, the power to appoint committees from time to time as the President may in his discretion decide is appropriate to assist in the conduct of the affairs of the Association.

SECTION 5.5. VICE PRESIDENT. The Vice President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board shall appoint some member of the Board to do so on an interim basis. The Vice President shall also assist the President generally and shall perform such other duties as shall from time to time be delegated to him by the Board.

SECTION 5.6. SECRETARY. The Secretary shall keep the minutes of all meetings of the Board and the minutes of all meetings of the Association in conformity with requirements of law and these By-Laws. The Secretary shall have custody of the seal of the Association, if any. The Secretary shall have charge of the membership roster and have such other books and papers as the Board may direct and he shall, in general, perform all of the duties incident to the office of Secretary of a corporation.

SECTION 5.7. TREASURER. The Treasurer shall be the chief financial officer and have the responsibility for Association's funds and securities and shall be responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements, and for the preparation of all required financial data; and be responsible for the deposit of all monies and other valuable effects in the name of the Board, or the Association, in such depositories as may from time to time be designated by the Board and, in general, perform all the duties incident to the office of Treasurer of a corporation.

ARTICLE VI
INSURANCE

SECTION 6.1. AUTHORITY TO PURCHASE

(a) Except as provided in Section 6.5, all insurance policies relating to the Condominium shall be purchased by the Board. The Board, the Management Agent, and the Declarant shall not be liable for failure to obtain any coverages required by this Article or for any loss of damage resulting from the failure to acquire such insurance coverage if such failure is due to the unavailability of such coverages from reputable companies or if coverage is only available at an unreasonable cost.

(b) Each such policy shall provide that:

(1) The insurer waives any right to claim by way of subrogation against the Declarant, Unit owners, Association, Board, Management Agent, and their respective agents and employees.

(2) Such policy shall not be cancelled, invalidated or suspended due to the act or omission of any Unit owner (including invitees, agents and employees) or of any member,

officer or employee of the Board of Directors or the Managing Agent, or otherwise.

(3) Such policy may not be cancelled, modified or accepted for surrender (including cancellation for non-payment of premium) without at least thirty (30) days prior written notice to the Board and the Managing Agent, and in the case of physical damage insurance, to all Unit owners.

(4) The master policy shall contain a standard mortgagee clause, without contribution, in favor of each mortgagee, its successors and assigns, to the extent of the portion of the coverage of the master policy allocated to such Units, which shall provide that loss payment, if any, shall be payable to such mortgagee and the Unit owner, as their respective interests may appear, subject, however, to the last payment and adjustment provisions in favor of the Association or Board and the insurance Trustees set forth in this Article.

(c) The Declarant, so long as Declarant shall own any Unit, shall be protected by all such policies as a Unit owner.

(d) All policies of insurance shall be written by reputable companies licensed to do business in the Commonwealth of Virginia and holding a rating of A- or better in Best Insurance Guide and a financial rating of ten or larger.

(e) No policy of insurance shall be written by any insurance company having a charter, by-laws or policy under which contributions or assessments may be made against the Unit owners, the Association, or under which loss payments are contingent upon action by the insurance company's board of directors, policyholders or members.

SECTION 6.2. PHYSICAL DAMAGE INSURANCE

(a) The Board shall obtain and maintain a policy of insurance against fire and such other hazards within the meaning of "extended coverage" insuring the improvements in the Condominium (but not including furniture, furnishings or other personal property supplied or installed by Unit owners), standard power room, air conditioning and electrical closets (including standard heating and electrical equipment included therein) and covering the interest of the Association, the Board and all Unit owners and their mortgagees as their interest may appear (subject, however, to the loss payment and adjustment provisions in favor of the Board and the Insurance Trustee contained in Sections 6.5 and 6.7 of this Article VI) in an amount equal to not less than one hundred percent (100%) of the then current replacement cost of the Condominium (exclusive of the current land, excavations, foundations and other items normally excluded from such coverage), without deduction for depreciation (such amount to be redetermined annually by the Board with the assistance of the insurance company affording such coverage).

(b) Such policy shall also provide:

(1) The following endorsements (or equivalent):

(i) special Condominium endorsement;

(ii) "no control";

(iii) agreed amount and inflation guard endorsement;

(iv) construction code endorsement;

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

(vi) demolition cost endorsements;

(vii) "increase cost of construction" and "condominium replacement costs." The amount of such coverage shall be reviewed annually by the Board with the assistance of the insurance company affording such coverage and such coverage shall be redetermined when and as the Board deems advisable;

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

(2) If any "no other insurance" clause expressly excludes individual Unit owners' policies from its operation so that the physical damage policy purchased by the Board shall be deemed primary coverage and any individual Unit owners' policies shall be deemed excess coverage, then in no event shall the insurance coverage obtained and maintained by the Board hereunder provide for or be brought into contribution with insurance purchased by individual Unit owners or their mortgagees, unless otherwise required by law.

(c) 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 premium shall be delivered by the insurer to any mortgagee so requesting at least ten (10) days prior to expiration of the then current policy. Prior to obtaining any policy of physical damage insurance or any renewal thereof the Board shall obtain an appraisal from an insurance company, or such other source as the Board 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 6.2.

SECTION 6.3 LIABILITY INSURANCE. The Board shall obtain and maintain comprehensive general liability and property damage insurance in such limits as the Board may from time to time determine, insuring each member of the Board, the Managing Agent, each Unit owner and the Declarant other than as a Unit Owner (until its reservation of authority shall expire) 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 and/or use of the Common Elements or Limited Common Elements. Such insurance shall be issued on a comprehensive liability basis and shall contain:

(a) Libel, slander, false arrest and other personal injury offense coverages;

(b) A cross liability endorsement under which the rights of a named insured under the policy shall not be prejudiced without respect to his action against another named insured;

(c) Medical payments coverage;

(d) Broad form property damage coverage;

(e) Non-owned vehicle coverage; and hired vehicle coverage, if applicable;

(f) Property or other coverage; and

(g) 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 another Unit owner. The Board shall review such limits once a year, but in no event shall such insurance be less than One Million Dollars ($1,000,000.00) in respect of personal injury and/or property damage arising out of a single occurrence. "Umbrella" liability insurance in excess of the primary limits may also be obtained.

SECTION 6.4. OTHER INSURANCE. The Board shall obtain and maintain:

(a) Adequate fidelity insurance to protect against dishonest acts on the part of officers, Directors, Trustees and employees of the Association and all others who handle, or are responsible for handling, funds of the Association, including the Management Agent. Such fidelity bonds shall:

(1) name the Association as an obligee;

(2) be written in an amount not less than one hundred percent (100%) of the total condominium reserves. In addition, an amount equal to 3 months of assessments or the amount necessary to satisfy mortgagee requirements, if higher;

(3) contain waivers of any defense based upon the exclusion of persons who serve without compensation from any definition of "employee" or similar expression.

(b) Workman's compensation insurance of and to the extent necessary to meet or exceed the requirements of law.

(c) Such other insurance as the Board may determine or as may be requested from time to time by Unit owners holding a majority of the undivided interest in the Common Elements.

(d) If the Condominium is located in an area at any time designated as having special flood hazards, a blanket policy of flood insurance in an amount equal to one hundred percent (100%) of the insurable value of all buildings and other insurable property located in the flood hazard area, based upon the then replacement costs, or, the maximum coverage available under the National Food Insurance Administration Program, as amended, whichever is less.

SECTION 6.5. SEPARATE INSURANCE. Each Unit owner must at his own expense obtain insurance for his own Unit and for his own benefit and to obtain insurance coverage upon its personal property, betterments and improvements and for any personal liability and consequential damage; provided, however, the Unit Owner may not recover as a result of or under such insurance any proceeds, payments, or contribution from any insurance policy maintained by the Board. No Unit owner shall obtain separate insurance policies in conflict with this section.

SECTION 6.6. NOTICE OF INSURANCE. When any policy of insurance has been obtained by or on behalf of the Association, written notice of the obtainment thereof and of any subsequent changes or termination of the policy shall be promptly furnished to each Unit owner by the officer required to send notices of meetings of the Association in accordance with the notice provisions of these By-Laws.

SECTION 6.7 INSURANCE TRUSTEE.

(a) All physical damage insurance policies purchased by the Board shall provide that, with respect to any single loss, if the proceeds exceed Two Hundred Thousand Dollars ($200,000.00), such proceeds shall be paid in trust to a federally-insured banking institution in Alexandria, Virginia with trust powers ("Insurance Trustee") as may be designated by the Board. If such proceeds do not exceed Two Hundred Thousand Dollars ($200,000.00), then such proceeds shall be paid to the Board to be applied pursuant to the terms herein.

(b) The Board 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 the coverage, the form or contents of the policies, the correctness of any amounts received on account with the proceeds of any insurance policies nor 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 in an interest-bearing account for the repair or reconstruction of the Condominium in substantial conformity with the original plans and specifications, for the benefit of the insurers and their beneficiaries thereunder.

SECTION 6.8. BOARD OF DIRECTORS AS AGENT. The Board is hereby irrevocably appointed the agent for each Unit owner, each mortgagee, other named insurers and their beneficiaries and any other holder of a lien or other interest in the Condominium to adjust and settle all claims arising under insurance policies purchased by the Board and to execute and deliver releases upon the payment of claims.

