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BYLAWS
THE UNIT OWNERS ASSOCIATION OF
MARKET STREET AT TOWN CENTER CONDOMINIUM
Reston, Virginia

ARTICLE I

GENERAL

Section 1. Applicability. These Bylaws provide for the self-government of the Unit Owners Association of Market Street at Town Center Condominium, (the "Unit Owners Association" or "Association") pursuant to the requirements of Article 3, Chapter 4.2 of Title 55 of the Code of Virginia. Market Street at Town Center Condominium is located within the planned community of Reston in Fairfax County, Virginia (the "Condominium").

Section 2. Compliance. Pursuant to the provisions of Section 55-79.53, Code of Virginia, as amended, every Unit Owner and all those entitled to occupy a Condominium Unit shall comply with these Bylaws.

Section 3. Office. The office of the Unit Owners Association of the Condominium and the Board of Directors shall be located at the Condominium or at such other place as may be designated from time to time by the Board of Directors.

Section 4. Definitions. Capitalized terms used in these Bylaws which are not defined shall have the meanings specified for such terms in the Declaration of the Condominium, which Declaration is recorded immediately prior hereto, or in Section 55-79.41 of the Condominium Act. The following terms have the following meanings in the Condominium Instruments:

(a) "Board of Directors" or "Board" means the executive organ established pursuant to Article III of these Bylaws.

(b) "Commercial Common Expenses" means all lawful expenditures made by, or incurred on behalf of, the Association or which are for the

exclusive benefit of the Commercial Limited Common Elements, or the Commercial Unit for which only the Commercial Unit Owner is responsible.

(c) "Commercial Limited Common Elements" means those parts of the Common Elements, now or hereafter established, which are Limited Common Elements within the meaning of the Condominium Act and which are reserved for the exclusive use of, and are maintained at the exclusive cost of, the Commercial Unit Owner. The Commercial Limited Common Elements existing at the time of the recordation of the amendment adding Phase 2 to the Condominium will be shown on the "Plats and Plans" (hereinafter defined), but shall also consist of any other portions of the Condominium which are intended to serve and benefit the Commercial Unit exclusively.

(d) "Commercial Unit" means the Unit whose use is designated exclusively for commercial and/or retail use in accordance with the applicable zoning ordinances and as shown on the Plans for Phase 2 of the Condominium.

(e) "Commercial Unit Owner" means the Unit Owner of the Commercial Unit whose use is reserved exclusively for commercial and/or retail use in accordance with the applicable zoning ordinances.

(f) "Common Elements" means all parts of the Condominium Property other than the Units, as more fully set forth in Article V of the Declaration, and unless otherwise provided shall include General Common Elements, Residential Limited Common Elements, Commercial Limited Common Elements, Individual Residential Limited Common Elements. Each Unit Owner shall be the owner of an undivided interest as a tenant in common of the Common Elements, although the use and obligations with respect to certain Common Elements shall be restricted as set forth in the Declaration and in these Bylaws.

(g) "Common Element Interest" means the undivided percentage interests of each Unit Owner, as set forth on Exhibit "B" to the Declaration as such exhibit may be amended from time to time, which establishes each Unit's undivided percentage interest in the Common Elements, General Common Expenses and votes in the Unit Owners Association.

(h) "Common Expenses" means and includes:

(i) All lawful expenditures made or incurred by or on behalf of the Unit Owners Association including the "General Common Expenses", "Residential Common Expenses" and "Commercial Common Expenses", together with all lawful assessments for the creation and maintenance of reserves;

(ii) Expenses of administration, maintenance, repair or replacement of the Common Elements, including repair and replacement funds as may be established from time to time;

(iii) Expenses agreed upon to be Common Expenses by the Unit Owners Association; and

(iv) Expenses declared Common Expenses by the provisions of the Condominium Act or by the Declaration or these Bylaws.

(i) "Condominium Act" means the provisions of Article 3, Chapter 4.2 of Title 55 of the Code of Virginia, 1950 edition, as amended.

(j) "Condominium Property" means the Submitted Land, and any Additional Land which may be added to the Condominium, together with all improvements thereto and all easements, rights and appurtenances hereunto appertaining.

(k) "Declarant Control Period" means the period prior to the earliest of (i) the date on which Units to which seventy-five percent (75%) or more of the aggregate Common Element Interests appertain have been conveyed to Unit Owners other than the Declarant or an affiliate of the Declarant or (ii) five (5) years after the date of the first conveyance of a Unit to a Unit Owner other than the Declarant or an affiliate of the Declarant or the maximum time period permitted by Section 55-79.74 of the Condominium Act, whichever is earlier.

(l) "Entity Owner" means a Owner of a Unit who is not a natural person, but is a corporation, partnership, company, association, trust or other entity capable of holding title to real property.

(m) "General Common Elements" means all of the Common Elements other than the Commercial Limited Common Elements, the Residential Limited Common Elements, and the Individual Residential Limited Common Elements, the ownership, use and responsibility of which is shared by all Unit Owners as tenants-in-common according to their respective Common Element Interest.

(n) "General Common Expense" means and includes that part of the Common Expenses attributable to the maintenance, management, operation, repair and replacement of the General Common Elements or other portions of the Condominium for which the Unit Owners Association is responsible pursuant to the Condominium Instruments, or other Common Expenses incurred by or on behalf of the

Unit Owners Association for the benefit of both Residential Units and the Commercial Unit and their respective owners.

(o) "Individual Residential Limited Common Elements" means those parts of the Common Elements which are Limited Common Elements within the meaning of the Condominium Act and which are reserved for the exclusive use and benefit and are the responsibility of one (1) or more, but less than all, of the Residential Units and their Owners.

(p) "Limited Common Elements" means the Residential Limited Common Elements, the Commercial Limited Common Elements, the Individual Residential Limited Common Elements.

(q) "Majority Vote" means a simple majority (more than fifty percent (50%) of the votes of the Unit Owners, which votes shall be based upon the Common Element Interests set forth in Exhibit "B" to the Declaration, as such exhibit may be amended from time to time, actually cast in person or by proxy at a duly held meeting at which a quorum is present. Any specified percentage vote means that percentage vote with respect to the votes actually cast in person or by proxy at a duly held meeting at which a quorum is present. Any specified percentage approval or vote of the Mortgagees means approval or a vote by the Mortgagees of Condominium Units to which such percentage of the total number of votes appertain.

(r) "Mortgagee" means an institutional lender (one or more commercial or savings banks, savings and loan associations, trust companies, credit unions, industrial loan associations, insurance companies, pension funds, or business trusts, including, but not limited to, real estate investment trusts, and other lenders regularly engaged in financing the purchase, construction, or improvement of real estate, or any assignee of loans made by such lender, or any combination of any of the foregoing entities) holding, insuring or guaranteeing first mortgage or first deed of trust ("Mortgage") encumbering a Unit in the Condominium. An "eligible Mortgage Holder" shall mean a Mortgagee which has submitted a written request that the Unit Owners Association notify it on any proposed action requiring the consent of a specified percentage of Mortgagees.

(s) "Plats and Plans" means the plats and plans for the Condominium recorded as an exhibit to the Declaration and any plats and plans recorded with any amendments to the Condominium Instruments.

(t) "Residential Common Element Interest" means the undivided percentage interest of each Residential Unit Owner, as set forth on Exhibit "B" to the Declaration, as such exhibit may be amended from time to time, which

establishes each Residential Unit Owner's percentage interest in the Residential Limited Common Elements.

(u) "Residential Common Expenses" means all lawful expenditures made by, or incurred on behalf of, the Unit Owners Association or which are for the exclusive benefit of the Residential Limited Common Elements, Individual Residential Limited Common Elements or the Residential Units for which only Residential Unit Owners are responsible.

(v) "Residential Limited Common Elements" means those parts of the Common Elements which are limited common elements within the meaning of the Condominium Act and which are reserved for the exclusive use of, and are maintained at the exclusive cost of, all of the Residential Unit Owners according to their respective Residential Common Element Interests. The Residential Limited Common Elements are generally shown on the Plats and Plans, but shall also consist of any other portions of the Condominium which are intended to serve and benefit the Residential Units exclusively.

(w) "Residential Section" shall mean the Residential Units together with the Residential Limited Common Elements and the Individual Residential Limited Common Elements.

(x) "Residential Unit" means a Unit to be used and occupied primarily as a residence.

(y) "Rules and Regulations" means those rules adopted from time to time by the Board of Directors pertaining to the operation or use of the Units or Common Elements.

(z) "Unit" means a Unit as defined in the Condominium Act and the Condominium Instruments and includes Commercial Units and Residential Units.

ARTICLE II

UNIT OWNERS ASSOCIATION

Section 1. Composition. All of the Unit Owners of Units contained in the Condominium, acting as a group in accordance with the Condominium Act, the Declaration and these Bylaws, shall constitute the "Unit Owners Association" or the "Association". The Association shall have the responsibility of administering the Condominium, establishing the means and methods of collecting the contributions to the

Common Expenses, arranging for the management of the Association and performing all of the other acts that may be required to be performed by the Unit Owners Association, by the Condominium Act and the Declaration. Except as to those matters which either the Condominium Act or the Declaration specifically require to be performed by the vote of the Unit Owners, the administration of the foregoing responsibilities shall be performed by the Board of Directors as more particularly set forth in Article III.

Section 2. Annual Meetings. At such time as the Unit Owners Association comes into existence, when the first unit is conveyed to a Unit Owner, the Unit Owners Association shall hold at least one (1) annual meeting each year. The annual meetings of the Unit Owners Association shall be held each year on a date selected by the Board of Directors. All meetings of the Unit Owners Association shall be held in compliance with Section 55-79.75 of the Virginia Condominium Act.

Section 3. Place of Meetings. Meetings of the Unit Owners Association shall be held at the principal office of the Condominium or at such other suitable place convenient to the Unit Owners as may be designated by the Board of Directors.

Section 4. Special Meetings.

(a) The President shall call a special meeting of the Unit Owners Association if so directed by resolution of the Board of Directors or after the termination of the Declarant Control Period upon a petition signed and presented to the Secretary by Unit Owners of not less than twenty-five percent (25%) of the aggregate Common Element Interests. The notice of any special meeting shall state the time, place and purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

The signatures on a petition requesting a special meeting shall be valid for a period of one hundred-eighty (180) days after the date of the first such signature. Such resolution, petition or request must (1) specify the time and place at which the meeting is to be held, (2) either specify a date on which the meeting is to be held which will permit the Secretary to comply with Article II, Section 5 of these Bylaws, or else specify that the Secretary shall designate the date of the meeting, (3) specify the purposes for which the meeting is to be held, and (4) be delivered to the Secretary. The notice of any special meeting shall state the time, place and purpose thereof.

(b) No later than sixty (60) days following the termination of the Declarant Control Period a special meeting of the Association shall be held at which a majority of the Directors shall be elected by the Unit Owners, including the Declarant if

the Declarant owns one or more Units, to serve terms as provided in Article III, Section 4 of these Bylaws. If such election is held prior to the time required by this section, the Directors elected at such election shall not take office until the earlier of the time such election is required to be held or within ten (10) days of the resignation of a Director appointed by the Declarant without appointment of a replacement. The elected Directors shall assume office in the order of the highest number of votes received.

Section 5. Notice of Meetings. It shall be the duty of the Secretary to mail a notice of each annual or special meeting of the Unit Owners pursuant to the provisions of Section 55-79.75, Code of Virginia, as amended, by mailing by regular United States mail or delivery by hand to each Unit Owner of record at the address of his Unit or to such other address as may be designated by said Unit Owner at least twenty one (21) days advance notice in the case of any annual meeting and at least seven (7) days advance notice of any special meeting of the Unit Owners Association.

Section 6. Quorum and Adjournment of Meetings. Except as otherwise stated in these Bylaws, the presence in person or by proxy of Unit Owners representing at least twenty-five percent (25%) of the total votes of the Condominium shall be requisite for and shall constitute a quorum for the transaction of business of all meetings of members. If any meetings of the Unit Owners Association cannot be held because a quorum is not present, a majority of the Unit Owners who are present at such meeting, either in person or by proxy, may adjourn the meeting to a time not less than forty-eight (48) hours from the time the original meeting was called in which event any business which could have been transacted at the meeting originally called may be transacted without further notice.

Section 7. Order of Business. The order of business of all meetings of the Unit Owners Association shall be as follows:

- (a) Roll call
- (b) Proof of notice of meeting
- (c) Reading of minutes of preceding meeting
- (d) Reports of officers and Board of Directors
- (e) Report of Management Agent, if any, and if present
- (f) Reports of Committees
- (g) Election or appointment of inspectors of election (when so required)

- (h) Election of members of the Board of Directors (when so required)
- (i) Unfinished business
- (j) New business
- (k) Adjournment

Section 8. Title to Units. Title to a Unit may be taken in the name of one or more Persons, in any manner permitted by law. The Unit Owners Association may acquire, hold and transfer full legal title to one or more Condominium Units in the Condominium in its own name.

Section 9. Voting.

(a) At every meeting of the Unit Owners Association, each of the Units shall have the right to cast a vote based on such Unit's Common Element Interest, as set forth in the Declaration as said Declaration may be amended from time to time. Where the ownership of a Unit is in more than one person, the person who shall be entitled to cast the vote of such Unit may be any record owner of said Unit, unless any other record owner of said Unit shall, at the time the vote is cast object to the casting of said vote, in which event the person who shall be entitled to cast the vote of such Unit shall be the person named in a certificate executed by all record owners of said Unit. Any voting certificate executed pursuant to this section shall remain valid until revoked by a subsequent certificate similarly executed. In the event that no certificate is supplied, no record owner shall be entitled to cast the vote. If a Unit Owner is not a natural person (defined as an Entity Owner), the vote for such Unit may be cast by any natural person having authority to execute deeds on behalf of the Entity Owner; provided, further, that any vote cast by a natural person on behalf of such Entity Owner shall be deemed valid unless successfully challenged prior to adjournment of the meeting at which such vote was cast. All Entity Owners shall file with the Secretary a certificate identifying all persons authorized to vote on behalf of the Entity Owner. A certificate shall be valid until revoked by a subsequent certificate similarly executed and filed. Wherever the approval or disapproval of a Unit Owner is required by the Condominium Act, the Declaration or these Bylaws, such approval or disapproval shall be made only by the Person who would be entitled to cast the vote of such Unit at any meeting of the Unit Owners Association.

