

DECLARATION

OF

THE RIDGE HOUSE, A CONDOMINIUM

Pursuant to the provisions of Chapter 4.2 of Title 55 of the Code of Virginia, known as the Virginia Condominium Act, PALFIS COMPANY N. V., a Netherlands Antilles corporation authorized to transact business in the Commonwealth of Virginia, hereby enters into this DECLARATION for the purpose of establishing THE RIDGE HOUSE, A CONDOMINIUM, located within Arlington County, Virginia.

PALFIS COMPANY N. V. is the owner of certain real property located within the County of Arlington, Virginia, and more particularly described on Schedule A attached hereto and made a part hereof, which is subjected by this Declaration to be THE RIDGE HOUSE, A CONDOMINIUM.

I. UNITS AND BOUNDARIES: THE RIDGE HOUSE, A CONDOMINIUM consists of one (1) building containing eighty nine (89) units. This one building is designated on the attached PLATS and PLANS and each unit is given an identifying number. The attached PLAT which shows the location of the one building and the attached PLANS which show the location of the eighty nine (89) units are identified as Exhibit "A", incorporated herein by reference and made a part hereof.

The Unit Boundaries: THE RIDGE HOUSE, A CONDOMINIUM consists of six (6) different type units as shown on the attached PLATS and PLANS. Each unit shall include that part of the structure which lies within the following boundaries:

1. Upper and Lower (Horizontal) Boundaries: The upper and lower boundaries for each unit shall be the following boundaries extended to an intersection with the vertical boundaries:

A. Upper Boundary: The horizontal plane of the unfinished ceiling.

B. Lower Boundary: The horizontal plane of the unfinished floor.

2. Vertical Boundaries: The vertical plane of the unfinished surface of the boundary walls extended to intersections with each other and with the upper and lower horizontal boundaries.

These definitions setting forth the unit boundaries shall be governed by the provisions of Section 55-79.50(c) of the Code of Virginia, as amended.

II. LIMITED COMMON ELEMENTS: Limited Common Elements shall be governed by Section 55-79.50(e) of the Code of Virginia 1950, as amended, and are marked and identified on the attached PLANS to include the balconies and are assigned to the unit to which such Limited Common Elements are attached. Any expense of replacement relating to the Limited Common Element balconies and all structural maintenance, repair or replacement thereof shall be treated as and paid for as part of expenses of upkeep of the Unit Owners Association.

Shown on the attached PLANS are twenty five (25) garage parking spaces. The Declarant reserves the right to assign such Limited Common Element garage parking spaces in accordance with the provisions of Title 55, Section 79.57 of the Code of Virginia 1950, as amended. Any expense associated with the maintenance, repair, renovation, restoration or security of any Limited Common Element garage parking space shall be specially assessed against the condominium unit or units to which such Limited Common Element garage parking spaces are assigned.

III. UNDIVIDED INTEREST IN THE COMMON ELEMENTS: The undivided interest in the Common Elements is a fraction, the numerator of which is the par value of the particular unit and the denominator of which is the aggregate par value of all units located within THE RIDGE HOUSE, A CONDOMINIUM. The par value assigned to each type unit is as follows:

<u>Type of Unit</u>	<u>Par Value</u>
A	593,860
B	593,860
C	901,570
D	132,860
F	2,664,890
G	1,559,320

Attached hereto as Exhibit B, incorporated herein by reference and made a part hereof is a table indicating the fractional interest allocated to each unit in THE RIDGE HOUSE, A CONDOMINIUM, in the Common Elements.

IV. EASEMENT TO FACILITATE SALES: The Declarant hereby expressly reserves, for itself, its successors and assigns, an easement to facilitate sales pursuant to the provisions of Section 55-79.66 of the Code of Virginia 1950, as amended. The Declarant specifically reserves for such purpose the right to utilize not more than eight (8) units owned by it and Common Elements for sales offices, model units and administrative offices. The Declarant hereby expressly reserves for itself, its successors and assigns, an easement for access to and use of the Common Elements of the condominium in order to facilitate sales of condominium units, and to post signs which advertise the sale of condominium units.