ARTICLE VII
ARCHITECTURAL CONTROL

SECTION 7.1. ARCHITECTURAL AND ENVIRONMENTAL RESTRICTIONS. Except for: (a) the construction of the Condominium by the Declarant and its duly authorized contractors and agents, representatives and employees, (b) any improvements to any Unit or to the Common Elements accomplished concurrently with said construction, (c) purposes of proper and normal maintenance, replacement and repair or as otherwise provided in the Declaration or By-Laws, it shall be prohibited for any Unit owner to install, erect, attach, apply, paste, hinge, screw, nail, build, alter, remove or construct any lighting, shades, screens, awnings, patio covers, decorations, fences, walls, aerials, antennas, radio or television broadcasting or receiving devices, slabs, sidewalks, curbs, gutters, patios, balconies, porches, driveways, walls or to make any change or otherwise alter (including any alteration in color) in any manner whatsoever the exterior of any Unit or upon any of the Common Elements, or to combine or otherwise join two or more Units, or to remove or alter any window or exterior doors of any Unit and Common Element, or to make any change or alteration within any Unit and Common Element which will alter the structural integrity of any building or otherwise affect the Condominium, any interest or welfare of any other Unit owner, materially increase the cost of operating or insuring the Condominium or impair any easement, until the complete plans and specifications, showing the location, nature, shape, change (including, without limitation, any other information specified by the Board or its designated committee) shall have been submitted to and approved in writing by the Board or by any Architectural Control Committee designated by the Board.

SECTION 7.2. ARCHITECTURAL CONTROL COMMITTEE. The Architectural Control Committee ("ACC") shall be composed of three (3) Unit owners designated from time to time by the Board. The ACC shall serve at the pleasure of the Board. In the event the Board does not appoint an ACC, then the Board shall constitute the committee. The affirmative vote of a majority of the members of the ACC shall be required in order to adopt or promulgate any rule or regulation, or to make any finding, determining, ruling or order, or to issue any permit, consent, authorization, approval or the like pursuant to the authority contained in this Article.

SECTION 7.3. APPROVALS. Upon approval of the ACC of any plans and specifications submitted pursuant to the provisions of this Article, a copy of such plans and specifications, as approved, shall be deposited among the permanent records of the Association and a copy of such plans and specifications bearing such approval, in writing, shall be returned to the Unit owner submitting the same. The ACC shall approve, approve with conditions, or disapprove any plans and specifications which may be submitted to it pursuant to the provisions of this Article within thirty (30) days after such plans and specifications (and all other materials and information required by the ACC have been submitted to it in writing). All appeals from the decision of the ACC shall be to the Board. The Board's decision shall be final. All appeals shall be heard at the next Board meeting following the adverse decision appealed from, provided the Unit Owner shall notify the Secretary of same in writing not less than ten (10) days in advance of the Meeting.

SECTION 7.4. LIMITATIONS. Construction or alterations in accordance with plans and specifications approved by the ACC pursuant to the provisions of this Article shall be commenced within six (6) months following the date upon which the same were approved by the ACC and shall be substantially completed within twelve (12) months following the date of commencement or within such longer period as the ACC shall specify in its approval. In the event construction is not commenced within the period aforesaid, then approval of the plans and specifications by the ACC shall be conclusively deemed to have lapsed; requiring the applicant to comply again with the provisions of this Article. There shall be no deviations from plans and specifications approved by the ACC without the ACC's prior consent in writing. Approval of any particular plans and specifications or design shall not be construed as a waiver of the right of the ACC to disapprove such plans and specifications, or any elements or features thereof, in the event such plans and specifications are subsequently submitted for use by any other Unit owner, or in any other incidence.

SECTION 7.5. CERTIFICATION OF COMPLIANCE. Upon completion of any construction or alteration or other improvements in structure in accordance with the plans and specifications approved by the ACC in accordance with the provisions of this Article, the ACC shall, at the request of the Unit owner, issue a certificate of compliance which shall be prima facia evidence that such construction, alteration or other improvements referenced in such certificate have been approved by the ACC and constructed or installed in full compliance with the provisions of this Article and with such other provisions and requirements of these By-Laws as may be applicable. If the ACC should conclude that the construction, alteration or other improvements in structure has not been completed or performed in substantial compliance with the plans and specifications approved by the ACC, the ACC may, in its discretion, order and direct the Unit owner to take whatever reasonable acts are necessary to finish the construction, alteration or improvements in compliance with the approved plans and specifications. Should the Unit owner refuse, decline or be unable to comply with the ACC order, the ACC may take whatever action is appropriate and necessary to complete or otherwise correct and fix the construction, alteration or improvement in which case the Unit owner shall be liable to the Condominium for all costs and expenses incurred by the ACC as a result therefor, and such charges shall constitute an assessment to the owner's Unit and be considered a lien on that Unit.

SECTION 7.6. RULES AND REGULATIONS. The ACC may from time to time adopt and promulgate such rules and regulations regarding the form and content of plans and specifications to be submitted for approval and may publish such statements of policy, standards, guidelines and establish such criteria relative to architectural styles or details, or other related matters, as it may consider necessary or appropriate. No such rules regulations, statements, criteria or the like shall be construed as a waiver of the provisions of this Article or any other provisions or requirement of these By-Laws. The ACC may charge and collect a reasonable fee for the examination of any plans and specifications submitted for approval pursuant to the provisions of this Article. The decisions of the ACC shall be final except any Unit owner who has been affected by any action or forbearance from action by the ACC may appeal the decision of the ACC to the Board upon the request of such Unit owner and shall be entitled to a hearing before the Board.

SECTION 7.7. ADDITIONS, ALTERATIONS OR IMPROVEMENTS BY BOARD. Except in cases of <u>bona fide</u> emergencies involving manifest danger to life, safety or property, or the interruption of a central services to the Condominium, whenever in the judgment of the Board the Common Elements of the Condominium shall require additions, alterations, replacements, or improvements requiring the expenditure of funds of the Association in excess of twenty five thousand dollars ($25,000) in any fiscal year of the Association, such additions, alterations, replacements or improvements shall not be made until the same shall have been approved by Unit owners representing the majority of the undivided interest in the Common Elements present at a meeting of the Unit owners duly called for such purpose.

ARTICLE VIII
ASSESSMENTS

SECTION 8.1. FISCAL YEAR. The fiscal year of the Association shall be the calendar year unless otherwise determined by the Board.

SECTION 8.2. PREPARATION AND APPROVAL OF ANNUAL BUDGET. Except as provided in Section 8.3, at least forty-five (45) days before the beginning of each fiscal year, the Board shall adopt a budget for the Association containing an estimate of the total amount considered necessary to pay the cost of maintenance, management, operation, repair and replacement of the Common Elements and those part of the Units, if any, as to which it is the responsibility of the Board to maintain, repair and replace, and the cost of wages, materials, insurance premiums, services, supplies and other expenses that may be declared to be Common Expenses of the Association and which will be required during the ensuing fiscal year for the administration, operation, maintenance or repair of the Condominium and the rendering to the Unit owners of all related services. The budget shall also include such reasonable amounts as the Board considers necessary to provide working capital, and general and special reserves for contingencies and replacements. At least thirty (30) days before the annual meeting to adopt the budget, the Board shall send to each Unit owner a copy of the budget on a reasonably itemized form which sets forth the amount of Common Expenses and any special assessment payable by each Unit owner. Such budget shall constitute the basis for determining each Unit owner's annual assessment for Common Expenses of the Association. Any budget in excess of 120% of the budget for the preceding fiscal year, shall first be approved by the Unit owners holding a majority of the undivided interest in the Common Elements in attendance at the Annual or Special Meeting of the Unit owners held for that purpose.

SECTION 8.3. INITIAL OPERATING PERIOD. Upon taking office, the initial Board designated in the Articles shall determine the budget for the initial operating period. "Initial Operating Period" is defined as six months from the date the Declaration is recorded among the land records in the City of Alexandria, or when those Units equalling eighty percent (80%) of the undivided interest in the Common Elements have been conveyed to owners other than the Declarant, whichever occurs first. During the Initial Operating Period, the Declarant shall pay all costs of operating and maintaining the Condominium, including, but not limited to, landscaping, maintenance, utilities and all other costs of common expense, and the Unit owner shall pay to the Declarant its pro rata share of the costs of operating and maintaining the Condominium as determined by the Declarant. At the end of the initial operating period, the Board shall adopt a budget for the remaining fiscal year and assume responsibility for assessment of and collection of operating costs for the Condominium from the Unit owners.

SECTION 8.4. ASSESSMENTS AND PAYMENTS OF COMMON EXPENSES. Subject to the provisions of these By-Laws, the total amount of the estimated funds required for the operation of the Condominium set forth in the budget adopted by the Board shall be assessed against each Unit owner in proportion to his respective percentage interest in the undivided Common Elements and the full amount of such assessment shall be a lien against each Unit as provided herein. The assessment shall be due in full on the first day of each fiscal year; provided, however, that unless otherwise determined by the Board, Unit owners may, on or before the first day of each fiscal year, and the first day of each of the succeeding eleven (11) months in such fiscal year, pay to the Board or the Managing Agent, if any, (as determined by the Board) one-twelfth of such assessment. Assessments shall be levied and become a lien against the Unit owners during such period as provided in this Article. In addition, the Board shall levy such special assessments as needed to recover the cost of common expenses incurred which benefits less than all of the Units or caused by the conduct of less than all those entitled to occupy all of the Units, or by their licensees or invitees.