(b) Except where a greater number is required by the Condominium Act, the Declaration or these Bylaws, a Majority Vote is required to adopt decisions at any meeting of the Unit Owners Association. Any specified percentage of

the Unit Owners means the Unit Owners having such number of votes in the aggregate. If the Declarant owns or holds title to one or more Units, the Declarant shall have the right at any meeting of the Unit Owners Association to cast the votes to which such Unit or Units are entitled.

(c) No Unit Owner may vote at any meeting of the Unit Owners Association or be elected to or serve on the Board of Directors if the Unit Owner is delinquent by more than sixty (60) days and the amount necessary to bring the account current has not been paid within seventy-two (72) hours prior to the time of such meeting or election.

(d) Any vote of the Unit Owners described in this Article II may be made electronically if the Board of Directors establishes such a means for doing so.

Section 10. Proxies. A vote may be cast in person or by proxy. Such proxy may be granted by any Unit Owner in favor of another Unit Owner, a Mortgagee, the Declarant or any other person designated. Proxies shall be dated, duly executed in writing and witnessed by a person who shall sign his full name and address and shall be valid only for the particular meeting designated therein and must be filed with the Secretary before the appointed time of the meeting. Such proxy shall be deemed revoked only upon actual receipt by the person presiding over the meeting of notice of revocation from any of the persons owning such Unit. Except with respect to proxies in favor of a Mortgagee, no proxy shall in any event be valid for a period in excess of one hundred and eighty (180) days after the execution thereof. Any proxy shall terminate after the first meeting held on or after the date of that proxy or any recess or adjournment of that meeting. Any proxy which is undated, purports to be revocable without notice described above, or any proxy not executed by a person having authority at time of execution thereof to execute deeds on behalf of that person shall be void. Any proxy shall be void if the signatures of any of those executing have not been witnessed by a person who signs his full name and address. The proxy shall include a brief explanation of the effect of leaving the proxy uninstructed.

ARTICLE III

BOARD OF DIRECTORS

Section 1. Number and Qualification. The affairs of the Unit Owners Association shall be governed by a Board of Directors. The Board of Directors shall consist of such persons as may be designated by the Declarant during the Declarant Control Period. The Board of Directors shall be composed of five (5) persons, all of whom shall be Unit Owners or spouses of Unit Owners, Mortgagees (or designees of

Mortgagees) or designees of the Declarant; provided, however, that, during the Declarant Control Period, the Board of Directors shall consist of three (3) members who shall be designated by the Declarant. After the Declarant Control Period has ended, at least one (1) member of the Board of Directors shall be the Owner of a Commercial Unit (in accordance with Section 4 below), unless no Commercial Unit Owner wishes to serve on the Board. The Declarant shall have the right in its sole discretion to replace such Directors as it has designated, and to designate their successors. The time limit on the period of the Declarant's control shall commence upon settlement of the first Unit to be sold in any portion of the Condominium.

Section 2. Powers and Duties. The Board of Directors shall have all of the powers and duties necessary for the administration of the affairs of the Unit Owners Association and may do all such acts and things as are not by the Condominium Act, the Declaration or by these Bylaws required to be exercised and done by the Unit Owners Association. The Board of Directors shall have the power from time to time to adopt any Rules and Regulations deemed necessary for the benefit and enjoyment of the Condominium; provided, however, that such Rules and Regulations shall not be in conflict with the Condominium Act, the Declaration or these Bylaws. The Board of Directors shall delegate to one (1) of its members or to a person employed for such purpose the authority to act on behalf of the Board of Directors on such matters relating to the duties of the Managing Agent (as defined in Section 3 of this Article), if any, which may arise between meetings of the Board of Directors as the Board of Directors deems appropriate. In addition to the duties imposed by these Bylaws or by any resolution of the Unit Owners Association that may hereafter be adopted, the Board of Directors shall on behalf of the Unit Owners Association:

(a) Prepare an annual budget, in which shall be established the assessments of each Unit Owner for the Common Expenses.

(b) Make assessments against Unit Owners to defray the cost and expenses of the Condominium, establish the means and methods of collecting such assessments from the Unit Owners and establish the period of the installment payment of the annual assessment for Common Expenses. Unless otherwise determined by the Board of Directors, the annual assessment against each Unit Owner for his proportionate share of the Common Expenses shall be payable in equal monthly installments, each such installment to be due and payable in advance on the first day of each month for such month.

(c) Provide for the operation, care, upkeep and maintenance of all of the Condominium Property and services of the Condominium.

(d) Designate, hire and dismiss the personnel necessary for the maintenance, operation, repair and replacement of the Common Elements and provide services for the Condominium and, where appropriate, provide for the compensation of such personnel and for the purchase of equipment, supplies and material to be used by such personnel in the performance of their duties, which supplies and equipment shall be deemed part of the Common Elements.

(e) Collect the assessments against the Unit Owners, deposit the proceeds thereof in bank depositories designated by the Board of Directors and use the proceeds to carry out the administration of the Condominium.

(f) Make and amend the Rules and Regulations.

(g) Open bank accounts on behalf of the Unit Owners Association and designate the signatories thereon.

(h) Make, or contract for the making of, repairs, additions and improvements to or alterations of the Condominium and repairs to and restoration of the Condominium, in accordance with these Bylaws, after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings.

(i) Enforce by legal means the provisions of the Declaration, these Bylaws and the Rules and Regulations and act on behalf of the Unit Owners with respect to all matters arising out of any eminent domain proceeding and notify the Unit Owners of any litigation against the Association involving a claim in excess of ten percent (10%) of the amount of the annual budget (as defined in Article VI, Section 1(b)).

(j) Obtain and carry insurance against casualties and liabilities, as provided in Article VII of these Bylaws, pay the premiums therefor and adjust and settle any claims thereunder.

(k) Pay the cost of all authorized services rendered to the Unit Owners Association and not billed to Unit Owners of individual Units or otherwise provided for in Article VI of these Bylaws.

(l) Keep books with detailed accounts in chronological order of the receipts and expenditures affecting the Condominium Property, and the administration of the Association, specifying the expenses of maintenance and repair of the Common Elements and any other expenses incurred. Such books and vouchers accrediting the entries thereupon shall be available for examination by the Unit Owners, their duly authorized agents or attorneys, in accordance with Section 55.79.74:1 of the

Condominium Act during general business hours on working days at the times and in the manner set and announced by the Board of Directors for the general knowledge of the Unit Owners. All books and records shall be kept in accordance with generally accepted accounting principles, and the same shall be audited at least once each year by an independent accountant retained by the Board of Directors who shall not be a resident of the Condominium or a Unit Owner. The cost of such audit shall be a Common Expense.

(m) Notify a Mortgagee of any default hereunder by the Unit Owner of the Unit subject to such Mortgage, in the event such default continues for a period exceeding sixty (60) days after notice of default to the Unit Owner.

(n) Borrow money and pledge assessment revenue on behalf of the Association when required in connection with any instances relating to the operation, care, upkeep and maintenance of the Common Elements, provided, however, that (except during the Declarant Control Period) a Majority Vote of the Unit Owners at a meeting duly called and held for such purpose in accordance with the provisions of these Bylaws, shall be required to borrow any sum in excess of twenty-five percent (25%) of the total annual assessment for Common Expenses for that fiscal year. If any sum borrowed by the Board of Directors on behalf of the Association pursuant to the authority contained in this subparagraph (n) is not repaid by the Unit Owners Association, a Unit Owner who pays to the creditor such proportion thereof as his Common Element Interest bears to the total of Common Element Interests in the Condominium shall be entitled to obtain from the creditor a release of any judgment or other lien which such creditor shall have filed or shall have the right to file against such Unit Owner's Condominium Unit.

(o) Acquire, hold and dispose of Condominium Units and mortgage the same if such expenditures and hypothecations are included in the budget adopted by the Unit Owners Association.

(p) In its sole discretion, designate from time to time certain Common Elements as "Reserved Common Elements" and impose such restrictions and conditions on the use thereof as the Board of Directors deem appropriate.

(q) Furnish the statement required by Section 55-79.97 of the Condominium Act, within ten (10) days after the receipt of a written request therefor from any Unit Owner.

(r) Do such other things and acts not inconsistent with the Condominium Act, the Declaration or these Bylaws which the Board of Directors may be authorized to do by a resolution of the Unit Owners Association.

(s) Negotiate and adjust with any contractor, subcontractor or the Declarant any warranty claims on any Common Element made by or on behalf of any Unit Owner or the Unit Owners Association.

(t) The Unit Owners Association shall have no authority or standing whatsoever to sue, complain, intervene or defend with respect to any right, claim, action, cause of action or other matter of any nature whatsoever accruing to or for the benefit of, or otherwise exercisable by or on behalf of, any individual Unit Owner (hereinafter referred to as a "Unit Owner Claim"), notwithstanding any purported delegation, assignment or transfer of such Unit Owner claim by the Unit Owner, except to the extent that the Unit Owners Association has otherwise been granted the specific authority or standing to pursue such Unit Owner Claim pursuant to these Bylaws, the Declaration or the Condominium Act.

(u) The Board of Directors is hereby irrevocably appointed as attorney-in-fact for all Unit Owners, and for each of them, to settle, compromise, waive, discharge, acquit and release any and all demands, claims, actions, causes of action, suits, litigations, proceedings, mediations, arbitrations, judgments, determinations, findings, orders and awards whatsoever, at law, in equity, or otherwise, relating to or arising out of matters affecting the Condominium and two or more Unit Owners, and with respect to which the Unit Owners Association otherwise has the authority to sue, complain, intervene or defend pursuant to these Bylaws, the Declaration or applicable law. The Board of Directors is hereby authorized to enter into, execute, acknowledge, deliver and record all agreements, releases, consents certificates, papers, documents and other instruments as may be deemed necessary or desirable by the Board of Directors to effectuate the foregoing, and to generally say, do, act, transact, negotiate, determine, commence, accomplish and finish all matters and things whatsoever relating to the foregoing as fully, amply and effectually, to all intents and purposes, as each Unit Owner, if present, ought or might do personally. The Unit Owners hereby ratify, approve and confirm all and whatsoever the Board of Directors shall lawfully do or cause to be done, in and about the premises, by virtue of the foregoing power of attorney, which is hereby expressly declared and acknowledged to be coupled with an interest in the subject matter hereof, and the same shall run with the title to any and all Units and be binding upon the heirs, personal representatives, successors, transferees and assigns of any of the foregoing parties. Further, the foregoing power of attorney shall not be affected by the death or disability of any principal, and is intended to deliver all right, title and interest of the principal in and to such power of attorney.

Section 3. Managing Agent. The Board of Directors shall employ for the Condominium a "Managing Agent" at a compensation established by the Board of Directors.

(a) Requirements. The Managing Agent shall be a bona fide business enterprise, which may be affiliated with the Declarant, which manages common interest residential communities. Such firm shall have a minimum of two (2) years experience in real estate community management.

(b) Duties. The Managing Agent shall perform such duties and services as the Board of Directors shall authorize. The Board of Directors may delegate to the Managing Agent all of the powers granted to the Board of Directors by these Bylaws other than the powers set forth in subparagraphs (b), (f), (n), (o), (p) and (s) of Section 2 of this Article III. The Managing Agent shall perform the obligations, duties and services relating to management of the property, the rights of Mortgagees and the maintenance of reserve funds in compliance with the provisions of these Bylaws.

(c) Standards. The Board of Directors shall impose appropriate standards of performance upon the Managing Agent. Unless the Managing Agent is instructed otherwise by the Board of Directors, the Managing Agent shall comply with the following standards:

(i) the accrual method of accounting as defined by generally accepted accounting principles shall be employed;

(ii) two or more persons shall be responsible for handling cash to maintain adequate financial control procedures;

(iii) cash accounts of the Unit Owners Association shall not be commingled with any other accounts;

(iv) no remuneration shall be accepted by the Managing Agent from vendors, independent contractors or others providing goods or services to the Unit Owners Association whether in the form of commissions, finders' fees, service fees or otherwise; any discounts received shall benefit the Unit Owners Association;

(v) any financial or other interest which the Managing Agent may have in any firm providing goods or services to the Unit Owners Association shall be disclosed promptly to the Board of Directors; and

(vi) a monthly financial report shall be prepared for the Unit Owners Association disclosing:

(A) all receipts and disbursements activity for the preceding month; and

(B) the status of all accounts in an "actual" versus "projected" (budget) format.

(d) Limitations. Subject to the provisions of Section 55-79.74(B) of the Condominium Act, during the period when persons designated by the Declarant constitute a majority of the Board of Directors, the Board of Directors may employ a Managing Agent for an initial term not to exceed two (2) years. The Unit Owners Association and the Board of Directors shall not undertake "self-management" or fail to employ a Managing Agent without the consent of a Majority Vote of the Unit Owners and the written consent of Mortgagees together holding sixty-six and two-thirds percent (66-2/3%) of the Mortgages on the Condominium Units. Any contract with the Managing Agent must provide that it may be terminated, without payment of a termination fee, without cause on no more than ninety (90) days written notice and with cause on no more than thirty (30) days written notice, and the term of such contract or agreement may not exceed three (3) years.

Section 4. Election and Term of Office. At the first annual meeting of the Unit Owners Association, after the Declarant Control Period has terminated, the term of office of two members of the Board of Directors shall be fixed at three (3) years, the term of office of two members of the Board of Directors shall be fixed at two (2) years and the term of office of the remaining member of the Board of Directors shall be fixed at one (1) year. At the expiration of the initial term of office of each member of the initial Board of Directors elected at the first annual meeting, a successor shall be elected by the Unit Owners Association to serve for a term of three (3) years. The members of the Board of Directors shall hold office until their respective successors shall have been elected by the Unit Owners Association and have held their first meeting. At each election of Board members, at least one (1) member of the Board of Directors shall be the Owner of a Commercial Unit, unless no Commercial Unit Owner wishes to serve. If the Commercial Unit Owner(s) is not a natural person but is an Entity Owner, then any member of the Board of Directors shall be an authorized representative of such Entity Owner. A member appointed by the Declarant shall serve such term at the discretion of the Declarant for so long as the Declarant still owns a Unit in the Condominium.

Section 5. Removal of Members of the Board of Directors. Except with respect to Directors designated by the Declarant, at any regular or special meeting of the Unit Owners Association duly called, (but only at or after the first annual meeting), any one or more of the Board of Directors may be removed with or without cause by a Majority Vote of the Unit Owners and a successor may then and there be elected to fill the vacancy thus created. Notwithstanding the foregoing, at least one (1) member of the Board of Directors shall be a Commercial Unit Owner in accordance with Section 4 above. Any director whose removal has been proposed by the Unit Owners shall be

given at least ten (10) days' notice of the calling of the meeting and the purpose thereof and he shall be given an opportunity to be heard at the meeting.

Section 6. Vacancies. Vacancies in the Board of Directors caused by any reason other than the removal of a director by a vote of the Unit Owners Association shall be filled by a vote of a majority of the remaining Directors at a special meeting of the Board of Directors held for such purpose promptly after the occurrence of any such vacancy. Notwithstanding the foregoing, at least one (1) member of the Board of Directors shall be a Commercial Unit Owner in accordance with Section 4 above. Each person so elected shall be a member of the Board of Directors for the remainder of the term of the member being replaced. Notwithstanding anything to the contrary in this Section or in the preceding Section 5, during the Declarant Control Period, the Declarant shall designate the successor to any resigned or removed member previously designated by the Declarant.

Section 7. Organization Meeting. The date of the first meeting of the members of the Board of Directors elected at the annual meeting of the Unit Owners Association shall be determined by the Board immediately following the Unit Owners Association meeting and no further notice shall be necessary to the newly elected members of the Board of Directors. Such meeting shall occur within thirty (30) days.

Section 8. Regular Meetings. Regular meetings of the elected Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the directors, but at least once every two (2) months. Notice of regular meetings of the Board of Directors shall be given to each director personally, by mail, telephone or electronic mail, at least three (3) business days prior to the day named for such meeting. All meetings of the Board of Directors shall be held in accordance with Section 55-79.75 of the Virginia Condominium Act.

Section 9. Special Meetings. Special meetings of the Board of Directors may be called by the President on three (3) business days' notice to each director, given personally, by mail, telephone or electronic mail, which notice shall state the time, place and purpose of the meetings. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of at least two (2) directors.

Section 10. Waiver of Notice. Any director may, at any time, in writing, waive notice of any meeting of the Board of Directors, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a director at any meeting of the Board of Directors shall constitute a waiver of notice by him of the time and place of such meeting. If all directors are present at any meeting of the Board of Directors, no notice shall be required and any business may be transacted at such meeting.

Section 11. Fidelity Bonds. The Board of Directors shall require fidelity bonds for all officers and employees of the Condominium handling or responsible for Condominium funds. The premium of such bonds shall constitute a Common Expense.

Section 12. Compensation. No director shall receive any compensation from the Condominium for exercising his duties and obligations as a director.

Section 13. Conduct of Meetings. The President shall preside over all meetings of the Board of Directors and the Secretary shall keep a Minute Book of the Board of Directors, recording therein all resolutions adopted by the Board of Directors and a record of all transactions and proceedings occurring at such meetings. Robert's Rules of Order (latest edition) shall govern the conduct of the meetings of the Board of Directors when not in conflict with the Declaration, these Bylaws or the Condominium Act.

Section 14. Action Without Meeting. Any action by the Board of Directors required or permitted to be taken at any meeting may be taken without a meeting if all of the members of the Board of Directors shall individually or collectively consent in writing to such action. Such written consent or consents shall be filed with the minutes of the proceedings of the Board of Directors.

Section 15. Quorum of Board of Directors. At all meetings of the Board of Directors a majority of the directors shall constitute a quorum for the transaction of business, and the votes of a majority of the directors present at a meeting at which a quorum is present shall constitute the decision of the Board of Directors. If at any meeting of the Board of Directors there shall be less than a quorum present, a majority of those present may adjourn the meeting from time to time. At any such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

ARTICLE IV

OFFICERS

Section 1. Designation. The principal officers of the Association shall be the President, Vice President, the Secretary and the Treasurer, all of whom shall be elected by the Board of Directors. The Board of Directors may appoint an Assistant Treasurer, an Assistant Secretary and such other officers as in its judgment may be necessary. The President, and Vice President and the Treasurer, but no other officers, shall be required to be members of the Board of Directors. The offices of President and Secretary may not be held by the same person.

Section 2. Election of Officers. The officers of the Association shall be elected annually by the Board of Directors at the organizational meeting of each new Board of Directors and shall hold office at the pleasure of the Board of Directors and until a successor is elected.

Section 3. Removal of Officers. Upon the affirmative vote of a majority of the members of the Board of Directors, any officer may be removed, either with or without cause, and his successor may be elected at any regular meeting of the Board of Directors, or at any special meeting of the Board of Directors.

Section 4. President. The President shall be the chief executive officer of the Association. He shall preside at all meetings of the Unit Owners Association and of the Board of Directors. He shall have all of the general powers and duties which are incident to the office of President of a non-stock corporation organized under the Virginia Non-Stock Corporation Act, including, but not limited to, the power to appoint committees from among the Unit Owners, subject to the confirmation of the Board of Directors, from time to time, as he may in his discretion decide is appropriate in the conduct of the affairs of the Condominium.

Section 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 of Directors shall appoint some other member of the Board of Directors to act in the place of the President, on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon him by the Board of Directors or by the President.

Section 6. Secretary. The Secretary shall provide notice of meetings and keep the minutes of all meetings of the Unit Owners Association and of the Board of Directors; he shall have charge of such books and papers as the Board of Directors may direct, and he shall, in general, perform all the duties incident to the office of the secretary of a non-stock corporation organized under the Virginia Non-Stock Corporation Act.

Section 7. Treasurer. The Treasurer shall have the responsibility for overseeing the Association funds and securities and shall cause the keeping of full and accurate financial records and books of account showing all required financial data; he shall also oversee the deposit of all monies and other valuable effects in the name of the Board of Directors, or the Managing Agent, in such depositories as may from time to time be designated by the Board of Directors.

Section 8. Agreements, Contracts, Deeds, etc. All agreements, contracts, deeds, leases, and other instruments of the Association shall be executed by any one (1) officer of the Association, or by such other person or persons as may be designated by the Board of Directors.

Section 9. Compensation of Officers. No officer shall receive any compensation from the Association solely for exercising his duties and obligations as an officer.

ARTICLE V

LIABILITY AND INDEMNIFICATION OF OFFICERS AND DIRECTORS

Section 1. Liability and Indemnification of Officers and Directors. The Unit Owners Association shall indemnify every officer and director of the Unit Owners Association against any and all expenses, including counsel fees, reasonably incurred by or imposed upon any officer or director in connection with any action, suit or other proceeding (including settlement of any suit or proceeding if approved by the Board of Directors of the Unit Owners Association) to which he may be a party by reason of being or having been an officer or director of the Unit Owners Association whether or not such person is an officer or director at the time such expenses are incurred. The officers and directors of the Unit Owners Association shall not be liable to the Unit Owners for any mistake of judgment, negligence or otherwise, except for their own individual willful misconduct or bad faith. The officers and directors of the Unit Owners Association shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Condominium (except to the extent that such officers or directors may also be owners of Condominium Units) and the Unit Owners Association shall indemnify and forever hold each such officer and director free and harmless against any and all liabilities to others on account of any such contract or commitment. Any right to indemnification provided herein shall not be exclusive of any other rights to which any officer or director of the Unit Owners Association, or former officer or director of the Unit Owners Association, may be entitled.

Section 2. Common or Interested Directors. The Directors shall exercise their powers and duties in good faith and with a view to the interests of the Condominium. No contract or other transaction between the Unit Owners Association and one (1) or more of its Directors, or between the Unit Owners Association and any corporation, firm or association (including the Declarant) in which one (1) or more of the Directors of the Condominium are directors or officers or are pecuniarily or otherwise interested, is

either void or voidable because such Director or Directors are present at the meeting of the Board of Directors or any committee thereof which authorizes or approves the contract or transaction, or because his or their votes are counted for such purposes, if any of the conditions specified in any of the following subparagraphs exists:

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

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

(c) The contract or transaction is fair to the Condominium at the time it is authorized, ratified, approved or executed.

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 Condominium or not so interested.

Section 3. Insurance Coverage. The Board of Directors shall obtain on behalf of the Condominium such insurance coverages as may be reasonably necessary in order to effectively indemnify the officers and directors of the Unit Owners Association as provided in Section 1 of this Article V. The cost of said insurance shall constitute a Common Expense.

ARTICLE VI

OPERATION OF THE PROPERTY

Section 1. Determination of General Common Expenses and Assessments Against Unit Owners.

(a) Fiscal Year. The fiscal year of the Association shall consist of the twelve (12) month period commencing January 1 or such other on date as may be determined by the Board of Directors.

(b) Preparation and Approval of Budget. Each year on or before thirty (30) days before the commencement of the next fiscal year, the Board of Directors shall adopt a budget for the Association containing an estimate of the total amount which it considers necessary to pay the cost of utility services, maintenance, management, operation, repair and replacement of the General Common Elements and those parts of the Units as to which the Board of Directors has all powers and responsibility with regard to maintenance, repair, renovation, restoration and replacement, and the cost of wages, materials, insurance premiums, service, supplies and other expenses that may be declared to be General Common Expenses by the Condominium Act, these Bylaws or a Resolution of the Unit Owners Association, and which will be required during the ensuing fiscal year for the administration, operation, maintenance and repair of the Condominium and the rendering to the Unit Owners of all related services. Assessments due the Reston Town Center Association shall be included in the budget and shall be part of the General Common Expense. The budget may also include:

(i) The cost of maintenance or repair of any Condominium Unit or Limited Common Element in the event such maintenance or repair is reasonably necessary in the discretion of the Board of Directors to protect the Common Elements or to preserve the appearance or value of the Condominium or is otherwise in the interest of the general welfare of all Unit Owners; provided, however, that no such maintenance or repair shall be undertaken without a resolution by the Board of Directors and not without reasonable written notice to the Owner of the Condominium Unit proposed to be maintained and provided further that the cost thereof shall be assessed against the Condominium Unit on which such maintenance or repair is performed. A statement for the amount thereof shall be rendered promptly to the then Owner of said Condominium Unit, at which time the assessment shall become due and payable and a continuing lien and obligation of said Owner in all respects as provided in Article X of these Bylaws. The cost of the maintenance or repair of those parts of the units to which the Board of Directors has all powers and responsibility with regard to maintenance, repair, renovation, restoration and replacement shall not be a cost controlled by the terms of this subparagraph (i).

(ii) Any amount necessary to discharge any lien or encumbrance levied against the Condominium, or any portion thereof, which may, in the opinion of the Board of Directors, constitute a lien against the Common Elements.

(iii) Such budget may also include such reasonable amounts as the Board of Directors considers necessary to provide working funds for the Condominium, a general operating reserve, or reserves for contingencies and replacements.

(iv) Any Common Expenses caused by the conduct of less than all those entitled to occupy the Units or by their licensees or invitees pursuant to Section 55-79.83(B) of the Condominium Act.

(v) Management Fees.

(vi) Attorney's fees and like administrative costs.

(vii) Service contracts and employee's salaries.

(c) Transmittal of Budget. The Board of Directors shall send to each Unit Owner a copy of the budget, in a reasonably itemized form, which sets forth the amount of the General Common Expenses payable by each Unit Owner, at least seven (7) days prior to the beginning of the fiscal year to which the budget applies. The said budget shall constitute the basis for determining each Unit Owner's contribution for the General Common Expenses of the Condominium.

Section 2. Assessment and Payment of Common Expenses.

(a) Except for those Common Expenses which may be specially assessed against the Condominium Unit or Units involved pursuant to the provisions of Sections 3 and 4 of this Article and subparagraph (b) (iv) of Section 1 of this Article and except for those Common Expenses specially assessed pursuant to Section 55-79.83(A) of the Condominium Act, the total amount of the estimated funds required for the operation of the Property set forth in the budget for the fiscal year adopted by the Board of Directors shall be assessed against each Condominium Unit in proportion to its respective proportionate undivided interest in the Common Elements (i.e., its Common Element Interest) as set forth in the Declaration of the Condominium as the same may be amended from time to time. Said assessment shall be a lien against each Unit Owner's Unit as provided in the Condominium Act as set forth in Section 55-79.84. On or before the first day of each fiscal year, and the first day of each succeeding eleven (11) months in such fiscal year, such Unit Owner shall be obligated to pay to the Board of Directors or the Managing Agent (as determined by the Board of Directors), one-twelfth (1/12) of the assessment for such fiscal year made pursuant to the foregoing provisions. Any amount accumulated in excess of the amount required for actual expenses and reserves may, if the Board of Directors deems it advisable, be credited according to each Unit Owner's Common Element Interest to the installments due in the succeeding months of that fiscal year.

(b) Repair and Replacement Reserve. The Board of Directors shall obtain from Unit Owners contributions to capital on a regular basis, which contributions will be used to establish a replacement and repair reserve for the General

Common Elements. Such contributions shall be paid monthly and be in an amount to be designated from time to time by the Board of Directors. Such funds shall be conclusively deemed to be a General Common Expense. Such funds shall be deposited in an account with a lending institution, the accounts of which are insured by an agency of the United States of America, or may, in the discretion of the Board of Directors, be invested in obligations of, or fully guaranteed as to principal by, the United States of America. Such funds also may, in the discretion of the Board of Directors, be invested in Money Market Funds which, although they themselves are not guaranteed by the United States Government, invest solely in United States Government securities (or in State bonds which are backed in principal by the State). The replacement reserve may be expended only for the purpose of the replacement and repair of the General Common Elements; the replacement and repair of those parts of Units as to which the Board of Directors has all powers and responsibility with regard to maintenance, repair, renovation, restoration and replacement; and the replacement and repair of equipment of the Condominium as designated by the Board of Directors. The amounts required to be allocated to the replacement reserve may be reduced by appropriate resolution of the Board of Directors, upon the accumulation in such replacement reserve of a sum equal to the full replacement value of the items for which the reserve is established. Full replacement value shall be annually determined by the Board of Directors for casualty insurance purposes. The proportionate interest of any member in any replacement reserve shall be considered an appurtenance of his Condominium Unit and shall not be separately withdrawn, assigned or transferred or otherwise separated from the Condominium Unit to which it appertains and shall be deemed to be transferred with such Condominium Unit. The payment and collection of the assessment made pursuant to the foregoing provisions shall be in accordance with the terms providing for payment and collection of assessments in these Bylaws and the Condominium Act, including without limitation, the right reserved to the Board to accelerate payment of assessment and the right to recovery of attorney's fees and costs.