SECTION 8.5. ANNUAL FINANCIAL REPORT; SURPLUS OR DEFICIT. Within 120 days after the end of such fiscal year, the Board shall supply to all Unit 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 for such fiscal year, and showing the net amount over or short of the actual expenditures plus reserves. Any amount accumulated in an excess of the amount required for actual expenses and reserves shall, if the Board deems it advisable, be credited according to each Unit owner's percentage interest to the next monthly installment(s) due from Unit owners under the current fiscal year's budget, until exhausted. Any net shortage shall be assessed promptly against the Unit owners in accordance with their percentage interest and shall be payable as the Board may determine. ?

SECTION 8.6. RESERVES. The Board shall create, add to and maintain reasonable reserves for working capital, operations, contingencies and replacements. Extraordinary expenditures not originally included in the annual budget which may become necessary during the year may be charged first against such reserves. If the reserves are inadequate for any reason, including nonpayment of any Unit owner's assessment, an additional assessment shall be assessed against the Unit owners according to their respective percentage interest, and which may be payable in a lump-sum or in installments as the Board may determine. The Board shall serve notice of any such further assessment on all Unit owners by a statement in writing giving the amount and reasons therefore and such further assessment shall, unless otherwise specified in the notice, become effective with the next monthly payment which is due no more than ten (10) days after delivery of such notice of further assessment. All Unit owners shall be obligated to pay the adjusted monthly amount or, if such other assessment is not payable in installments, the amount of such assessment. Such assessment shall be a lien as of the effective date as set forth in Section 8.4.

SECTION 8.7. INITIAL CAPITAL PAYMENT. Declarant, as the agent of the Board, will collect from each initial Unit purchaser at the time of settlement an "Initial Capital Payment" (in addition to any regular assessment for Common Expenses) equivalent to the amount set forth for each Unit in Exhibit 3 attached hereto. The Declarant will deliver the funds so collected to the Board to provide the necessary working capital for the Association.

SECTION 8.8. FAILURE TO PREPARE OR ADOPT BUDGET. The failure or delay of the Board to prepare or adopt a budget for any fiscal year shall not constitute a waiver or release in any manner of any Unit owner's obligation to pay the allocable share of the Common Expenses as herein provided whenever the same shall be determined. In the absence of any annual budget, or adjusted budget, each Unit owner shall continue to pay each monthly installment at the monthly rate established for the previous fiscal year until notice of the monthly new annual or adjusted assessment.

SECTION 8.9. ACCOUNTS. All sums collected by the Board with respect to assessments against the Unit owners or from any other source may be commingled into a single fund.

ARTICLE IX
COMMON EXPENSES

SECTION 9.1. PAYMENT; NO EXEMPTION OF COMMON EXPENSES. Each Unit owner shall pay the Common Expenses assessed by the Board pursuant to these By-Laws. No Unit owner may exempt himself from liability for his contribution toward the Common Expenses by waiver of the use or enjoyment of any of the Common Elements or by abandonment of his Unit. No Unit owner shall be personally liable for the payment of any part of the Common Expenses assessed against his Unit subsequent to the date of recordation of a conveyance by him in fee of such Unit (except a conveyance as security for the performance of an obligation). Prior to or at the time of any such conveyance, all liens, unpaid charges and any unpaid assessments shall be paid in full and discharged. Any unpaid assessments or charges against a Unit which are due at the time of conveyance of the Unit may be reallocated and assessed to all Units, including the conveyed Unit, as a Common Expense by the Board.

SECTION 9.2. OVERDUE ASSESSMENTS. The Board or the Managing Agent, if any, at the request of the Board, shall take prompt action to collect any assessments for Common Expenses due from any Unit owner which remain unpaid for more than 30 days from the due date for payment thereof. Any assessment, or installment thereof, not paid within ten (10) days after due shall accrue a late charge in the amount of twenty-five dollars

($25.00) per month. In the event the collection of any assessments are turned over to an attorney for collection, all costs associated with the collection plus attorneys' fees of 25% in the amount sought to be collected, or $100.00, whichever is greater, shall be considered additional assessments due by said Unit owner and shall be paid by said Unit owner. Interest shall accrue on all unpaid assessments at the rate of one percent (1%) per month.

SECTION 9.3. STATEMENT OF COMMON EXPENSES. The Board, if requested, shall promptly provide any Unit owner or a contract purchaser or mortgagee of the said Unit owner a written statement of all unpaid assessments for Common Expenses due from such Unit owner. The Board may impose a reasonable charge for the preparation of such a statement, to the extent permitted by the Condominium Act.

SECTION 9.4. MAINTENANCE, REPAIR, REPLACEMENT, ADDITION, ALTERATIONS, OPERATIONS AND OTHER COMMON EXPENSES. The Board shall be responsible for the maintenance, repair and replacement (unless such expense was necessitated by the conduct of a Unit owner) of all the Common Elements, the cost of which shall be charged to all Unit owners as a Common Expense. The cost of utilities serving the Condominium not individually metered to each Unit shall be a Common Expense. Each Unit owner shall keep his Unit and its elements (except for the exterior thereof) and its equipment, appliances and appurtenances in good order, condition and repair and in a clean and sanitary condition, and shall do all redecorating, painting and varnishing which may at any time be necessary to maintain the good appearance and condition of the Unit. In addition, each Unit owner shall maintain adequate heat to prevent damage to pipes located in his Unit or adjacent Units and Common Elements. Each Unit owner shall perform this responsibility in such a manner so as not to unreasonably disturb or interfere with other Unit owners. Each Unit Owner, whether caused by himself or his invitee, agent, employee or tenant, shall be responsible for all damages, costs, and expenses (the "Damages") incurred or suffered by other Unit owners, the Condominium or Declarant which is caused by or results from (i) the Unit Owner's failure to maintain heat or make repairs required by this Article; (ii) the Unit Owner's authorized or unauthorized construction or alteration of his Unit or any common elements; (iii) conduct by the Unit owner which results in the cancellation or invalidation of any existing warranties or increases the cost of or cancels any insurance policy; (iv) the Unit owner's conduct that causes excessive wear and tear, deterioration and damage to other Units or Common Elements; and, (v) any condition or problem originating in his Unit or from an element of his Unit. The Board shall determine the amount of Damages resulting from the aforementioned conduct and assess that amount against the responsible Unit owner as a Special Assessment to be paid to the Condominium and distributed to the Unit owner(s), Declarant, or Condominium in proportion to the amount of Damages suffered by each. For purposes of assessing this Special Assessment, it is the intent of these By-laws to treat and construe the Damages in this section as being the equivalent of common expenses caused by the conduct of less than all of the condominium Units, as that concept is defined in Section 55-79-83(b) of the Condominium Act. To the extent required by the Condominium Act, the owner shall be entitled to the notice and hearing requirement set forth in Article XIV, Section 14.1(9) of the By-Laws. Each Unit owner shall promptly report to the Board or the Managing Agent, if any, any defect or need for repairs for which the Board is responsible. Nothing herein shall be deemed to release any insurer of its obligations under any insurance policy or to create rights of subrogation against any Unit owner. All repairs and replacements shall be substantially similar to the original construction. The installation shall be of a first class quality. The method of approving payment vouchers for repairs and replacements shall be determined by the Board.

SECTION 9.5. WINDOWS, DOORS AND LIMITED COMMON ELEMENTS. The Owner of any Unit shall, at his own expense, clean and maintain the operation of both the interior and exterior surfaces of all windows of such Unit and shall, at his own expense, clean and maintain any foyer, hallways and stairs appurtenant to such Unit and designated herein or in the Declaration of the Condominium Plat as a Limited Common Element reserved for the exclusive use by the owner of that particular Unit, and both the interior and exterior surfaces of all entry doors of the Unit, including the interior and exterior surfaces of any door leading to any Limited Common Element except that the owners of Units 62/61 and Units 38/R24 need not clean or maintain the Limited Common Element in the hallway appurtent to these units if that Limited Common Element is open to and used by the general public. Notwithstanding the provisions of this Article, the Board may resolve to clean the exterior surfaces of all windows in the Condominium as Common Expense in accordance with a schedule to be determined by the Board.

SECTION 9.6. RIGHT OF ACCESS. By acceptance of a deed of conveyance, each Unit owner thereby grants a right of access to his Unit, as provided by Section 55-79.79(a) of the Condominium Act, to the Board or the Managing Agent, if any, or any other person authorized by the Board or the Managing Agent, or any group of the foregoing, for the purpose of enabling the exercise and discharge of their respective powers and responsibilities, including without limitation, making inspections, correcting any condition originating in his Unit or Common Elements which threaten another Unit or Condominium, performing installations, alterations or repairs to the mechanical or electrical services of the Common Elements, his Unit or elsewhere in the Condominium; provided, however, that requests for entry should be made in advance and designate a time reasonably convenient to the Unit owner. In case of an emergency, such right of entry shall be immediate, whether the Unit owner is present at the time or not. In order to facilitate such emergency, the Board and its managing agent shall maintain a lock-key closet containing a key to each Unit, to be used only for purposes of accessing a Unit in the event of an emergency. Each Unit owner hereby consents and agrees to provide the Board with a duplicate key to his Unit to be maintained and stored in the lock-key closet.

ARTICLE X
COMMON ELEMENT AND FLOOR LOAD RESTRICTIONS

SECTION 10.1. USE OF COMMON ELEMENTS. Nothing shall be done or kept in the Common Elements which may become a danger, nuisance or annoyance to other Unit owners or will increase the rate of insurance for the Condominium without the prior written consent of the Association. No Unit owner shall permit anything to be done or kept in his Unit or in or on the Common Elements which will result in the cancellation of insurance on the Condominium or any part thereof, or which would be in violation of any law, regulation or administrative ruling. No waste or refuse matter shall be placed or left on the Common Elements, except in the dumpster(s) designated for that purpose. The Common Elements shall be used only for the furnishing of the services and facilities for which the same are reasonably suited and which are incident to the use and occupancy of the Units. No Unit owner shall obstruct any of the Common Elements, nor shall any Unit owner store anything upon any of the Common Elements (except in those areas, if any, designated for such storage by the Association) without the approval of the Association.

SECTION 10.2. UNIT OWNER FLOOR LOAD RESTRICTIONS. No Unit owner shall permit a floor load within Units R-1 through R-14 in excess of 250 pounds per square foot, and for the remaining Units of seventy five (75) pounds per square foot, including an allowance of twenty (20) pounds per square foot for partition loads. No Unit owner shall permit floor loads in excess of the stated design loads for the Condominium nor shall any Unit owner permit concentrated loads of any sort (e.g., for safes, library stacks, filing systems or other heavy equipment) unless and until the adequacy of the structure to support such floor loads is verified by a structural engineer to the satisfaction of the Architectural Control Committee and under such reasonable conditions and circumstances as it may require.

ARTICLE XI
AMENDMENT OF BY-LAWS

SECTION 11.1. AMENDMENTS. The By-Laws may be amended by the Declarant so long as there is no Unit owner other than the Declarant. Otherwise, the By-Laws may be amended only by an affirmative vote of not less than Seventy-five percent (75%) of the undivided interest in the Common Elements in attendance at a meeting, provided; however, that this Declaration may not be amended without the consent of Declarant until two (2) years from the date the first unit is conveyed to an owner other than Declarant, or until Declarant is the owner of Units representing less than twenty-five percent (25%) of the undivided interest in the Common Element, whichever is earlier. No amendment to the Articles, Declaration or By-laws may be voted on unless the notice of the meeting discloses the nature of the Amendment to be voted on.

ARTICLE XII
NOTICE OF CONVEYANCE OR ENCUMBRANCE

SECTION 12.1. NOTICE TO ASSOCIATION. A Unit owner who conveys his unit in fee, or as security for an indebtedness, shall within thirty (30) days of such conveyance, give written notice to the Association through the Management Agent, if any, or the President of the Association in the event there is no Management Agent. The notice shall state the name and mailing address of the new Unit owner or party secured, and the Association shall maintain such information in books entitled "Unit owners" and "Secured Parties." As to any mortgages or deeds of trust, the Unit owner also shall file a conformed copy of the note and deed of trust.

ARTICLE XIII
MORTGAGES

SECTION 13.1. NOTICES. The Association shall, if requested, notify all Secured Parties recorded in the Secured Parties Book of any change in the Declaration, Articles and By-Laws; or any default in payment of assessments, fees or charges due by the Unit owner which is the Secured Party's security which is not cured within thirty (30) days from its due date; or 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; or notice and the right to attend (but not vote) at all meetings of the Association. Notice shall be provided at the same time the owners are notified of the aforementioned action. The failure of the Association to give notice to a Secured Party of the aforementioned items shall not create in any Secured Party a cause of action against the Association or any person, nor shall it invalidate or delay any notice, act or action of the Association.

SECTION 13.2. PRIORITY OF ASSESSMENTS. A Secured Party which comes into possession or title of a Unit by foreclosure or transfer in lieu of such foreclosure, shall take the Unit free of any claims for unpaid assessments or charges against the Unit which accrued prior to the time such Secured Party comes into possession or acquires title to the Unit, except for claims for a pro rata reallocation of such assessments or charges to all Units, including the foreclosed Unit.

SECTION 13.3. MORTGAGEE PRIOR APPROVAL. Unless all Secured Parties have given their prior written approval, the Association shall not, except as otherwise provided in the Declaration; (1) change the percentage of an undivided interest of each Unit in the Common Elements; (2) partition or subdivide any Unit or the Common Elements or annex additional lands; nor (3) by act or omission seek to abandon the legal status as a Condominium.

SECTION 13.4. PRIORITY OF PAYMENTS. Except as specifically provided in the Declaration, Articles or By-Laws, no provision of By-Laws shall be construed to grant to any Unit owner or to any other person any priority in the distribution to a Unit owner of insurance proceeds or condemnation awards for losses to or a taking of a Unit and/or Common Areas over any rights of a Secured Party of a Unit pursuant to its encumbrance.

ARTICLE XIV
COMPLIANCE AND DEFAULT

SECTION 14.1. RELIEF. In addition to the remedies provided in Section 55-79.53 of the Condominium Act, a default by a Unit owner shall entitle the Association, acting through its Board or Managing Agent, to the following relief:

(a) Consequential Damages: The cost or expense of all maintenance, repair or replacement rendered necessary by his act, neglect or carelessness of any member or his invitees, employees or agents. Such liability shall include any increase in casualty insurance rates occasioned by use, misuse, occupancy or abandonment of any Unit or the Common Elements, or other consequential damages;

(b) Cost and Attorney's Fees. The costs of such proceeding and actual reasonable attorney's fees;

(c) No Waiver of Rights: The failure of the Association, the Board or a Unit owner to enforce any right, provision, covenant or condition which may be granted by the Condominium Instruments or the Condominium Act shall not constitute a waiver of the right of the Association, the Board or a Unit owner to enforce such right, provision, covenant or condition in the future. All rights, remedies and privileges granted to the Unit Owners Association, the Board or any Unit owner pursuant to any term, provision, covenant or condition of the Condominium Instruments, or the Condominium Act shall be deemed to be cumulative and the exercise of any one or more thereof shall not be deemed to constitute an election of remedies, nor shall it preclude the party exercising the same from exercising such other privileges as may be granted to such party by the Condominium Instruments or the Condominium Act, or at law or in equity;

(d) Interest: Interest on any overdue unpaid assessment or other charge shall bear interest at the rate of one percent (1%) per month (or fraction) from the date due until paid;

(e) Abating and Enjoining Violations by Unit Owners: (i) to enter the Unit in which, or as to which, such violation or breach exists and summarily to abate and remove, at the expense of the defaulting Unit owner any structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions hereof, and the Board 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 such breach;

(f) Legal Proceedings: Any 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 Association, the Board, the Managing Agent, or, if appropriate, by any aggrieved Unit owner, and the same shall not constitute an election of remedies.

(g) Penalties and Procedures: Before any such charges may be assessed, the Unit owner shall be given an opportunity to be heard and to be represented by counsel before the Board. Notice of such hearing shall, at least fourteen (14) days in advance thereof, be hand delivered or mailed by registered or certified U.S. Mail, return receipt requested, to such Unit at the address designated in the Condominium records.

SECTION 14.2. LIEN FOR ASSESSMENTS.

(a) The total annual assessment of each Unit owner for Common Expenses or any special assessment made pursuant to these By-Laws is hereby declared to be a lien against the Unit of such Unit owner as provided in Section 55-79.84 of the Condominium Act, which lien shall with respect to annual assessments, be effective on the first day of each fiscal year of the Condominium and, as to special assessments, on the first day of the next month which begins more than seven (7) days after delivery to the Unit owner of notice of such special assessment. The Board or Managing Agent may file or record such other or further document as may be required by the Condominium Act or by the laws of the Commonwealth of Virginia to confirm the establishment and priority of such lien.

(b) In any case, where an assessment against a Unit owner is payable in installments, upon a default by such Unit owner in timely payment of any installments, the maturity of the remaining total of the unpaid installments of such assessment for the current fiscal year may be accelerated, at the option of the Board, and the entire balance of the annual assessment may be declared due and payable in full by the service of notice to such effect upon the defaulting Unit owner by the Board or the Managing Agent.

(c) The lien for assessments may be enforced and foreclosed in the manner provided by the laws of the Commonwealth of Virginia by acting in the name of the Board, or the Managing Agent, acting on behalf of the Association. The Plaintiff in such proceeding shall have the right to the appointment of a receiver under the laws of the Commonwealth of Virginia.

(d) A suit to recover a money judgment for unpaid contributions may be maintained without foreclosure or waiving the lien securing the same, and a foreclosure may be maintained notwithstanding the pendency of any suit to recover a money judgment.