(c) Special Assessments. In the event extraordinary expenditures not originally included in the annual budget described above become necessary during the year, the Board of Directors may at any time levy a special assessment, which shall be assessed against the Condominium Units in proportion to the respective Common Element Interests. Said special assessments may be payable in a lump sum or in installments as the Board of Directors may determine. The Board of Directors shall serve notice of any such special assessment on all Unit Owners by a statement in writing giving the amount and reason therefore, and such special assessment shall, unless otherwise specified in the notice, become effective with the next monthly payment which is due after the delivery or mailing of such notice of special assessment. All Unit Owners shall be obligated to pay the adjusted monthly amount or, if the special assessment is not payable in installments, the amount of such

assessment. The payment and collection of the assessment made pursuant to the foregoing provisions shall be in accordance with the terms providing for payment and collection of assessments in these Bylaws and the Condominium Act, including without limitation, the right reserved to the Board to accelerate payment of assessments and the right to recovery of attorney's fees and costs.

Notwithstanding anything to the contrary herein contained, any special assessment in excess of fifteen percent (15%) of the total annual budget of the Condominium in any twelve month period shall be effective only with the approval of a Majority Vote of the Unit Owners.

(d) Initial Assessment, Working Capital Contribution. When the initial Board of Directors, elected or designated pursuant to these Bylaws, takes office, it shall determine the budget as defined in this Section for the period commencing thirty (30) days after their election or designation and ending on the last day of the fiscal year in which their election or designation occurs. Assessments shall be levied against the Unit Owners during said period as provided in subparagraph (a) of this Section. The Board of Directors will collect a working capital contribution against the initial purchaser, at the time he settles on his purchase contract. Such contribution shall be in an amount equal to two (2) months of the Common Expenses due for the Unit, and shall be utilized for commencing business of the Unit Owners Association and providing the necessary working fund for it. In addition to the foregoing contribution, the Board of Directors levies against the initial purchaser at the time of settlement part of one monthly annual assessment payment, prorated from the date of settlement to the end of the calendar month in which the settlement occurs.

(e) Separate Fee. Each Unit Owner who is allowed the use of a Reserved Common Element or who is assigned the use of a specific parking space or storage space as a Limited Common Element shall be assessed a separate fee for its maintenance.

(f) Effect of Failure to Prepare or Adopt Budget. The failure or delay of the Board of Directors to prepare or adopt the annual budget for any fiscal year shall not constitute a waiver or release in any manner of a Unit Owner's obligation to pay his allocable share of the Common Expenses as herein provided, whenever the same shall be determined, and in the absence of any annual budget or adjusted budget, each Unit Owner shall continue to pay the monthly charge at the then existing monthly rate established for the previous fiscal period until the new annual or adjusted budget shall have been mailed or delivered.

(g) Accounts. All sums collected by the Board of Directors with respect to assessments against the Unit Owners may be commingled into a single fund,

but shall be identified and accounted for each Unit Owner in accordance with the respective Common Element Interests of each Unit Owner.

Section 3. Residential Common Expenses.

(a) Preparation and Approval of Budget. At least thirty (30) days before the beginning of each fiscal year, the Board of Directors shall adopt a budget containing an estimate of the total amount considered necessary to pay the cost of maintenance, management, operation, repair and replacement of the Residential Limited Common Elements and Individual Residential Limited Common Elements (to the extent the same are the maintenance, repair and replacement responsibility of the Association) and those parts of the Residential Units as to which it is the responsibility of the Association to maintain, repair and replace, and the cost of wages, materials, insurance premiums, services, supplies and other expenses that may be declared to be Residential Common Expenses, the Condominium Instruments or a resolution of the Association and which will be required during the ensuing fiscal year for the rendering to the Residential Unit Owners of all related services.

(b) At least seven (7) days before the beginning of each fiscal year, the Board of Directors shall send to each Residential Unit Owner a copy of the budget in a reasonably itemized form which sets forth the amount of the Residential Common Expenses and any special assessment payable by each Residential Unit Owner. Such budget shall constitute the basis for determining each Residential Unit Owner's assessment for the Residential Common Expenses of the Condominium.

(c) Assessment and Payment of Residential Common Expenses. Subject to the provisions of Article X, the total amount of the estimated funds required in the budget adopted by the Board of Directors shall be assessed against each Residential Unit Owner in proportion to such Residential Unit Owner's respective Residential Common Element Interest and shall be due and payable monthly. The assessment for Residential Common Expenses shall be a lien against each Residential Unit Owner's Unit as provided in Article X of these Bylaws.

(d) Special Assessments. The Board of Directors at any time or from time to time may levy a special assessment in order to defray, in whole or in part, the cost of any construction, reconstruction or unexpected repair or replacement of the Residential Limited Common Elements or for such other purpose as the Board of Directors may consider appropriate, provided that any such assessment in excess of ten percent (10%) of the then current assessment shall have the assent of a Majority Vote of Residential Unit Owners at a special meeting called to consider such special assessment at which a quorum is present, further provided, however, that such limitation and assent by the Residential Unit Owners shall not be applicable to any

special assessment arising as a result of an emergency affecting life or property. Such special assessments shall be levied against all Residential Unit Owners in proportion to each Unit Owner's Residential Common Element Interest. The Board of Directors shall serve notice of any special assessments on all affected Residential Unit Owners by a statement in writing giving the amount of and reasons for such special assessment, which special assessment may be payable, as the Board of Directors may determine, in lump sum or in installments, and, unless otherwise specified in the notice, shall be payable with the next due monthly installment which is due not more than ten (10) days after the giving of such notice. All Residential Unit Owners shall be obligated to pay the adjusted monthly amount or, if the special assessment is not payable in installments, the amount of such assessment.

(e) Reserves. The Board of Directors shall build up and maintain adequate reserves for operations (including losses due to insurance deductibles) and replacements as the same are associated with the operation and maintenance of the Residential Limited Common Elements and Individual Residential Limited Common Elements (to the extent such Residential Limited Common Elements and Individual Residential Limited Common Elements are the maintenance, repair and replacement responsibility of the Association). Extraordinary expenditures associated with the Residential Limited Common Elements and Individual Residential Limited Common Elements or other property required to be maintained by the Association not originally included in the annual budget which may become necessary during the year shall be charged first against such operating reserves, unless sufficient funds to meet such expenditures are in the operating account. Except for normal maintenance expenses shown in the annual operating budget, all expenses for replacement of physical assets maintained by the Association shall be charged first against such replacement reserves. The amount held as reserves shall not substantially exceed the amount reasonably required to assure the Association's ability to replace components as they reach the end of their useful lives.

Section 4. Commercial Common Expenses.

(a) Preparation and Approval of Budget. At least thirty (30) days before the beginning of each fiscal year, the Board of Directors shall adopt a budget containing an estimate of the total amount considered necessary to pay the cost of maintenance, management, operation, repair and replacement of the Commercial Limited Common Elements (to the extent the same are the maintenance, repair and replacement responsibility of the Association) and any parts of the Commercial Unit as to which it is the responsibility of the Association to maintain, repair and replace, and the cost of wages, materials, insurance premiums, services, supplies and other expenses that may be declared to be Commercial Common Expenses by the Condominium Instruments or a resolution of the Association and which will be required

during the ensuing fiscal year for the rendering to the Commercial Unit Owner of all related services.

(b) At least seven (7) days before the beginning of each fiscal year, the Board of Directors shall send to the Commercial Unit Owner a copy of the budget in a reasonably itemized form which sets forth the amount of the Commercial Common Expenses and any special assessment payable by the Commercial Unit Owner. Such budget shall constitute the basis for determining the Commercial Unit Owner's assessment for the Commercial Common Expenses of the Condominium.

(c) Assessment and Payment of Commercial Common Expenses. Subject to the provisions of Article X, the total amount of the estimated funds required in the budget adopted by the Board of Directors shall be assessed against the Commercial Unit Owner and shall be due and payable monthly. The assessment for Commercial Common Expenses, shall be a lien against the Commercial Unit Owner's Unit as provided in Article X of these Bylaws.

(d) Special Assessments. The Board of Directors at any time or from time to time may levy a special assessment in order to defray, in whole or in part, the cost of any construction, reconstruction or unexpected repair or replacement of the Commercial Limited Common Elements or for such other purpose as the Board of Directors may consider appropriate, provided that any such assessment in excess of ten percent (10%) of the then current assessment shall have the assent of the Commercial Unit Owner, further provided, however, that such limitation and assent by the Commercial Unit Owner shall not be applicable to any special assessment arising as a result of an emergency affecting life or property. Such special assessment shall be levied against the Commercial Unit Owner. The Board of Directors shall serve notice of any special assessments on the Commercial Unit Owner by a statement in writing giving the amount of and reasons for such special assessments, which special assessment may be payable, as the Board of Directors may determine, in lump sum or in installments, and, unless otherwise specified in the notice, shall be payable with the next due monthly installments. The Commercial Unit Owner shall be obligated to pay the adjusted monthly amount or, if the special assessment is not payable in installments, the amount of such assessment.

(e) Reserves. The Board of Directors may, in its discretion, build up and maintain adequate reserves for operations (including losses due to insurance deductibles) and replacements associated with the operation and maintenance of the Commercial Unit and Commercial Limited Common Elements (to the extent any portion of the Commercial Unit and the Commercial Limited Common Elements are the maintenance, repair and replacement responsibility of the Association). Extraordinary expenditures associated with the Commercial Limited

Common Elements or other portion of the Commercial Unit required to be maintained by the Association nor originally included in the annual budget which may become necessary during the year shall be charged first against such operating reserves, unless sufficient funds to meet such expenditures are in the operating account. Except for normal maintenance expenses shown in the annual operating budget, expenses for replacement of physical assets maintained by the Association shall be charged first against such replacement reserves. Any amounts held as reserves shall not substantially exceed the amount reasonably required to assure the Association's ability to replace components as they reach the end of their useful lives.

Section 5. Payment of Common Expenses. All Unit Owners shall be obligated to pay the Common Expenses assessed by the Board of Directors pursuant to the provisions of this Article VI and such expenses not paid by the 15th day of each month shall be in default. No Unit Owner shall be liable for the payment of any part of the Common Expenses assessed against his Unit subsequent to a transfer or other conveyance by him of such Unit. Any Unit Owner may be entitled to a statement from the Board of Directors or Managing Agent setting forth the amount of the unpaid assessments against the Unit Owner pursuant to Section 55-79.84(H) of the Code of Virginia, as amended. The statement must be furnished or made available within ten (10) days of the request. Provided, further, that each Mortgagee who comes into possession of a Condominium Unit by virtue of foreclosure or by deed or assignment in lieu of foreclosure, or any purchaser at a foreclosure sale, shall take the Condominium Unit free of any claims for unpaid assessments or charges against such Unit which accrue prior to the time such Mortgagee comes into possession thereof except any assessment lien perfected under Section 55-79.84 (A) of the Condominium Act..

Section 6. Collection of Assessments. The Board of Directors shall take prompt action to collect any assessments for Common Expenses due from any Unit Owner which remain unpaid for more than thirty (30) days from the date due for payment thereof.

Section 7. Maintenance, Repair, Replacement and Other Expenses.

(a) By the Board of Directors. The Board of Directors shall be responsible for the maintenance, repair and replacement of all of the Common Elements (including the structural replacement of Limited Common Elements) as defined herein or in the Declaration, whether located inside or outside of the Units. The cost of such maintenance shall be charged to all Unit Owners as a Common Expense, Residential Limited Common Expense or Commercial Limited Common Expense, as the case may be, (unless, if in the opinion of not less than a majority of the Board of Directors, such expense was necessitated by the negligence, misuse or neglect of a Unit Owner). Provided, however, that each Unit Owner shall perform normal

maintenance on the Limited Common Elements appurtenant to his Unit and any portion of the remaining Common Elements which the Board of Directors has given him permission to utilize, including, without limitation, the items enumerated in subsection (b) hereof.

(b) By the Unit Owner.

(i) Each Unit Owner shall keep his Unit and its equipment, appliances and appurtenances in good order, condition and repair and in a clean and sanitary condition, and shall do all redecorating, painting and varnishing which may at any time be necessary to maintain the good appearance and condition of the interior of his Unit. In addition, each Unit Owner shall be responsible for all damage to any other Units or to the Common Elements resulting from his failure to make any of the repairs required by this Section. Each Unit Owner shall perform his responsibility in such manner as shall not unreasonably disturb or interfere with the other Unit Owners. Each Unit Owner shall promptly report to the Board of Directors or the Managing Agent any defect or need for repairs for which the Unit Owner believes the Association is responsible.

(ii) The Unit Owner of any Unit to which a Limited Common Element is appurtenant (if any) shall perform the normal maintenance for such Limited Common Element including keeping it in a clean and sanitary condition, and shall also make all repairs thereto caused or permitted by his negligence, misuse or neglect. All structural repair or replacement shall be provided by the Association as a Common Expense, as provided by subparagraph (a) above.

(iii) Any Unit Owner permitted by the Board of Directors to use a specific portion of the Common Elements for storage or parking is responsible for the maintenance and care of such portion and shall use such portion in a safe and sanitary manner.

(iv) Chart of Maintenance Responsibilities. Notwithstanding the general provisions for maintenance set forth in subparagraphs (a) and (b) above, specific maintenance responsibilities and the costs attributable thereto shall, to the extent set forth thereon, be determined pursuant to the Charts of Maintenance Responsibilities attached as Exhibits "A" and "B" hereto.

(v) Manner of Repair and Replacement. All repairs and replacements shall be substantially similar to the original construction and installation and shall be of first-class quality. The method of approving payment vouchers for all repairs and replacements shall be determined by the Board of Directors.

(c) Floor Coverings. Each Unit Owner shall be responsible for the maintenance, repair and replacement, at his expense, of the floor covering materials that are appurtenant to or a part of his Unit. All floor covering materials shall be maintained in such a manner as to minimize sound transmission between the Units. In the event that it is necessary for the Owner of an upper level Unit to replace any floor covering materials in that Unit, the Unit Owner shall use floor covering materials that are not less than the same amount (i.e., square footage) and of similar quality, design and sound insulating features (i.e., impact insulation class) as the floor covering materials installed during the initial construction of such upper level Unit. For example, the Owner of an upper level Unit that includes carpeting, hardwood flooring and/or resilient flooring as part of the original construction of such upper level Unit shall, if necessary, replace such carpeting, hardwood flooring and/or resilient flooring with the same amount and the same or similar type of floor covering materials, provided that the replacement floor covering materials are of similar quality, design and sound insulating features as the originally installed carpeting, hardwood flooring and/or resilient flooring.

Section 8. Additions, Alterations or Improvements by Board of Directors. Except for the initial Board of Directors, established pursuant to Article III, Section 1, whenever in the judgment of the Board of Directors the Common Elements shall require additions, alterations or improvements costing a sum in excess of fifteen percent (15%) of the total annual budget of the Condominium for any consecutive twelve (12) month period, the making of such additions, alterations or improvements shall be approved by a Majority Vote of Unit Owners.

Subject to the provisions of Article VI, Section 2(d) of these Bylaws, any additions, alterations, or improvements costing a sum less than fifteen percent (15%) of the total annual budget of the Condominium for any consecutive twelve month period may be made by the Board of Directors without approval of the Unit Owners and the cost thereof shall constitute part of the Common Expenses.

Notwithstanding the foregoing, if in the opinion of not less than a majority of the members of the Board of Directors, such additions, alterations or improvements are exclusively or substantially exclusively for the benefit of the Unit Owner or Unit Owners requesting the same, such requesting Unit Owner or Unit Owners shall be assessed therefor in such proportions as they jointly approve, or if they are unable to agree thereon, in such proportions as may be determined by the Board of Directors.

Section 9. Additions, Alterations, or Improvements by the Unit Owners. No Unit Owner shall make any structural addition, alteration or improvement in or to his Unit or to the Individual Residential Limited Common Elements without the prior written consent of the Board of Directors. Except for purposes of proper maintenance and repair or as otherwise permitted or required by law or these Bylaws 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, signs, exterior antennas (except as specifically permitted by applicable federal governmental regulations), radio broadcasting or receiving devices, slabs, sidewalks, curbs, gutters, patios, terraces, decks, balconies, porches, or driveways, or to make any change or otherwise alter (including any alteration in color) in any manner whatsoever the exterior of any Unit or the Common Elements within the Condominium or to combine or otherwise join two (2) or more Units (or parts thereof), or to partition the same (in accordance with Articles XIII and XIV of the Declaration) or to remove or alter any window or exterior doors of any Unit, or to make any change or alteration within any Unit which will alter the structural integrity of any building or otherwise affect the property, interest or welfare of any other Unit Owner, materially increase the cost of operation or insuring the Condominium or impair any easement, until complete plans and specifications, showing the nature, kind, shape, materials and location of the same (including, without limitation, any other materials and information as may be specified by the Board of Directors or its designated committee) shall have been submitted to and approved in writing as to safety, the effect of any such alterations on the costs of maintaining and insuring the Condominium and harmony of design, color and location in relation to surrounding structures and topography, by the Board of Directors of the Association.

Section 10. Architectural Control by Board of Directors. Requests for review of additions, alterations or improvements to Units or Limited Common Elements by Unit Owners to the Board of Directors must be sent by certified mail. The Board of Directors shall be obligated to decide upon any written request by a Unit Owner for approval of a proposed structural addition, alteration or improvement in such Unit Owner's Unit within forty-five (45) days after such request, and failure to do so within the stipulated time shall constitute a consent by the Board of Directors to the proposed structural addition, alteration or improvement. If any application to any governmental authority for a permit to make any such structural addition, alteration or improvement in or to any Unit requires execution by the Unit Owners Association, and provided consent has been given by the Board of Directors, then the application shall be executed on behalf of the Unit Owners Association by the Board of Directors only, without, however, incurring any liability on the part of the Board of Directors or any of them to any governmental authority, contractor, subcontractor or materialman on account of such addition, alteration or improvement, or to any person having claim for injury to person or damage to property arising therefrom. Approvals of the Reston Town Center Association's Town Center Design Review Board shall be a separate and independent process.

Section 11. Subdivision of Units. Subject to the approval of any Mortgagee of such affected Unit(s), the Board of Directors and any Unit Owner affected, any Unit may be subdivided or may be altered so as to relocate the boundaries between such Unit

and any adjoining Units. The Secretary, at the cost of the Unit Owner, shall record any necessary amendment to the Declaration to effect such action as provided in Sections 55-79.69 or 55-79.70 of the Condominium Act. The provisions of this Section 11 shall not apply to Units owned by the Declarant until deeds of conveyance of such Units shall have been recorded.

Section 12. Easements in Favor of Unit Owners Association.

(a) Easements are reserved to the Unit Owners Association through each of the Units for benefit of any adjoining Unit as may be required for structural repair and maintenance of electrical lines and conduits, gas lines, heating, air conditioning and ventilating ducts, water lines, drain pipes and other appurtenances to such utility systems in order to adequately serve each of such Units.

(b) There is reserved to the Unit Owners Association or its delegate, the right of entry to any Unit and an easement for access therein, as provided by Section 55-79.79(a) of The Condominium Act, when and as necessary, in connection with any repairs, maintenance, landscaping or construction for which the Unit Owners Association is responsible, or for which any Unit Owner is responsible hereunder. Any damage caused by such entry shall be repaired at the expense of the Unit Owners Association. Provided, however, that requests for entry are made in advance and that such entry is at a time reasonably convenient to the Unit Owner. In case of an emergency, such right of entry shall be immediate, whether the Unit Owner is present at the time or not.

(c) The Board of Directors may charge each Unit Owner for the expense of all maintenance, repair or replacement to the Common Elements, or to those parts of Units as to which the Unit Owners Association has the responsibility to maintain and repair, rendered necessary by his act, neglect or carelessness, or the act, neglect or carelessness of any member of his family or employees, agents, licensees or guests of lessees. The payment and collection of any charge made pursuant to the foregoing provision shall be in accordance with the terms providing for payment and collection of assessments in these Bylaws and the Condominium Act, including, without limitation, the right reserved to the Board to accelerate payment of assessments and the right to recovery of attorney's fees and costs.

Section 13. Tenant Eviction. In the event that the tenant of any Unit Owner shall breach his lease by failing to comply with any of the terms of the Declaration, these Bylaws and the rules and regulations, the Board of Directors may require the Unit Owner to secure the eviction of his tenant.

Section 14. Annual Audit. An audit of the accounts of the Unit Owners Association shall be made annually as a Common Expense by a certified public accountant.

Section 15. Cooperation with the Commercial Unit Owner.The Unit Owners Association and the Board of Directors shall cooperate with the Commercial Unit Owner in connection with any sale, refinancing, and/or leasing of the Commercial Unit or any part thereof. The Board of Directors hereby agrees, at any time from time to time, upon not less than fifteen (15) days' prior written notice by the Commercial Unit Owner to execute, acknowledge and deliver to the Commercial Unit Owner, a statement in writing, to the best knowledge of the Board of Directors (a) certifying that the Commercial Unit Owner is not in breach in the performance of any covenant, agreement, or condition contained in the Condominium Instruments and, if so, specifying the nature of such breach; (b) stating whether or not the Association or the Board of Directors is in breach in the performance of any covenant, agreement, or condition contained in the Condominium Instruments and, if so, specifying the nature of such breach; and (c) any other certification or statement reasonably required by the Commercial Unit Owner or any prospective purchaser, lessee, Mortgagee or assignee of any Mortgagee of the Commercial Unit or any part thereof. Any such statement delivered by the Board of Directors may be relied upon by the Commercial Unit Owner, any prospective purchaser or lessee of the Commercial Unit or any part thereof, any Mortgagee or prospective Mortgagee of the Commercial Unit or of the Commercial Unit Owner's interest therein, or any prospective assignee of any such Mortgagee.

ARTICLE VII

INSURANCE

Section 1. Authority to Purchase.

(a) Except as otherwise provided in Section 5 of this Article VII, all insurance policies relating to the property shall be purchased by the Board of Directors. Neither the Board of Directors nor the Managing Agent nor the Declarant shall be liable for failure to obtain any coverages required by this requirement or for any loss or damage resulting from such failure if such failure is due to the unavailability of such coverages from reputable insurance companies or if such coverages are available only at a demonstrably unreasonable cost.

(b) Each such policy shall provide that:

(i) The insurer waives its right of subrogation to any

claims against the Board of Directors, the Unit Owners Association, the Managing Agent or the Unit Owners and their respective agents, employees, tenants, guests and in the case of Unit Owners, the members of their household.

(ii) Such policy can not be canceled, invalidated or suspended on account of the conduct of any member of the Board, officer or employee of the Board of Directors, Unit Owner (including his invitees, agents and employees) or the Managing Agent without a prior demand in writing that the Board of Directors or the Managing Agent cure the defect and the allowance of a reasonable time thereafter within which the defect may be cured.

(iii) Such policy may not be cancelled or substantially modified without at least sixty (60) days prior written notice to the Board of Directors and the Managing Agent and, in the case of physical damage insurance, to all Mortgagees of Units.

(iv) The named insured under any such policies shall be the Unit Owners Association of the Condominium, as a trustee for the Owners of the Condominium Units, or its authorized representative, including any trustee with which such Association may enter into any insurance Trust Agreement, or any successor trustee, each of which shall be referred to as the "Insurance Trustee" who shall have exclusive authority to negotiate losses under these policies.

(c) All policies of insurance shall be written by reputable companies licensed to do business in the Commonwealth of Virginia, and holding a financial size rating of a Class X or better by Best Insurance Reports, if available, and if not available the best comparable rating available.

(d) The Declarant, so long as the Declarant shall own any Unit, shall be protected by all such policies as a Unit Owner. The coverage provided to the Declarant under the insurance policies obtained in compliance with this Article VII shall not be deemed to protect or be for the benefit of any general contractor engaged by the Declarant against liability for (or waive any rights with respect to) warranty claims.

(e) Such policies shall also provide, to the extent available:

(i) The insurer of the Master policy shall issue to each Unit Owner or their Mortgagee a certificate or subpolicy specifying the portion of the Master Policy allocated to each Unit Owner's Unit and his undivided interest in the Common Elements.

(ii) That until the expiration of sixty (60) days after the

insurer gives notice in writing to the Mortgagee of any Unit, the Mortgagee's insurance coverage will not be affected or jeopardized by any act or conduct of the Unit Owner of such Unit, the other Unit Owners, the Board of Directors, or any of their agents, employees or household members, nor canceled for non-payment of premiums.

(iii) That the net proceeds of such policies, if greater than Twenty-five Thousand Dollars (\$25,000.00) shall be payable to the Insurance Trustee.

(iv) That the Master Insurance policy shall contain a standard mortgage clause in favor of each Mortgagee of a Unit to the extent of the portion of the coverage of the Master policy allocated to such Unit, which shall provide that the loss, if any, thereunder shall be payable to such Mortgagee and the Unit Owner as their interests may appear, subject, however, to the loss payment and adjustment provisions in favor of the Board of Directors and the Insurance Trustee.

(f) That the "no control" clause be part of the Master policy which states that coverage must not be prejudiced by (a) any act or neglect of the Owners of Condominium Units when such act or neglect is not within the control of the Unit Owners Association or (b) any failure of the Unit Owners Association to comply with any warranty or condition regarding any portion of the premises over which the Unit Owners Association has no control.

Section 2. Physical Damage Insurance.

(a) The Board of Directors shall obtain and maintain a "master" or "blanket" "All Risk" policy of property insurance equal to full replacement value (i.e., 100% of current "replacement cost," with a reasonable deductible amount, exclusive of land, foundation, excavation and other items normally excluded from coverage) with an Agreed Amount Endorsement to the Condominium project, including all building service equipment, air conditioning equipment and the like, and any fixtures or equipment within the Condominium Unit including all of the kitchen and bathroom fixtures initially installed therein by the Declarant and the replacements thereto installed by the Declarant, but not including furniture, wall coverings, furnishings or other personal property supplied or installed by Unit Owners. Furthermore a Demolition and Contingent Liability from Operation of Building Laws Endorsement and an Increased Cost of Construction Endorsement shall be procured as required. The amount of coverage is to be redetermined annually by the Board of Directors with the assistance of the insuring company. The Master Insurance Policy must afford protection against at least the following:

(i) loss or damage by fire and other hazards covered by the standard extended coverage endorsement and by sprinkler leakage, debris removal,

cost of demolition, vandalism, malicious mischief, windstorm and to the extent determined by the discretion of the Board of Directors, water damage:

(ii) Such other risks as are customarily covered in similar projects, including boiler and machinery coverage.

(b) Such policy shall also provide:

(i) That despite any provisions giving the carrier the right to elect to restore damage in lieu of a cash settlement, such operation shall not be exercisable without the prior written approval of the Unit Owners Association (or any Insurance Trustee) or when in conflict with provisions of any Insurance Trust Agreement to which the Association may be a party, or any requirement of law.

(ii) The following endorsements (or equivalent): (i) "contingent liability from operation of building laws or codes"; and (ii) "increased cost of construction" or "condominium replacement cost".

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

Section 3. Liability Insurance. The Board of Directors shall obtain and maintain comprehensive general liability, libel, slander, false arrest and invasion of privacy coverage and liability coverage for acts of The Unit Owners Association, officers and Directors of the Unit Owners Association, and property damage insurance in a limit no less than \$1,000,000.00 per occurrence, insuring the Unit Owners Association, each member of the Board of Directors, the Managing Agent, each Unit Owner, those entitled to occupy any Unit, against any liability to the public or to the Unit Owners (and their invitees, agents and employees) arising out of or incidental to the ownership and/or use of the Common Elements. Such insurance shall be issued on a comprehensive liability basis and shall contain: (i) a cross liability endorsement under which the rights of a named insured under the policy shall not be prejudiced with respect to his action against another named insured; (ii) hired and non-owned vehicle coverage; (iii) host liquor liability coverage with respect to events sponsored by the Unit Owners Association; (iv) deletion of the normal products exclusion with respect to events sponsored by the Unit Owners Association, and (v) a "severability of interest" endorsement which shall

preclude the insurer from denying liability to a Unit Owner because of negligent acts of the Unit Owners Association or of another Unit Owner.

The Board of Directors shall review such limits once each year, but in no event shall such insurance be less than One Million Dollars (\$1,000,000.00) covering claims for bodily injury or property damage arising out of one occurrence. "Umbrella" liability insurance in excess of the primary limits shall also be obtained.

Section 4. Other Insurance. The Board of Directors shall obtain and maintain:

(a) Fidelity coverage to protect against dishonest acts on the part of officers, directors, trustees and employees of the Unit Owners Association and all others who handle, or are responsible for handling, funds of the Unit Owners Association, including the Managing Agent. Such fidelity bonds shall: (i) name the Unit Owners Association as an obligee; (ii) be written in an amount not less than one-half (1/2) the total annual condominium assessments for the year plus expected reserves or the current amount required by the Mortgagees, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, whichever is greatest; and (iii) contain waivers of any defense based upon the exclusion of persons who serve without compensation from any definition of "employee" or similar expression;

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

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

(d) Broad form machinery and pressure vessel explosion insurance in an amount not less than One Hundred Thousand Dollars (\$100,000.00) per accident per location; and

(e) Such other insurance as the Board of Directors may determine or as may be requested from time to time by a Majority Vote of the Unit Owners.