SECTION 14.3 SUPPLEMENTAL ENFORCEMENT OF THE LIEN. In addition to the proceedings at law or in equity for the enforcement of the lien established by the Declaration, these By-laws or the Condominium Act, members may be required by the Board to execute bonds conditioned upon the faithful performance and payment of the installments of the lien established thereby and may likewise be required to secure the payment of such obligations by a deed of trust upon his Unit recorded among the land records of the City of Alexandria, Virginia, granting into a trustee or trustees appropriate powers to the end that, upon default in the performance of such bond such deed of trust may be foreclosed by such trustee or trustees acting at the direction of the board. In the event any such bonds have been executed and such deed of trust is recorded, then any subsequent purchaser of a Unit shall take title subject to the obligations therein provided for.

SECTION 14.4. SUBORDINATION AND MORTGAGE PROTECTION. Notwithstanding any other provisions thereof to the contrary, the lien of assessment levied pursuant to these By-Laws upon any Unit (and any penalties, interest on assessments, late charges or the like) shall be subordinate to, and shall in no way affect the rights of a Mortgagee secured by a deed of trust made in good faith for value received; provided, however, that such subordination shall apply only to assessments which have become due and payable prior to a sale or transfer of such Unit pursuant to a foreclosure and then only to the extent a memorandum of lien or judgment lien was not recorded before recordation of deed of trust. Such sale or transfer shall not relieve the purchaser of the Unit at such sale from liability for any assessments thereafter becoming due, nor from the lien of any such subsequent assessment, which lien shall have the same effect and be enforced in the same manner as provided herein.

ARTICLE XV
COMPLIANCE

SECTION 15.1. These By-Laws are set forth to comply with the requirements of the Condominium Act. In case any of these By-Laws conflict with the provisions of the Condominium Act, it is hereby agreed and accepted that the Condominium Act will control.

ARTICLE XVI
BOOKS AND RECORDS

SECTION 16.1. The Declaration, Articles, By-Laws, books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any Unit owner or Secured Party at the Association's office located in the Commonwealth of Virginia.

ARTICLE XVII
ASSOCIATION SEAL

SECTION 17.1. The Association shall have a seal in circular form having within its circumference the words: "Unit Owners Association of Pickett Center, A Condominium."

CERTIFICATION OF ADOPTION.

We certify that on November 17, 1987, the above were adopted as the BY-LAWS OF PICKETT CENTER, A CONDOMINIUM by PICKETT CENTER ASSOCIATES LIMITED PARTNERSHIP, as owner of all Units in the Condominium on that date.

By: PICKETT -- GBI ASSOCIATES
LIMITED PARTNERSHIP

By Charles R. Guthrie
Charles R. Guthrie, President
Roderick Guthrie Builders, Inc.
General Partner

By: TANDEM ASSOCIATES NO. ONE
LIMITED PARTNERSHIP

By [signature]
Kim C. Kristoff, President
Tandem Associates Inc.
General Partner

STATE OF VIRGINIA)
County of Fairfax) ss:
~~CITY OF ALEXANDRIA~~)

I, the undersigned Notary Public in and for the State and City aforesaid, do hereby certify that Charles R. Guthrie, whose name as President of Roderick Guthrie Builders, Inc., a Virginia corporation, and General Partner of Pickett-GBI Associates Limited Partnership, a General Partner of Pickett Center Associates Limited Partnerhip, is hereby signed to the foregoing, appeared before me and personally acknowledged the same in my jurisdiction aforesaid.

GIVEN under my hand and seal this 17th day of November, 1987.

[signature]
Notary Public
My Commission Expires Aug. 9, 1991

STATE OF VIRGINIA)
County of Fairfax) ss:
~~CITY OF ALEXANDRIA~~)

I, the undersigned Notary Public in and for the State and City aforesaid, do hereby certify that Kim C. Kristoff, whose name as President of Tandem Associates Inc., a Virginia corporation, and General Partner in Tandem Associates No. One Limited Partnership, a General Partner of Pickett Center Associates Limited Partnership, is hereby signed to the foregoing, appeared before me and personally acknowledged the same in my jurisdiction aforesaid.

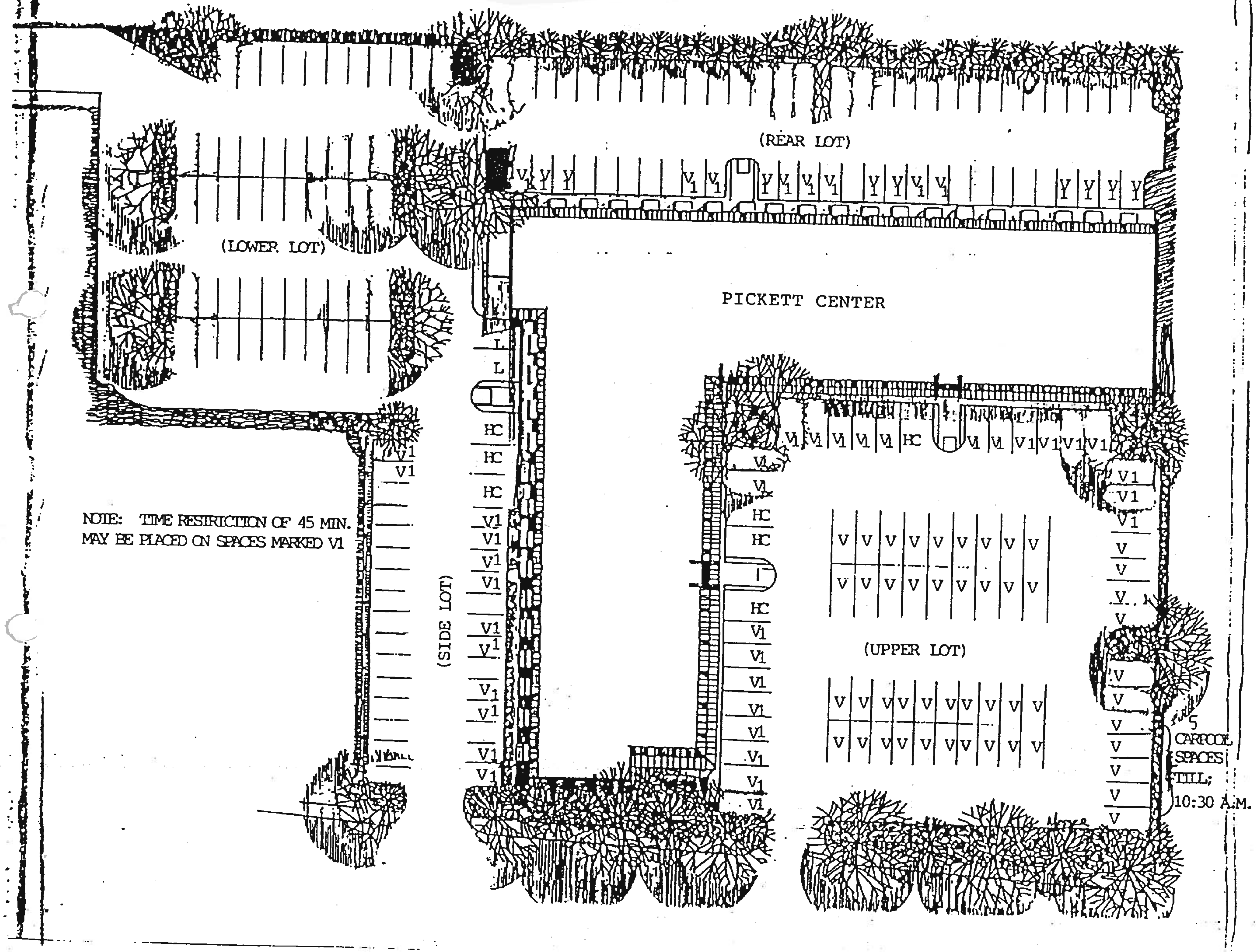
GIVEN under my hand and seal this 17th day of November, 1987.

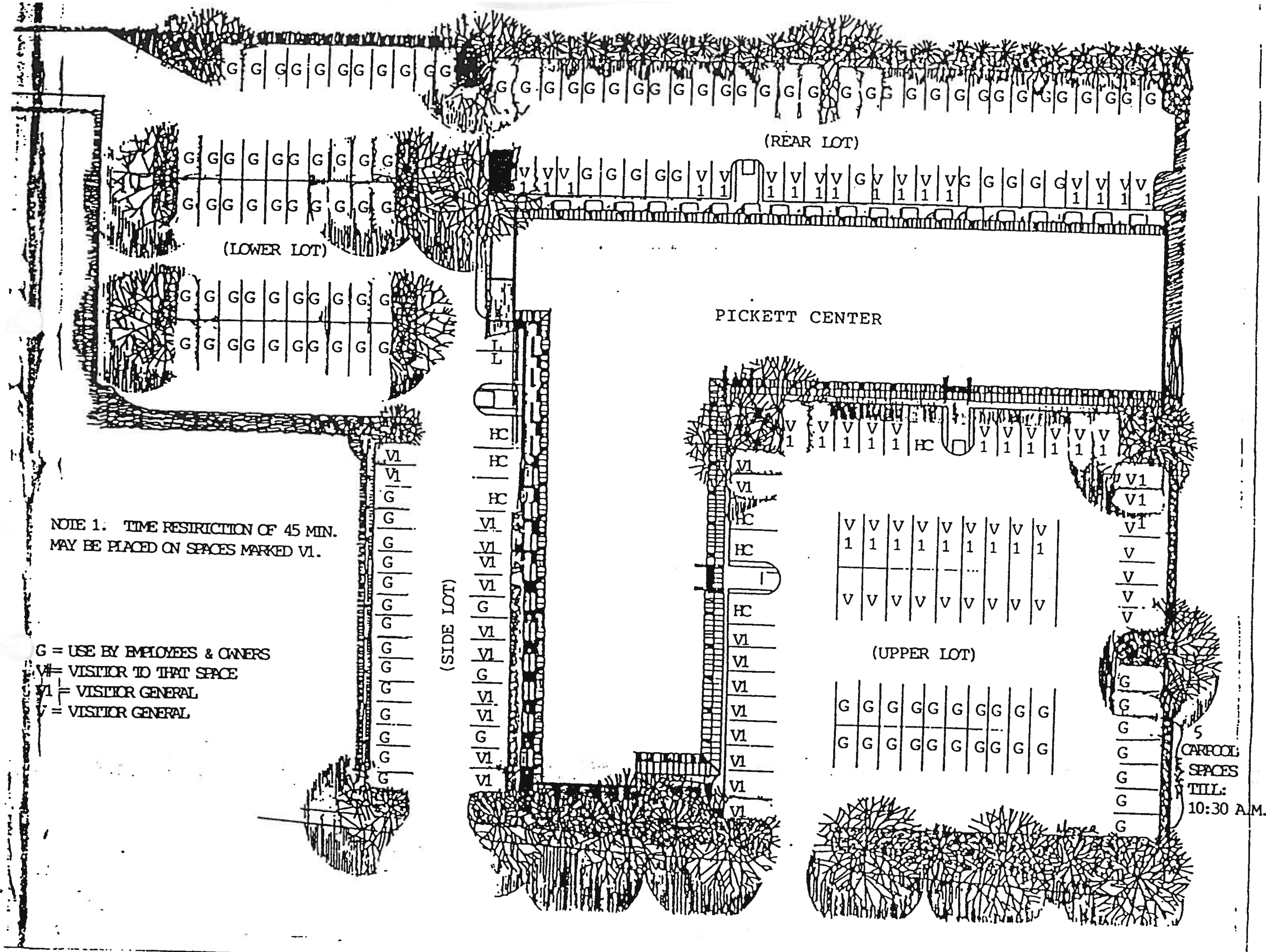
Notary Public
My Commission Expires Aug. 9, 1991

<u>EXHIBIT 1</u>

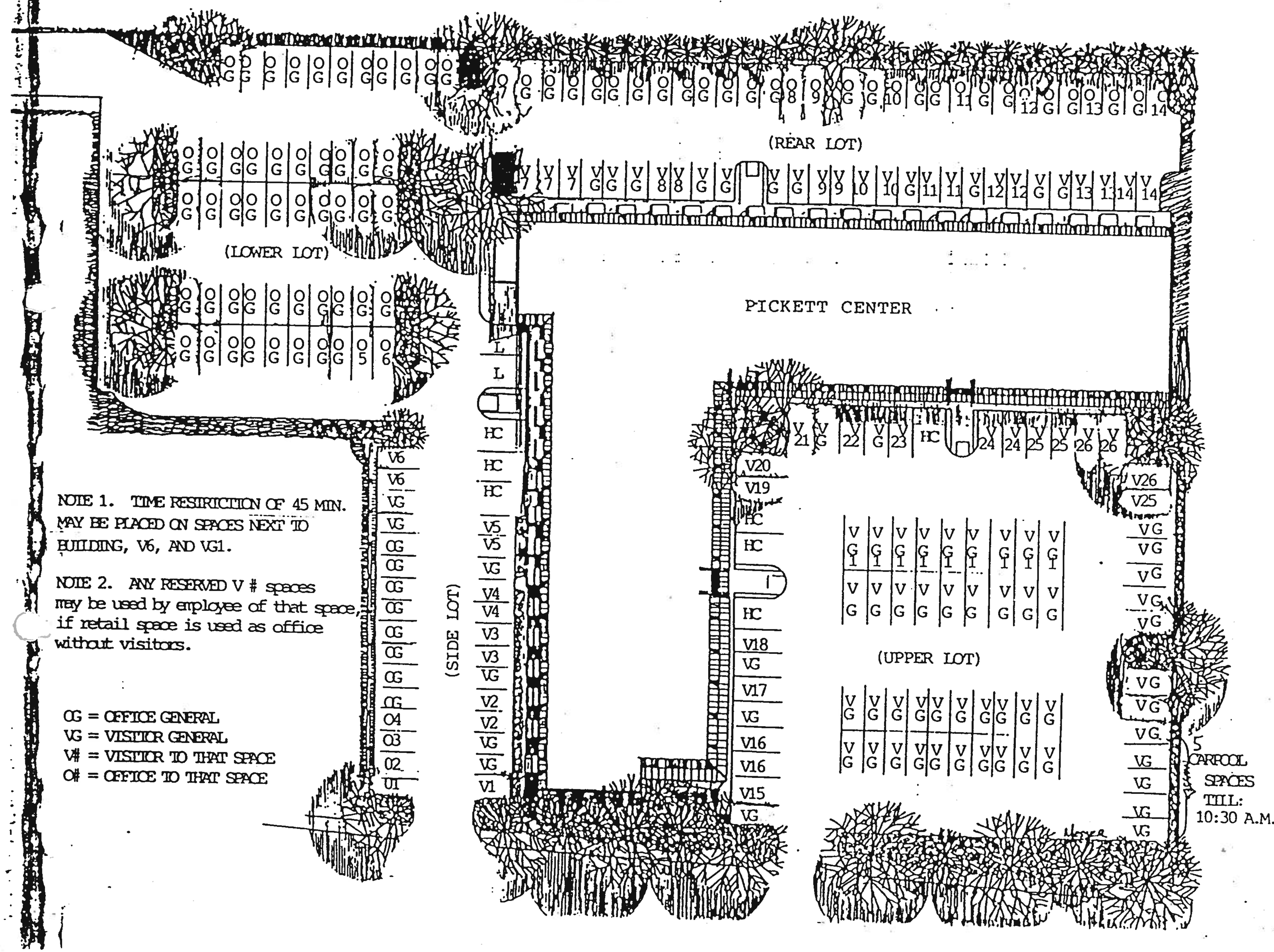
Parking Plans

PARKING PLAN "A"




(REAR LOT)
(LOWER LOT)
PICKETT CENTER
(SIDE LOT)
(UPPER LOT)
NOTE 1. TIME RESTRICTION OF 45 MIN.
MAY BE PLACED ON SPACES MARKED V1.
G = USE BY EMPLOYEES & OWNERS
V# = VISITOR TO THAT SPACE
V1 = VISITOR GENERAL
V = VISITOR GENERAL
5
CARPOOL
SPACES
TILL:
10:30 A.M.

PARKING PLAN "C"