Section 5. Separate Insurance. Each Unit Owner or any tenant of such Unit Owner should, at his own expense, obtain additional insurance for his own Unit and for his own benefit and to obtain insurance coverage upon his personal property, for any "betterments and improvements" made to the Unit and for his personal liability, provided that no Unit Owner or tenant shall acquire or maintain such additional insurance

coverage so as to decrease the amount which the Board of Directors, on behalf of all Unit Owners, may realize under any insurance policy which it may have in force on the property at any particular time or to cause any insurance coverage maintained by the Board of Directors to be brought into contribution with such additional insurance coverage obtained by the Unit Owner. All such additional policies shall contain waivers of subrogation. No Unit Owner or tenant shall obtain separate insurance policies, except as provided in this Section 5. Any Unit Owner who obtains individual insurance policies covering any portion of the property other than personal property belonging to such Unit Owner, shall be required to file a copy of such individual policy or policies with the Board of Directors within thirty (30) days after the purchase of such insurance. Such Unit Owner shall also promptly notify, in writing, the Board of Directors in the event of cancellation.

Section 6. Insurance Trustee.

(a) The Board of Directors shall have the right (but shall not be required) to designate any bank, trust company, management agent, savings and loan association, building and loan association, insurance company or any institutional lender, or the Unit Owners Association, as the Insurance Trustee, and all parties beneficially interested in such insurance coverage shall be bound thereby. The Insurance Trustee at the time of the deposit of such policies and endorsements shall acknowledge that the policies and any proceeds therefrom will be held in accordance with the terms of these Bylaws.

(b) The Insurance Trustee shall not be liable for the payment of premiums, the renewal of the policies, the sufficiency of coverage, the form or content of the policies, the correctness of any amounts received by it on account of 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 for the purposes elsewhere stated in these Bylaws, for the benefit of the Unit Owners and their respective Mortgagees.

Section 7. Board of Directors as Agent. The Board of Directors is hereby irrevocably appointed the agent for each Unit Owner of a Unit and for each Mortgagee of a Unit and for each Owner of any interest in the Condominium to adjust all claims arising under insurance policies purchased by the Board of Directors and to execute and deliver releases upon the payment of claims.

Section 8. Premiums. Premiums upon all insurance policies purchased by the Board of Directors shall be deemed to be a Common Expense.

ARTICLE VIII

REPAIR AND RECONSTRUCTION AFTER FIRE OR OTHER CASUALTY

Section 1. When Repair and Reconstruction are Required. Except as otherwise provided in Section 4 of this Article, in the event of damage to or destruction of all or any of the buildings as a result of fire or other casualty, the Board of Directors, or the Insurance Trustee, if any, shall arrange for and supervise the prompt repair and restoration of the Condominium (including any damaged Units, and the floor coverings, kitchen or bathroom fixtures, and appliances initially installed therein by the Declarant, and replacements thereof installed by the Declarant, but not including any furniture, furnishings, fixtures, equipment or other personal property supplied or installed by the Unit Owners in the Units). Notwithstanding the foregoing, each Unit Owner shall have the right to supervise the redecorating of his own Unit.

Section 2. Procedure for Reconstruction and Repair:

(a) Cost Estimates. Immediately after a fire or other casualty causing damage to a building, the Board of Directors shall obtain reliable and detailed estimates of the cost of repairing and restoring the building, including any damaged Unit, but not including any other furniture, furnishings, fixtures or equipment installed by the Unit Owners in the Unit to a condition as good as that existing before such casualty. Such costs may also include professional fees and premiums for such bonds as the Board of Directors determines to be necessary.

(b) Assessments. If the proceeds of insurance are not sufficient to defray the said estimated costs of reconstruction and repair as determined by the Board of Directors, or if at any time during reconstruction and repair, or upon completion of reconstruction and repair, the funds for the payment of the costs thereof are insufficient, assessments necessary to cover such insufficiency shall be made against all the Condominium Units according to the respective Common Element Interests as set forth in the Declaration of the Condominium, as the same may be amended from time to time. Notwithstanding anything to the contrary herein contained, the Unit Owners Association shall not be responsible for any items of repair, replacement, or maintenance or consequential damage to any Unit, for which it would not otherwise be responsible under the provisions of these Bylaws unless the loss or consequential damage caused to said Unit and requiring repair, replacement or maintenance, was occasioned through the fault of the Unit Owners Association. This provision shall be deemed to include the payment by the Unit Owner or Owners of any deductible amount under any Association insurance policy.

(c) Plans and Specifications. Any such reconstruction or repair shall be substantially in accordance with the plans and specifications under which the property was originally constructed by the Declarant.

(d) Encroachments. Encroachments upon or in favor of Units which may be created as a result of such reconstruction or repair shall not constitute a claim or basis for any proceeding or action by the Unit Owner upon whose property such encroachment exists, provided that such reconstruction was substantially in accordance with the architectural plans under which the Condominium Property was originally constructed. Such encroachments shall be allowed to continue in existence for so long as the reconstructed building shall stand.

Section 3. Disbursements of Construction Funds.

(a) Construction Fund. The net proceeds of insurance collected on account of a casualty and the funds collected by the Board of Directors from assessments against Unit Owners on account of such casualty shall constitute a construction fund which shall be disbursed in payment of the cost of reconstruction and repair in the manner set forth in this Section. If the net proceeds of insurance collected on account of a casualty exceeds Twenty-Five Thousand Dollars (\$25,000.00), then the funds collected by the Board of Directors from assessments against the Unit Owners shall be deposited by the Board of Directors with the Insurance Trustee, if any, and the entire construction fund shall be held by the Insurance Trustee and disbursed as ordered by the Board of Directors.

(b) Method of Disbursement. The construction fund shall be paid by the Board of Directors or the Insurance Trustee, as the case may be, in appropriate progress payments, to such contractor(s), supplier(s) and personnel performing the work of supplying the materials or services for the repair and reconstruction of the building as is designated by the Board of Directors.

(c) Surplus. It shall be presumed that the first monies disbursed in payment of the cost of reconstruction and repair shall be from insurance proceeds, and, if there is a balance in the construction fund after the payment of all the costs of the reconstruction and repair for which the fund is established, such balance shall, at the determination of the Board of Directors, either be deposited in the Unit Owners Association general operating account or rebated to the Unit Owners.

(d) Common Elements. When the damage is to both Common Elements and Units, the insurance proceeds shall be applied first to the cost of repairing the Common Elements and the balance to the cost of repairing the Units.

(e) Certificate. The Insurance Trustee shall be entitled to rely upon a certificate executed by one officer of the Unit Owners Association certifying:

(i) Whether or not the damaged property is to be reconstructed and repaired;

(ii) The name of the payee and the amount to be paid with respect to disbursements from any construction fund held by it or whether surplus funds to be distributed are less than the assessments paid by the Unit Owners; and

(iii) All other matters concerning the holding and disbursing of any construction fund held by it. Any such certificate shall be delivered to the Insurance Trustee, if any, promptly after request.

Section 4. When Reconstruction is Not Required. In the event the Board of Directors elects not to repair insubstantial damage to the Common Elements, any insurance proceeds received on account of such damage shall be distributed among all Unit Owners in proportion to their respective Common Element Interests. If the Condominium shall be terminated pursuant to Section 55-79.72.1 of the Condominium Act, the net assets of the Condominium together with the net proceeds of insurance policies, if any, shall be divided by the Board of Directors or the Insurance Trustee, as the case may be, among all Unit Owners in proportion to their respective Common Element Interests, after first paying out of the share of each Unit Owner, to the extent sufficient therefore, the amount of any unpaid liens on his Unit in the order of priority of such liens.

ARTICLE IX

MORTGAGES

Section 1. Notice to Board of Directors. A Unit Owner who mortgages his Unit shall notify the Board of Directors through the Managing Agent of the name and address of his mortgagee including any changes to such mortgagee. The Board of Directors shall maintain such information in a book entitled "Mortgagees of Units."

Section 2. Notice of Unpaid Assessments. The Board of Directors, whenever so requested in writing by a Mortgagee, shall promptly report any then unpaid assessments due from, or any other default by, the owner of the mortgaged Unit.

Section 3. Notice of Default. The Board of Directors shall give written notice to a Unit Owner of any known default by the Unit Owner in the performance of any

obligations under the Condominium Act or Condominium Instruments, and, if such default is not cured within 60 days, shall send a copy of such notice to each Mortgagee of such Unit whose name and address has theretofore been furnished to the Board of Directors.

Section 4. Examination of Books. Each Unit Owner and each Mortgagee shall be permitted to examine the books of account of the Condominium at reasonable times and upon reasonable notice, on a business day.

Section 5. Notices of Damages, Condemnation. The Association shall timely notify: (i) the Mortgagee of a Unit whenever material damage to the Unit which costs more than \$5,000 to repair, occurs, or whenever the Unit or 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, if such conditions are known to the Association; and (ii) all Mortgagees whenever material damage to the Common Elements occurs which costs more than \$10,000 to repair, or whenever 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. For purposes of this Section, the Board of Directors, when giving notice to any Mortgagee, shall also notify the Federal Home Loan Mortgage Corporation (FHLMC), the Federal National Mortgage Association (FNMA) or the Veterans Administration (VA) and any other public or private secondary mortgage market entity participating in purchasing or guarantying mortgages of Units in the Condominium if the Board of Directors has notice of such participation.

Section 6. Notice of Termination of Management Contracts. The Board of Directors shall notify all Mortgagees in writing of the termination of any management contract within ten (10) days of receipt or issuance of any notice of such termination by either the Association or the Managing Agent. Notwithstanding the foregoing, the prior written approval of at least two-thirds (2/3) of all Mortgagees (based upon one vote for each Mortgage owned) shall be required to effectuate any decision by the Unit Owners Association to terminate professional management and assume self-management of the Condominium.

Section 7. Audited Financial Statement. Each Mortgagee shall be entitled to receive, upon request, a copy of the annual audited financial statement within one hundred twenty (120) days following the end of the Association's fiscal year.

Section 8. Rights of Mortgagees. Unless at least two-thirds (2/3) of the Mortgagees (based upon one vote for each Mortgage owned) have given their prior written approval, the Unit Owners Association shall not:

(a) change any Unit's Common Element Interest except as permitted by the Declaration;

(b) abandon, partition, subdivide, encumber, sell or transfer the Common Elements of the Condominium (the granting of easements for public utilities or for other public purposes consistent with the intended use of the Common Elements shall not be deemed a transfer within the meaning of this clause) except as may be permitted by the Declaration;

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

(d) modify the method of determining and collecting assessments or allocating distributions of casualty insurance proceeds or condemnation awards;

(e) use the proceeds of casualty insurance for any purpose other than replacement, repair or reconstruction of the Units or Common Elements except as permitted by the Condominium Act.

Section 9. Other Mortgagees Rights. All Mortgagees or their representatives shall be entitled to attend meetings of the Unit Owners Association and shall have the right to speak thereat. In addition thereto, all Mortgagees shall have the right to examine the books and records of the Condominium and require the submission of annual financial reports and other budgetary information.

Section 10. Amendment to the Declaration or to the Bylaws of the Unit Owners Association. Except as otherwise permitted by the Condominium Instruments and except for amendments allowed by Section 55-79.71 (F) of the Condominium Act, the prior written approval of two-thirds (2/3) of all institutional holders of Mortgages (based on one vote for each Mortgage owned) will be required for any amendment to the Declaration or Bylaws of the Unit Owners Association which affects the Mortgagees' rights.

Section 11. Presumptive Approval. Notwithstanding the foregoing, a Mortgagee listed pursuant to Section 1, who is notified by certified mail, return receipt requested of additions or amendments to the Condominium Instruments and who does not deliver or post to the requesting party a negative response within thirty (30) days shall be deemed to have approved such request.

ARTICLE X

COMPLIANCE AND DEFAULT

Section 1. Relief. As set forth in Section 55-79.53, Code of Virginia, as amended, each Unit Owner of a Unit shall be governed by, and shall comply with, all of the terms of the Declaration, these Bylaws and the Rules and Regulations of the Association, and any amendments of the same. A default by a Unit Owner shall entitle the Unit Owners Association, acting through its Board of Directors or through the Managing Agent, to the following relief.

(a) Legal Proceedings. Failure to comply with any of the terms of the Declaration, these Bylaws and the rules and regulations shall be grounds for relief which may include, without limitation to, an action to recover any sums due for money damages, injunctive relief, foreclosure of the lien for payment of all assessments, any other relief provided for in these Bylaws or any combination thereof and any other relief afforded by a court of competent jurisdiction, all of which relief may be sought by the Unit Owners Association, the Board of Directors, the Managing Agent, or, if appropriate, by an aggrieved Unit Owner.

(b) Additional Liability. Each Unit Owner shall be liable for the expense of all maintenance, repair or replacement rendered necessary by his act, neglect or carelessness or the act, neglect or carelessness of any member of his family or employees, agents, licensees, guests, or lessees. Such liability shall include any increase in fire insurance rates occasioned by use, misuse, occupancy or abandonment of any Unit or its appurtenances. Nothing contained herein, however, shall be construed as modifying any waiver by an insurance company of its rights of subrogation.

(c) Cost and Attorneys' Fees. In any proceeding arising out of any alleged default by a Unit Owner, the prevailing party shall be entitled to recover the costs of the proceeding and such reasonable attorneys' fees as may be determined by the Court.

(d) No Waiver of Rights. The failure of the Unit Owners Association, the Board of Directors, or of a Unit Owner to enforce any right, provision, covenant, or condition which may be granted by the Declaration, these Bylaws or the rules and regulations shall not constitute a waiver of the right of the Unit Owners Association, the Board of Directors, or the 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 of Directors, or any Unit Owner pursuant to any

term, provision, covenant or condition of the Declaration, these Bylaws, or the rules and regulations shall be deemed to be cumulative, and the exercise of any one or more thereof shall not be deemed to constitute an election of remedies, nor shall it preclude the party exercising the same from exercising such privileges as may be granted to such party by the Declaration, these Bylaws or the rules and regulations, or at law or in equity.