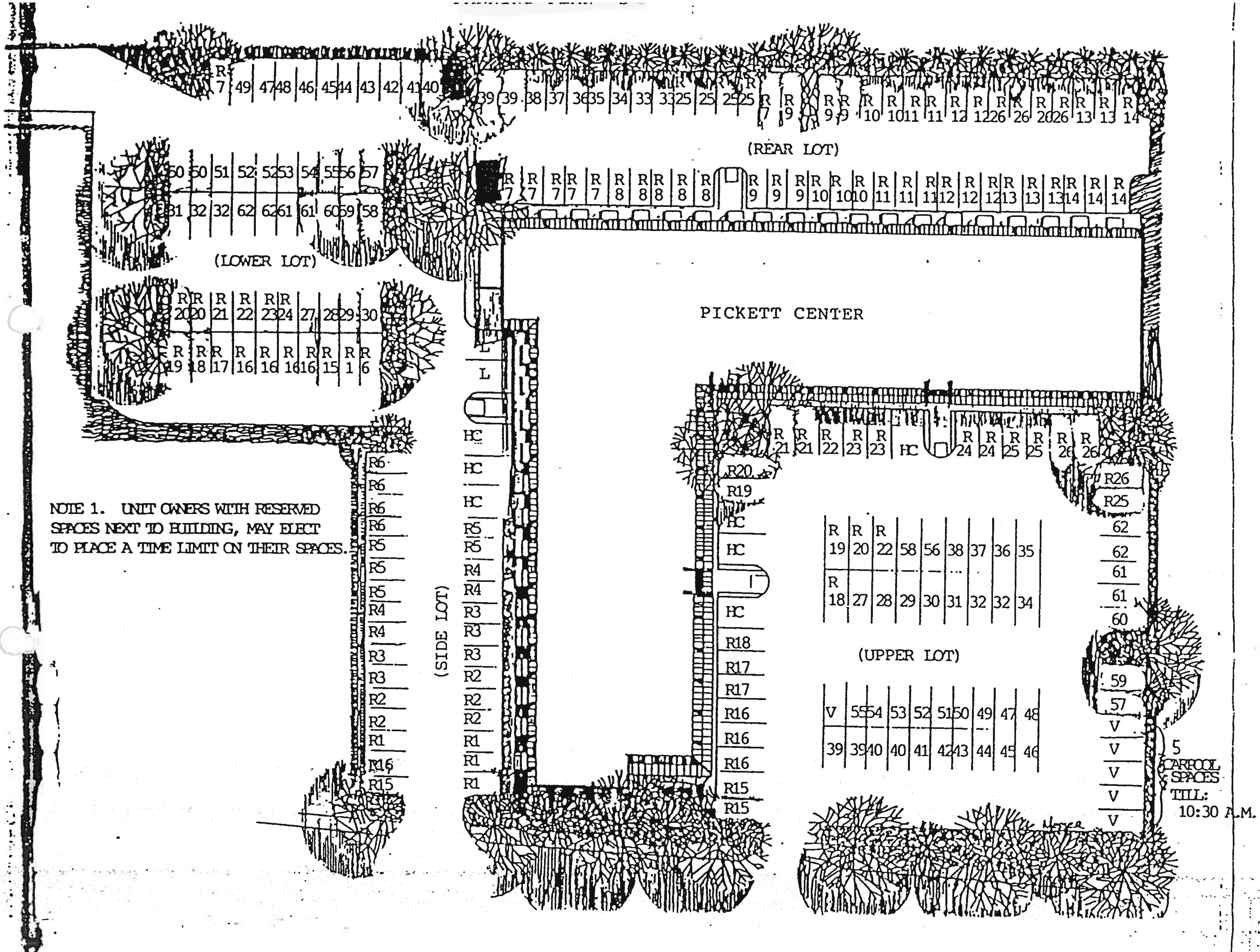

PICKETT CENTER
(REAR LOT)
(LOWER LOT)
(SIDE LOT)
(UPPER LOT)
NOTE 1. UNIT OWNERS WITH RESERVED SPACES NEXT TO BUILDING, MAY ELECT TO PLACE A TIME LIMIT ON THEIR SPACES.
5 CARPOOL SPACES TILL: 10:30 A.M.

EXHIBIT 2

Parking Allocation

Unit No.	No. of Parking Space
R1	4
R2	5
R3	5
R4	5
R5	5
R6	5
R7	7
R8	5
R9	6
R10	5
R11	5
R12	5
R13	5
R14	4
R15	4
R16	8
R17	3
R18	3
R19	3
R20	4
R21	3
R22	3
R23	3
R24	3
R25	7
R26	7
27	2
28	2
29	2
30	2
31	2
32	4
33	2
34	2
35	2
36	2
37	2
38	2
39	4
40	3
41	2
42	2
43	2
44	2
45	2
46	2
47	2
48	2
49	2
50	3
51	2
52	3
53	2
54	2
55	2
56	2
57	2
58	2
59	2
60	2
61	4
62	4

EXHIBIT 3

Capital Contribution

Unit No.	Amount
R1	$260.00
R2	$320.00
R3	$326.00
R4	$318.00
R5	$320.00
R6	$370.00
R7	$450.00
R8	$316.00
R9	$436.00
R10	$320.00
R11	$320.00
R12	$320.00
R13	$320.00
R14	$302.00
R15	$204.00
R16	$384.00
R17	$146.00
R18	$140.00
R19	$150.00
R20	$180.00
R21	$138.00
R22	$150.00
R23	$140.00
R24	$146.00
R25	$324.00
R26	$316.00
27	$144.00
28	$144.00
29	$144.00
30	$144.00
31	$166.00
32	$354.00
33	$144.00
34	$144.00
35	$144.00
36	$144.00
37	$144.00
38	$162.00
39	$358.00
40	$248.00
41	$152.00
42	$150.00
43	$150.00
44	$146.00
45	$152.00
46	$156.00
47	$152.00
48	$176.00
49	$174.00
50	$312.00
51	$104.00
52	$248.00
53	$150.00
54	$148.00
55	$150.00
56	$156.00
57	$150.00
58	$148.00
59	$150.00
60	$152.00
61	$292.00
62	$366.00

ARTICLES OF INCORPORATION OF PICKETT CENTER CONDOMINIUM ASSOCIATION, INC.

ARTICLES OF INCORPORATION

THIS IS TO CERTIFY:

That I, Charles R. Guthrie, whose mailing address is 7406 Colshire Drive, McLean, Virginia 22102, being at least twenty-one (21) years of age, do hereby declare myself as incorporator with the intention of forming a non-stock corporation under and by virtue of Chapter 10 of title 13.1 of the Code of Virginia, as amended, and for such purpose do hereby make, execute and adopt the following Articles of Incorporation:

ARTICLE I

The name of the corporation shall be the "Pickett Center Condominium Association, Inc.," and hereinafter shall be referred to as the "Association."

ARTICLE II

The address of the initial registered office of the Association, including both (a) the post-office address with street and number, if any, and (b) the name of the city or county in which it is located is as follows: 7645 Leesburg Pike, Falls Church, Virginia 22041. The initial registered agent of the Association is Charles R. Guthrie, whose address is 7406 Colshire Drive, McLean, Virginia 22102.

ARTICLE III

The members of the Association shall be the unit owners of a condominium (the "Condominium") located in the City of Alexandria, Commonwealth of Virginia, known and described as "Pickett Center, a Condominium." Unless specifically required to the contrary, or unless it is plainly evident from the context that a different meaning is intended or required, all terms used in these Articles of Incorporation shall have the same meaning as they are defined in the Declaration hereinafter described or in Va. Code Sec. 55-79.39 et seq., as amended (the "Condominium Act").

ARTICLE IV

The period of existence and duration of the life of the Association shall be perpetual, subject to the right of the members of the Association to terminate the Condominium as provided in the Condominium Act.

ARTICLE V

The general purposes for which the Association is formed, and the business or objects to be carried on and promoted by it, are as follows:

(a) to organize and operate a corporation of which no part of the net earnings is to enure to the benefit of any member of the Association or to any other individuals;

(b) pursuant to and in conformity with the requirements of the Condominium Act, and in a manner consistent with a certain Declaration (the "Declaration"), relating thereto made by the Pickett Center Associates Limited Partnership, a limited partnership organized and existing under the laws of the Commonwealth of Virginia (the "Declarant") and dated the 1st day of July, 1986 and recorded the 7th day of July, 1986, in deed book 112 at pages 236-255 among the Land Records for Alexandria County, Virginia and as the same may from time to time be supplemented or modified, to provide for the maintenance, operation and management of a certain Condominium located in Alexandria, Virginia herein elsewhere called the "Condominium" and identified as follows: "PICKETT CENTER, A CONDOMINIUM."

For the general purposes aforesaid, and limited to those purposes, the Association shall have the following powers:

(a) to sue and be sued, complain and defend, in its corporate name;

(b) to have a corporate seal which may be altered at any time, and to use the same by causing it, or a facsimile thereof to be in any manner reproduced, but failure to use the corporate seal will not affect the validity of any instruments;

(c) to purchase, take, receive, lease, take by gift, devise or bequest, or otherwise acquire, own, hold, improve, use and otherwise deal in and with, real or personal property, or any interest therein, wherever situated;

(d) to sell, convey, mortgage, pledge, lease, exchange, transfer and otherwise dispose of all or any part of its property and assets;

(e) to make contracts and incur liabilities, borrow money at such rates of interest as the Association may determine, issue its notes, bonds and other obligations, and secure any of its obligations by mortgage or pledge of all or any of its property, franchises and income;

(f) to lend money for its corporate purposes, invest and reinvest its funds, and take in whole real and personal property as security for the payment of funds so loaned or invested;

(g) to conduct its affairs, carry on its operations, hold property, have offices and exercise the powers granted by the Virginia Nonstock Corporation Act within or without the Commonwealth of Virginia;

(h) to elect or appoint officers and agents of the Association, and define their duties and fix compensation;

(i) to make and alter By-Laws not inconsistent with these Articles of Incorporation or with the laws of the Commonwealth of Virginia, for the administration and regulation of the affairs of the Association;

(j) to have and exercise all powers necessary or convenient to affect any or all of the purposes for which this corporation is organized; and

(k) insofar as permitted by law, to do any other thing that, in the judgment of the Board of Directors, will promote the business of the Association or the common benefit of its members and, in general, to exercise the powers and duties of the Association set out in the Condominium Act, the Declaration and the By-Laws of the Association, and to do every other act not inconsistent with law which may be appropriate to promote and attain the purposes set forth in the Condominium Act, the Declaration and the By-Laws of the Association.

The foregoing enumeration of specific powers shall not be deemed to limit or restrict in any manner the general powers of the Association, and the enjoyment of the exercise hereof as conferred by the Condominium Act and by the General Laws of the Commonwealth of Virginia.

ARTICLE VI

The Association shall be without capital stock and will not be operated for profit. The Association does not contemplate the distribution of gains, profits or dividends to any of its members, except as specifically provided for in the Condominium Act. The members of the Association shall not be personally liable for the debts, liabilities, or obligations of the Association, except as specifically provided for in the Condominium Act.