(e) Interest. In the event of a default by any Unit Owner in paying any sum assessed against the Condominium Unit other than for Common Expenses which continues for a period in excess of fifteen (15) days, interest at a rate of up to eighteen percent (18%) per annum may be imposed in the discretion of the Board of Directors on the principal amount unpaid from the date due until paid.

(f) Right of Acceleration. The payment and collection of the assessments made pursuant to this Article X shall be in accordance with the terms providing for the payment and collection of assessments in these Bylaws and the Condominium Act, including without limitation the right reserved to the Board of Directors to accelerate payment of assessments and the right to recover attorney's fees and costs.

(g) Late Charges. Any assessment levied pursuant to the Declaration or these Bylaws, or any installment thereof, which is not paid within fifteen (15) days after it is due, may at the option of Board of Directors be subject to a late charge of not less than ten dollars (\$10.00) per month for each monthly assessment in arrears or such other amounts as the Board of Directors may fix, and in addition, the Board of Directors may declare the installments which would otherwise be due during the remaining fiscal year immediately due and payable and may take those actions to collect such accelerated amounts as are provided in these Bylaws for the collection of assessments.

(h) Abatement and Enjoinment of Violations by Unit Owners. The violation of any rule or regulation adopted by the Association, or the breach of any Bylaw contained herein, or the breach of any provision of the Declaration shall give the Board of Directors the right, in addition to any other rights set forth in these Bylaws: (1) to enter the Unit in which, or as to which, such violation or breach exists and summarily to abate and remove, at the expense of the defaulting Unit Owner, any structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions hereof, and the Board of Directors shall not thereby be deemed guilty in any manner of trespass; or (2) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity the continuance of any such breach.

(i) Other Penalties. Failure by a Unit Owner to comply with any of the terms of the Declaration, these Bylaws and the Rules and Regulations, shall subject such Unit Owner to other penalties that may be established by resolution of the Board of Directors, including, but not limited to, the imposition of charges. Failure to pay assessments may cause the Board of Directors to suspend use by a Unit Owner or his tenant of any Common Elements, in accordance with Section 55-79.80:2A of the Condominium Act. Any such resolution duly adopted by the Board of Directors shall be adopted in accordance with Section 55-79.80:2B of the Condominium Act, as amended, which requires the Unit Owner be given the opportunity to be heard and represented by counsel before the Board of Directors.

Section 2. Lien for Assessments.

(a) The total annual assessment of each Unit Owner for Common Expenses or any special assessment or any other sum duly levied, made pursuant to these Bylaws is hereby declared to be a lien levied against the Condominium Unit of such Unit Owner as provided in Section 55-79.84 of the Condominium Act.

(b) The lien for assessments may be enforced and foreclosed in the manner provided by the Condominium Act by action in the name of the Association, or the Managing Agent, acting on behalf of the Unit Owners Association.

(c) A suit to recover a money judgment for unpaid contributions may be maintained without foreclosing 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 3. Subordination and Mortgage Protection. Notwithstanding any other provisions hereof to the contrary, the lien of any assessment levied pursuant to these Bylaws upon any Unit (and any penalties, interest on assessments, late charges or the like) shall be subordinate to, and shall in no way affect the rights of the holder of a Mortgage 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 foreclosure, or any proceeding in lieu of foreclosure. Such sale or transfer shall not relieve the purchaser of the Unit at such sale from liability for any assessment lien perfected under Section 55-79.84 of the Condominium Act and 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.

Section 4. Priority of Lien. All assessments levied by the Unit Owners Association of the Condominium shall constitute a lien on the Unit, which lien shall be subordinate to any lien of any Mortgage.

ARTICLE XI

USE RESTRICTIONS ON UNITS AND COMMON ELEMENTS

Section 1. Residential Use Restrictions. Each Residential Unit, the Residential Section and the Condominium Property in general shall be occupied and used as follows:

(a) Except as provided in the Declaration, no Residential Unit shall be used for other than housing, home occupations allowed by local zoning ordinances and subject to Rules and Regulations which may be promulgated by the Board of Directors, and the related common purposes for which the Property was designed. The Board of Directors may permit reasonable, non-residential uses from time to time in any Residential Unit. Nothing in these Bylaws shall be construed to prohibit the Declarant from using any Unit owned by the Declarant for promotional, marketing, administrative office, display or other related purposes or from using any appropriate portion of the Common Elements for settlement of sales of Condominium Units.

(b) Nothing shall be done or kept in any part of the Condominium Property which will increase the rate of insurance for the Condominium Property or any part thereof applicable for residential use without the prior written consent of the Board of Directors. No Unit Owner shall permit anything to be done or kept in his Residential Unit or in his Individual Residential Limited Common Element which will result in the cancellation of insurance on the Condominium Property or any part thereof or which would be in violation of any law, regulation or administrative ruling.

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

(d) No Unit Owner shall obstruct any of the Common Elements nor shall any Unit Owner place or cause or permit anything to be placed on or in any of the Common Elements (except those areas designated for such storage or parking by the Board of Directors) without the approval of the Board of Directors. Nothing shall be altered or constructed in or removed from the Common Elements except upon the prior written consent of the Board of Directors.

(e) The entranceways of the Common Elements must not be obstructed or encumbered or used for any purpose other than ingress and egress to and from the premises; nor shall any carriages, bicycles, wagons, shopping carts, chairs, benches, tables, firewood, or any other object of a similar type and nature be stored therein.

(f) No Residential Unit shall be rented for transient or hotel purposes. No Residential Unit shall be leased or rented for any period less than six (6) months. No Unit Owner shall lease a Residential Unit other than on a written form of lease requiring the lessee to comply with the Condominium Instruments and rules and regulations, and providing that failure to comply constitutes a default under the lease. The Unit Owner shall provide a current copy of the Condominium Instruments and such rules and regulations as have been promulgated as of the date of such lease to lessees. The Board of Directors may provide a suggested standard form lease for use by Unit Owners. The foregoing provisions of this subparagraph, except for the restriction against use for hotel or transient purposes, shall not apply to the Declarant, or a Mortgagee in possession of a Unit as a result of a foreclosure or other judicial sale or as a result of any proceeding in lieu of foreclosure.

(g) No commercial trucks, buses or any commercial vehicle shall be permitted to be kept or parked overnight upon any portion of the garage. Trailers, campers, recreational vehicles, house trailers, boat trailers or boats shall not be parked in the garage. No vehicle shall remain on the Condominium Property unless it has current state license plates, a current inspection sticker and complies with all other applicable laws. Repairing vehicles of any kind shall not be permitted on any portion of the Condominium Property.

(h) The maintenance, keeping, boarding and/or raising of animals, livestock, poultry or reptiles of any kind, regardless of number, shall be and is prohibited within any Residential Unit or upon any part of the Residential Section, except that the keeping of small, orderly domestic pets (e.g. dogs, cats, caged birds) and aquarium fish is permitted subject to the limitation that no Unit Owner shall keep or maintain in excess of one orderly dog and two orderly cats and, subject to the Rules and Regulations adopted by the Board of Directors. Pets shall not be permitted upon the Common Elements unless accompanied by a responsible person and unless carried

or leashed. Any Unit Owner who keeps or maintains any pet upon any portion of the property shall be deemed to have indemnified and agreed to hold the Association, each Unit Owner and the Declarant free and harmless from any loss, claim or liability of any kind or character whatever arising by reason of keeping or maintaining such pet within the Condominium. All pets shall be registered with the Board of Directors and shall otherwise be registered and inoculated as required by law. Each pet owner shall be required to clean up any and all excrement caused by his pet on any portion of the Condominium Property. The Board of Directors shall have the right to order any person whose pet is a nuisance to remove such pet from the Condominium.

(i) Except for such signs as may be posted by the Declarant for construction, promotional or marketing purposes, no signs of any character shall be erected, posted or displayed upon, in, from or about any Unit or Common Elements without the prior written approval of the Board of Directors. The provisions of this subparagraph shall not be applicable to the institutional holder of any Mortgage which comes into possession of any Unit by reason of any remedies provided for in the mortgage, foreclosure of any mortgage or any deed of trust or other proceeding in lieu of foreclosure.

(j) Rugs and padding shall be maintained on seventy-five percent (75%) of all floor surfaces on each room in Residential Units located over other Units to adequately reduce transmission of sound between Units. Except as to those major appliances as may be installed by the Declarant during its initial construction of Units, or as may be installed by Unit Owners as replacements thereof, additional major appliances may not be installed in a Residential Unit without prior written approval of the Board of Directors.

(k) No Residential Unit Owner shall allow anything whatsoever to fall from the windows of the premises, nor shall he sweep or throw from his Unit any dirt or other substances outside of his Unit onto the Common Elements.

(l) Refuse, garbage and recyclable material shall be deposited in the area for pick up before scheduled pick up. Trash shall not be stored or placed on patios, terraces, decks or balconies.

(m) No clothes line or similar device shall be permitted on any portion of the Condominium Property, including Limited Common Elements.

(n) No Residential Unit Owner is or shall be permitted to install any type of fireplace within his Unit, without the prior written consent of the Board of Directors. No open flame barbecue grills shall be allowed on the Condominium Property nor storage of flammable fuels.

(o) The Board of Directors of the Association may retain a pass-key to all Units. No Unit Owner or occupant shall alter any lock or install a new lock, without the written consent of the Board of Directors of the Association. Where such consent is given, the Unit Owner shall provide the Association with an additional key for the use of the Association, pursuant to its right of access.

(p) No Residential Unit Owner shall make or permit any disturbing noises by himself, his family, pets, his servants, employees, agents, visitors and licensees, nor do or permit anything by such persons that will interfere with the rights, comforts or convenience of other Unit Owners.

(q) Except as specifically permitted by applicable governmental regulations, no exterior antennas of any type, including, but not limited to, satellite dishes for reception or transmission, may be erected or maintained within the Condominium; provided, however, that satellite dishes are permitted in a specific section of the roof which has been set aside for satellite dishes. Satellite dishes and antennas situated entirely within a Residential Unit and not visible from the exterior are permitted.

(r) Nothing shall be done in any Residential Unit or in, on, or to the Common Elements which will impair the structural integrity of the Condominium, or which would structurally change any building or improvements thereon except as is otherwise provided in these Bylaws, provided, further, that interior partitions contributing to the support of any Unit shall not be altered or removed.

(s) Waterbeds shall not be permitted in any Unit without written consent of the Board of Directors.

(t) Residential Unit Owners and occupants shall exercise extreme care not to disturb other Unit Owners or occupants with excessive noise from the use of radios, televisions, musical instruments, amplifiers, or telephones.

(u) Subject to the provisions of subsection (2) of this Section 1 of Article XI, garage parking spaces shall be used only for the parking of vehicles. The garage spaces may not be altered nor shall anything be stored or kept in the garage spaces which would prohibit the parking of vehicles.

(v) Portions of a Residential Unit visible from the exterior of such Unit or Limited Common Elements must be kept in an orderly condition so as not to detract from the neat appearance of the community. In this regard, no motorcycles or other motorized vehicles may be parked on the patios, terraces, decks or balconies. The Board of Directors, in its sole discretion, may determine whether the portions of a

Unit visible from the exterior of the Unit and the Limited Common Elements are orderly. If a Residential Unit Owner shall fail to keep the portions of the Unit that are visible from the exterior of the Unit or the Limited Common Elements so as to restore their orderly appearance, without liability therefor, and charge the Unit Owner for any costs incurred in connection with such removal.

Section 2. Restrictions on Use of Commercial Unit. The Commercial Unit, Commercial Limited Common Elements and the Condominium Property in general shall be occupied and used as follows:

(a) Nothing shall be done or kept in any Commercial Unit or in the Commercial Limited Common Elements or by any Unit Owner or the Board of Directors which will increase the rate of insurance for the Commercial Unit. Any such increase in the rate of insurance may be assessed against the Unit Owner causing such increase. No Commercial Unit Owner shall permit anything to be done or kept in the Commercial Unit which will result in the cancellation of insurance on the Commercial Unit or any part thereof or which would be in violation of any law, regulation or administrative ruling. No waste will be allowed to remain in the Commercial Unit or Commercial Limited Common Elements; all trash shall be properly disposed of.

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

(c) No Commercial Unit Owner shall obstruct any of the Common Elements nor shall any Commercial Unit Owner place or cause or permit anything to be placed on or in any of the Common Elements without approval of the Board of Directors. Nothing shall be altered or constructed in or removed from the Common Elements except with the prior written consent of the Board of Directors, including any modifications needed by handicapped persons in accordance with the applicable provisions of the Fair Housing Amendments Act of 1988 or the Americans with Disabilities Act.

(d) The Commercial Limited Common Elements and 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 Commercial Unit.

(e) The maintenance, keeping, boarding and/or raising of pot belly pigs, rodents (i.e., mice, gerbils, hamsters, etc.) and other animals, livestock, poultry or reptiles of any kind, regardless of number, is prohibited within any Commercial Section, except that, subject to any Rules and Regulations, the keeping of domestic pets (e.g. dogs, cats or caged birds) and aquarium fish is permitted; provided, however, that (i) such domestic pets or fish are not kept or maintained for commercial purposes or for breeding; and (ii) any such domestic pets or fish causing or creating a nuisance or unreasonable disturbance or noise may be permanently removed from the Condominium Property upon ten (10) days written notice from the Board of Directors. Notwithstanding the foregoing, domestic pets shall be permitted if necessary for persons with disabilities. Any Commercial Unit Owner who keeps or maintains any pet upon any portion of the Condominium Property shall indemnify and hold the Unit Owners Association, the Board of Directors, each Residential and Commercial Unit Owner and the Declarant free and harmless from any loss, claim or liability of any kind or character whatever arising by reason of keeping or maintaining such pet within the Condominium.

(f) Except for such signs as may be posted by the Declarant for promotional or marketing purposes or by the Association, all signs of any character erected, posted or displayed upon, in, from or about any part of the Commercial Unit or Commercial Limited Common Elements shall be in compliance with Fairfax County, Virginia regulations.

(g) No floor coverings shall be permanently affixed or attached to any balcony(ies), patio(s) or terrace(s) appurtenant to the Commercial Unit.

(h) No business operating in any Unit shall be opened to the public between the hours of 12 am and 5 am without Board of Director approval.

(i) The following uses are hereby prohibited in the Commercial Unit:

(i) Tattoo parlors or any business devoted primarily to applying tattoos to people.

(ii) Bookstores or video stores which have primarily "adult" themed books or videos.