ARTICLE VII

The authorized number of memberships of the Association is sixty-two (62), all of which shall be of one class. Every Unit owner in the Condominium shall be a member of the Association. Each member shall have a vote equal to the sum of the fractional share or shares of the undivided interest of the Common Elements of the Condominium as set forth in the Declaration, appurtenant to the Unit or Units owned by such member. The total vote of all members shall equal one hundred (100).

ARTICLE VIII

The Association shall have a lien on the outstanding memberships in order to secure payment of any sums which shall be due or become due to the Association from the holder thereof or for any reason whatsoever.

ARTICLE IX

In the event any member of the Association sells, assigns, or otherwise transfers of record any Condominium Unit in which he holds the interest required for membership, such membership shall terminate and, at the same time, the transferee of that Condominium unit shall become a member. The foregoing requirement shall not apply in the event a Condominium unit is transferred solely as security for the performance of an obligation. Except as provided in this Article, membership is not transferable.

ARTICLE X

(a) The initial number of Directors of the Association constituting the Board of Directors ("Board") shall be an uneven number of not less than three (3) natural persons nor more than five (5) natural persons, and the names and post-office addresses of the three Directors who shall act as the Board until their successors are duly chosen and qualified are:

Name	Address
Charles R. Guthrie	7406 Colshire Drive, #3 McLean, Virginia
Susan M. Walters	7406 Colshire Drive, #1 Falls Church, VA 22003
Kim C. Kriftoff	9320 Cornwell Farm Road Great Falls, VA 22066

Prior to the first annual meeting of members following the expiration of the period of Declarant control set forth in the Declaration, the number of Directors shall be determined, from time to time, by a vote of the initial Directors herein above-named. Thereafter, at the first annual meeting of members following the expiration of the period of Declarant control set forth in the Declaration, the number of Directors shall be determined in accordance with the By-laws, but in no event shall there be less than five (5) natural persons or more than seven (7) natural persons, selected by a vote of the members.

(b) For a period of two (2) years from the date the first Unit is conveyed to a Unit owner other than Declarant, or until the date at which Units to which seventy-five percent (75%) of the undivided interest in the Common Elements of the Condominium appertain have been conveyed by the Declarant, whichever date shall first occur, the Declarant or such person as may from time to time be designated in writing by the Declarant, by notice in writing to the Secretary of the Association, shall have the irrevocable and unconditional authority and right to appoint and remove all of the members of the Board of the Association without a vote of the members. Notice of the names of the persons from time to time appointed to the Board by the Declarant shall be given in writing by the Declarant to the Secretary of the Association within a reasonable time following any such appointment and, in the absence of any notice to the contrary delivered to the Secretary, the persons named in these Articles of Incorporation shall continue to serve as Directors until their successors are duly appointed or chosen and qualified following the termination of the authority and rights herein reserved to the Declarant.

(c) Following the expiration of the period of Declarant Control set forth in the Declaration, the election of Directors shall be by oral ballot, unless secret or written balloting is requested by any Unit owner present at any election or annual meeting, in person or by proxy. All Directors elected by the members shall be elected on a "at-large" basis. There shall be no cumulative voting.

(d) At the first annual meeting of the members following the expiration of the period of Declarant Control set forth in the Declaration, the term of office of the two (2) Directors receiving the greatest number of votes shall be fixed for three (3) years. The term of office of the Director receiving the second greatest number of votes shall be fixed for two (2) years and the term of office of the other Directors shall be fixed for one (1) year. At the expiration of the initial term of office of each such Director so elected, his successor shall be elected to serve a term of three (3) years.

ARTICLE XI

To the extent permitted by law:

(a) The Association shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, arbitrative or investigative (other than an action by or in the right of the Association) by reason of the fact that he is or was a Director, officer, employee or agent of the Association, or is or was serving at the request of the Association as a Director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees, judgments and amounts paid in settlement actually and reasonably 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 interest of the Association, and, with respect to any criminal action or proceeding and no reasonable cause to believe this conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction or upon plea of <u>nolo</u> <u>contendere</u> or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner he reasonably believed to be in or not opposed to the best interest of the Association, and, with respect to any criminal action or proceeding, had reasonable cause to believe his conduct was unlawful.

(b) The Association shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Association to procure a judgment in its favor by reason of the fact that he is or was a Director, officer, employee or agent of the Association, or is or was serving at the request of the Association as a Director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses (including attorneys' fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interest of the Association and except that no such indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his duty to the Association unless and only to the extent that the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which such court shall deem proper.

(c) To the extent that a Director, officer, employee or agent of the Association has been successful on the merits or otherwise in the defense of any action, suit or proceeding referred to in subparagraphs (a) and (b) of this Article, or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including reasonable attorneys' fees) actually and reasonably incurred by him in connection therewith.

(d) Any indemnification under subparagraphs (a) and (b) of this Article (unless ordered by a court) shall be made by the Association only as authorized in the specific case upon the determination that indemnification of the Director, officer, employee or agent is proper in the circumstances because he has met the applicable standard of conduct set forth in subparagraphs (a) and (b) of this Article. Such determination shall be made: (i) by the Board of Directors by a majority vote of a quorum consisting of Directors who are not parties to such action, suit or proceeding, or (ii) if such quorum is not obtainable, or even if obtainable a quorum of disinterested Directors so directs, by independent legal counsel in a written opinion, or (iii) by a vote of a majority of the then members of the Association.

(e) Expenses (including reasonable attorneys' fees) incurred in defending an action, suit or proceeding, whether civil, criminal, administrative, arbitrative or investigative, may be paid by the Association in advance of the final disposition of such action, suit or proceeding as authorized in the manner provided for in subparagraph (b) of this Article upon receipt of an undertaking by or on behalf of the Director, officer, employee or agent to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the Association as authorized in this Article.

(f) The Association shall have the power to make any other or further indemnity, including criminal proceedings, to any person referred to in this Article that may be authorized by any resolution adopted, before or after the event, by the then members of the Association, except an indemnity against his gross negligence or willful conduct.

(g) Except to the extent that any of them may also be members of the Association, the officers and Directors of the Association shall have no personal liability for such officers and Directors with respect to any contract or other commitment made by them, in good faith, on behalf of the Association and the Association shall indemnify and forever hold each such officer and Director free and harmless against any and all liability to others on account of any such contract or commitment. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any officer or Director of the Association, or former officer or Director of the Association, may be entitled, by-law or otherwise.

(h) The officers and Directors of the Association shall not be liable to the Association or to the members of the Association for any mistake of judgment, negligence, or otherwise, except for their own gross negligence, willful misconduct or bad faith.

(i) Each of the indemnities provided for this Article shall continue as to any person who has ceased to have the capacity referred to in this Article and shall inure to the benefit of the heirs, executors and administrators of any such person.

(j) The Association may purchase and maintain insurance on the behalf of any person who is or was a Director, officer, employee or agent of the Association, or is or was serving at the request of the Association as a Director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him and incurred by him in any such capacity or rising out of his status of such, whether or not the Association would have the power to indemnify him against such liability under the provisions of this Article.

ARTICLE XII

The Directors shall exercise their powers and duties in good faith and with a view to the best interest of the Association and the Condominium. No contract or other transaction between the Association and one or more of its Directors, or between the Association and any corporation, firm, association or entity (including the Declarant) in which one or more of the Directors of the Association are directors or officers or are interested, shall be either void or voidable because of such relationship or interest or 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, or because his or their votes are counted for such purpose; provided that the material facts as to his or their relationship or interest are disclosed or known:

(i) to the Board of Directors or committee which authorized, approves or ratifies the contract or transaction by a vote sufficient for the purpose without counting the votes of such interested Directors, or the votes of the disinterested Directors are insufficient to continue an act of the Board of Directors, by unanimous vote by the disinterested Directors, if there are not less than two (2) such disinterested Directors; or

(ii) to the members of the Association entitled to vote before they authorize, approve or ratify such contracts or transaction by vote or written consent.

In any event, no contract or other transaction described in this Article shall be void or voidable despite failure to comply with subparagraphs (i) or (ii) of this Article, provided that such contract or transaction was fair and reasonable to the Association in view of all of the facts known to any officer or Director at the time such contract or transaction was entered into on behalf of the Association.

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

ARTICLE XIII

Subject to the limitations set forth in the Condominium Act, the Declaration herein above referred to, and in the By-Laws of the Association, the Association reserves the right to amend, alter or repeal any provision contained in these Articles of Incorporation in the manner now or hereafter prescribed by law for the amendment of Articles of Incorporation.

IN WITNESS WHEREOF, for the purpose of forming the Association under the Virginia Nonstock Corporation, the undersigned incorporator has signed these Articles of Incorporation this 13 day of November, 1987.

WITNESS: [signature]

INCORPORATOR: Charles K [signature]

VIRGINIA:
In the Clerk's Office of the Circuit Court-City of Alexandria this deed was received and the taxes imposed by Sec. 58-54.1 in the amount of $ have been paid & with the Annexed certificate admitted to record on 11-17-87 3:06PM

[signature]
Clerk