(iii) Any manufacturing operations.

(iv) Dry cleaning or laundry processing plants. (Drop off or valet services are permitted in the Commercial Unit.)

(v) Any business not in compliance with local zoning regulations.

Section 3. Rules and Regulations. Each Unit and the Common Elements shall be occupied and used in compliance with the Rules and Regulations which may be promulgated and amended by the Board of Directors. Copies of the Rules and Regulations shall be furnished by the Board of Directors to each Unit Owner. Amendments to the Rules and Regulations shall be conspicuously posted prior to the time when the same shall become effective and copies thereof shall be furnished to each Unit Owner upon request. Each Unit Owner shall be responsible for compliance with all Rules and Regulations by all family members, guests, agents, invitees, and tenants.

Section 4. Utility Charges. The cost of utilities serving the Condominium not individually metered to a Unit shall be a Common Expense.

Section 5. Parking Spaces.

(a) Except as assigned as Limited Common Elements and except to the extent limited by the Declarant as to such parking spaces as may be used in conjunction with the Declarant's sales program, all parking spaces designated as such on the Plats and Plans shall be used by Unit Owners on a first-come, first-served basis except as the Board of Directors may otherwise determine. Garage parking spaces are intended to be assigned by the Declarant to Residential Unit Owners as Individual Residential Limited Common Elements.

(b) Surface parking spaces, if any, may be assigned by the Declarant as Commercial Limited Common Elements, Individual Residential Limited Common Elements or Residential Limited Common Elements. Any Unit Owner who has use of a specific Limited Common Element parking space shall pay a separate maintenance fee to the Association for such space. Each Unit Owner shall comply in all respects with such Rules and Regulations which the Board of Directors may from time to time adopt and promulgate with respect to parking and traffic control within the Condominium, and the Board of Directors is hereby, and elsewhere in these Bylaws, authorized to adopt such rules.

The Declarant and the Board of Directors each reserves the right to assign and reassign parking spaces (including the reassignment of Limited Common Element spaces) if necessary to fulfill federal, state or local laws, including,

without limitation, the Fair Housing Amendments Act of 1988, as amended. If assigned a designated handicap parking space, a non-disabled Unit Owner may have the location of their space changed by the Board of Directors, at any time and from time to time, upon reasonable notice thereof in writing. Any Unit Owner requested by the Board of Directors to relinquish or convey his or her Limited Common Element parking space shall promptly comply with such request and shall receive compensation for said change from the subsequent purchaser of the parking space in an amount agreed to by both parties. The Board of Directors shall locate another parking space, if one is available, to assign as a Limited Common Element to such Unit Owner however, it may be a less desirable space within the Condominium. If another parking space is not available to assign to said Unit Owner, the subsequent purchaser of the parking space shall pay to the Unit Owner, the current fair market value for the parking space as agreed to by both parties. The cost of maintenance and repair of all Common Element parking spaces within the Condominium Property shall be a Common Expense. .

Section 6. Storage Areas; Disclaimer of Bailee Liability. The Board of Directors, the Unit Owners Association, any Unit Owner and the Declarant shall not be considered a bailee, however, of any personal property stored on the Limited Common Elements or Common Elements (including property located in storage cubicles or areas and vehicles parked in the parking areas of the Condominium), whether or not exclusive possession of the particular area is given to a Unit Owner for storage purposes, and shall not be responsible for the security of such personal property or for any loss or damage thereto, whether or not due to negligence, design defect, material defect, installation defect, or any other reasons whatsoever. Unit Owners shall not store any articles, materials, or substance on the Condominium Property that are illegal, flammable, explosive, noxious, hazardous, dangerous, or disruptive to other Unit Owners. The Board of Directors may request that items be stored in boxes or other coverings if such items are disruptive to other Unit Owners. Upon leaving a storage area, the Unit Owner shall make sure that all doors and locks are properly secured and no security doors shall be kept open except when in use with a Unit Owner or designee present at all times to assure proper security of such area.

Section 7. Right of Access. By acceptance of his deed of conveyance, each Unit Owner thereby grants a right of access to his Unit, as provided by Section 55-79.79(a) of the Condominium Act and as further set forth in the Declaration to the Board of Directors or the Managing Agent, or any other person authorized by the Board of Directors or the Managing Agent, or any group of the foregoing, for the purpose of enabling the exercise and discharge of their respective powers and responsibilities, including, without limitation, making inspections, correcting any condition originating in his Unit and threatening another Unit or the Common Elements, performing installations, alterations or repairs to the mechanical or electrical services or the Common Elements in his Unit or elsewhere in the Condominium Property or to correct

any condition which violates the Condominium Instruments. provided, however, that requests for entry are made in advance and that any such entry is at a time reasonably convenient to the Unit Owner. In case of an emergency, such right of entry shall be immediate, whether the Unit Owner is present at the time or not. To the extent that damage is inflicted upon the Common Elements or any Unit through which access is taken, the Unit Owners Association if it caused the damage, shall be liable for the prompt repair thereof.

Section 8. Declarant Exempt. Notwithstanding any provision contained in this Article XI to the contrary, the use and other restrictions set forth in this Article XI shall not apply to the construction or development activities of the Declarant or to the use of the Common Elements and/or Units owned by the Declarant for display, marketing, promotion, sales, rental, leasing or construction purposes or the use of Units as "models", or the use of any portion of the Condominium as a sales, rental or management office.

ARTICLE XII

CONDEMNATION

In the event of a taking in condemnation or by eminent domain, the provisions of Section 55-79.44, Code of Virginia, as amended, shall prevail and govern.

ARTICLE XIII

MISCELLANEOUS

Section 1. Notices. All notices, demands, bill statements or other communications under these Bylaws shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by regular mail, first-class, prepaid.

(a) If to a Unit Owner, at the address which the Unit Owner shall designate in writing and file with the Secretary, or if no such address is designated, at the address of the Unit of such Unit Owner; or

(b) If to the Unit Owners Association, the Board of Directors, or the Managing Agent, at the principal office of the Managing Agent, or at such other address as shall be designated by the notice in writing to the Unit Owners pursuant to this Section.

Section 2. Severability. The invalidity of any part of these Bylaws shall not impair or affect in any manner the validity, enforceability or effect of the balance of these Bylaws.

Section 3. Resale by Purchaser. The Unit Owners Association, in complying with Section 55-79.97(A), Code of Virginia, 1950, as amended, shall furnish to the purchaser prior to contract date, the appropriate statements. The Board of Directors of the Unit Owners Association may charge the seller up to the maximum amount allowed by law to comply with statements pursuant to Sections 55-79.84(H) and 55-79.85, Code of Virginia, 1950, as amended. In addition, the Board of Directors may fix such other amounts as are required in complying with Section 55-79.97(A), 2 through 7, Code of Virginia, 1950, as amended.

Section 4. Interchangeable Terms. As used in these Bylaws, the terms "mortgage" and "deed of trust" are interchangeable with each other, and the terms "mortgagee" and "deed of trust noteholder" are interchangeable with each other.

Section 5. Certain Contracts of Declarant. Any employment contract, lease of facilities or parking areas entered into by the Declarant on behalf of the Unit Owners' Association during the period within which the Declarant is in control of the Unit Owners' Association, may following the relinquishment of the Declarant control and at the option of the Association be terminated without penalty upon not more than ninety (90) days notice.

ARTICLE XIV

AMENDMENTS TO BYLAWS

Section 1. Amendments. These Bylaws may be modified or amended as provided in Section 55-79.71 of the Condominium Act. During the Declarant Control Period, the following sections shall not be amended without consent of the Declarant: (1) Section 2 of Article II; (2) Section 9 of Article II; (3) Section 1 of Article III; and (4) Section 1 of this Article XIV. In addition no section of these Bylaws concerning the Commercial Unit or Commercial Unit Owner may be amended or modified without approval of the Commercial Unit Owner.

Section 2. Approval of Mortgagees. These Bylaws contain provisions concerning various rights, priorities, remedies and interests of Mortgagees. Such provisions in these Bylaws are to be construed as covenants for the protection of such Mortgagees on which they may rely in making loans secured by Mortgages.

ARTICLE XV

DISPUTE RESOLUTION

Section 1. Claim Notice; Inspection. Unless otherwise agreed in writing by the Board of Directors and the Declarant, before the Board of Directors may initiate litigation or bring an action for damages against the Declarant based on a claim for defects in the design or construction of the Common Elements or other portions of the Condominium, including, without limitation an action for enforcement of any warranty on the Common Elements, the requirements of this Article shall be met.

(a) The Board of Directors shall make a prudent and reasonable attempt to mail or otherwise deliver written notice to the Declarant specifying the defect or defects that are the subject of its claim, including identification of all Common Elements and other portions of the Condominium that have manifested damage or otherwise indicate existence of a defect (the "Claim Notice").

(b) Within twenty (20) days after the receipt of the Claim Notice, the Declarant may make a written request to the Board of Directors to inspect the Common Elements and other portions of the Condominium identified in the Claim Notice (the "Inspection Request"). If the Declarant fails to deliver a timely Inspection Request, the Board of Directors may bring an action based on the claim or claims identified in the Claim Notice without satisfying any of the other requirements of this Article.

(c) Within ten (10) days after receipt of the Inspection Request, the Board of Directors shall make available for inspection all Common Elements and other portions of the Condominium identified in the Claim Notice during normal working hours or other mutually agreed upon times. If necessary, interior inspections of Units shall occur only during normal business hours or other mutually agreed upon times, only upon prior notice to the Owner or occupant of the Unit, and only with the consent of the Owner of the Unit, which consent may not be unreasonably withheld or delayed.

(d) Such inspection shall be completed within fifteen (15) days after the date the Common Elements and other portions of the Condominium are made available to the Declarant by the Board of Directors and/or any Unit Owner for inspection; provided, however, that if such inspection is not reasonably capable of being completed within such fifteen (15) day period, and provided further that the Declarant commences good faith efforts to commence such inspection within such fifteen day (15) day period and thereafter diligently prosecutes such efforts to completion, such fifteen (15) day period shall be extended for the period of time reasonably necessary for the

Declarant to commence and complete such inspection. The Declarant shall pay all costs of such inspection, shall restore the Common Elements and other portions of the Condominium to the condition that existed immediately before such inspection within five (5) days after the completion of such inspection, and shall indemnify the Board of Directors for any and all damages resulting from such inspection; provided, however, that if such restoration is not reasonably capable of being completed within such five (5) day period, and provided further that the Declarant commences good faith efforts to commence such restoration within such five (5) day period and thereafter diligently prosecutes such efforts to completion, such five (5) day period shall be extended for the period of time reasonably necessary for the Declarant to commence and complete such restoration.

Section 2. Settlement Statement: Conference.

(a) Within fifteen (15) days after completion of the inspection under Section 1 of this Article, the Declarant shall submit a written statement to the Board of Directors stating the Declarant's proposed settlement of the claim or claims identified in the Claim Notice, and stating whether the Declarant proposes to do any remedial work, pay the Association a cash amount, or both (the "Settlement Statement").

(b) If the Declarant fails to deliver a timely Settlement Statement, the Board of Directors may bring an action on the claim or claims identified in the Claim Notice without satisfying any of the other requirements of this Article.

(c) If the Declarant delivers a timely Settlement Statement, then within fifteen (15) days after receipt of the Settlement Statement, at least a majority of the Board of Directors shall hold a settlement conference with the Declarant to discuss the claim or claims identified in the Claim Notice and the proposed settlement stated in the Settlement Statement (the "Settlement Conference"). The Association and the Declarant may be represented at the Settlement Conference, and any mutually agreed upon continuation thereof by attorneys and consultants.

(d) If a settlement of the claim or claims identified in the Claim Notice is not reached within fifteen (15) days after the Settlement Conference, or any mutually agreed upon continuation thereof, the Association or the Declarant may deliver to the other party, within thirty (30) days after the Settlement Conference, or any mutually agreed upon continuation thereof, a written request for nonbinding mediation. Either party to any such nonbinding mediation may elect to terminate such nonbinding mediation at any time, upon that party's determination that the nonbinding mediation has been unable to resolve the dispute, by giving written notice to the other party of such determination.

(e) If the Board of Directors does not accept the Declarant's proposed settlement set forth in the Settlement Statement, and if the parties are unable to resolve the dispute through nonbinding mediation, the Board of Directors shall make reasonable efforts to disseminate to each Unit Owner a summary of the information required under Section 3 of this Article prior to bringing any action against the Declarant.

(f) Any notice, request, statement, or other communication required to be sent to the Declarant or the Association under this Article shall be mailed by first-class registered or certified mail, return receipt requested, or sent by facsimile (provided the original is, on the same day, personally served on the party entitled to receive such notice, request, statement or other communication).

Section 3. Commencement of Action: Notice to Unit Owners. Before the Association may bring an action for damages against the Declarant based on any claim or claims identified in the Claim Notice, the Board of Directors shall make reasonable efforts to disseminate to each Unit Owner:

(a) a statement of the claim of the Association against the Declarant;

(b) a copy of the written response of the Declarant to the claim of the Association, including any proposed settlement delivered by the Declarant to the Association Unit Owners;

(c) summary information about the Settlement Conference and the mediation;

(d) a statement of the reasonably anticipated consequences of proceeding with the litigation (the form and content of such statement to be subject to the reasonable judgment of the Board of Directors); and

(e) a statement that if ten percent (10%) of the Unit Owners (other than the Declarant) request a special meeting of the Association to discuss the proposed litigation within thirty (30) days after the date the notice is mailed or otherwise delivered to the Unit Owners, then a special meeting must be held.

IN WITNESS WHEREOF, the Declarant has caused these Bylaws to be executed on behalf of the Unit Owners Association of Market Street at Town Center Condominium this ____ day of _____, 200_.

RESTON APARTMENTS HOLDINGS, LLC, a
Delaware limited liability company

By: TCR Reston Limited Partnership, a
Texas limited partnership, its
Sole Member and Manager

By: TCR Mid Atlantic Apartments, Inc., a
Texas corporation, its General Partner

By: _____
Name: _____
Title: _____

STATE OF VIRGINIA :
CITY/COUNTY OF _____ : to-wit:

The foregoing instrument was acknowledged before me this ____ day of _____, 200__ by _____, _____ of TCR Mid Atlantic Apartments, Inc., General Partner of TCR Reston Limited Partnership, Sole Member and Manager of Reston Apartments Holdings, LLC, a Delaware limited liability company on behalf of said limited liability company.

NOTARY PUBLIC

My commission expires: _____