V. REPAIR AND UTILITY EASEMENTS: Easements are reserved through each of the units for the benefit of any adjoining unit as may be required for structural repair and for 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. These easements are restricted to the maintenance and repair of such utility lines and pipes and are strictly limited to the owners of adjoining units.

VI. PARTITION REMOVAL: No unit owner may remove all or any portion of a vertical party wall or the horizontal separation between his unit and the unit above or below without first obtaining written permission so to do from the Board of Directors of the Unit Owners Association.

VII. RELOCATION OF BOUNDARIES BETWEEN UNITS: Unit owners may cause the relocation of condominium boundaries between adjoining units pursuant to the provisions of Section 55-79.69 of the Code of Virginia 1950, as amended.

VIII. SUBDIVISION OF UNITS: Unit owners may cause the subdivision of any unit pursuant to the provisions of Section 55-79.70 of the Code of Virginia 1950, as amended.

IX. LIMITED COMMON ELEMENT REASSIGNMENT. Unit owners may reassign garage spaces limited common elements pursuant to the provisions of Section 55-79.57(a) and (b) of the Code of Virginia 1950, as amended.

X. EXISTING EASEMENTS: The property described on Schedule A attached hereto and submitted by this Declaration to be THE RIDGE HOUSE, A CONDOMINIUM, is subject to the following easements, true copies of which are attached hereto as Exhibit C.

Virginia Electric and Power Company recorded in Deed Book 1273, page 456;
Virginia Electric and Power Company recorded in Deed Book 1402, page 598;
Virginia Electric and Power Company recorded in Deed Book 1577, page 170.

IN WITNESS WHEREOF, PALFIS COMPANY N. V. has caused this Declaration to be signed this 12th day of March, 1979.

PALFIS COMPANY N. V.

By: E. French Strother (SEAL)
its attorney-in-fact.

E. French Strother (SEAL)
E. French Strother, Attorney-in-Fact for
Palfis Company, N.V., a Netherlands
Antilles Corporation

STATE OF VIRGINIA
ARLINGTON
COUNTY OF ~~FAIRFAX~~, to-wit:

The foregoing Declaration was acknowledged before me this 22nd day of March, 1979, by E. French Strother as ~~Managing Director~~ attorney-in-fact of PALFIS COMPANY N.V.

My Commission Expires: 1/10/82

Altha L. Golden
Notary Public

STATE OF VIRGINIA,
COUNTY OF ARLINGTON to-wit:

I, Altha L. Golden, a Notary Public in and for the State and County aforesaid, do hereby certify that PALFIS COMPANY, N. V., a Netherlands Antilles Corporation, by E. French Strother, Attorney-in-Fact for Palfis Company, N.V., a Netherlands Antilles Corporation, and E. FRENCH STROTHER, Attorney-in-Fact for Palfis Company, N.V., a Netherlands Antilles Corporation, on behalf of the Corporation, whose names are signed to the foregoing Declaration, personally appeared before me and acknowledged the same before me in my State and County aforesaid.

GIVEN under my hand and seal this 17th day of July, 1979.

Altha L. Golden
Notary Public

My Commission expires: 1/10/82

Pursuant to Section 55-79.49 of the Code of Virginia, the name of the condominium is "The Ridge House, a Condominium" and the address of the condominium is 1301 S. Arlington Ridge Road, Arlington, Virginia.

SCHEDULE A

BOOK 1392 PAGE 498

All of that certain land situate in Arlington County, Virginia, and being more particularly described as follows:

BEGINNING at a point on a curve in the Westerly line of South Lynn Street (50 feet wide) (formerly Mt. Vernon Boulevard), said point of beginning being in the Southerly line of the P. P. Campbell Property; thence with the Westerly line of South Lynn Street along the arc of a 793.5 foot radius curve to the right (the chord of which bears South 30 degrees 17' West 157.08 feet) 157.34 feet to a point of tangency; thence South 35 degrees, 58' West 279.11 feet to a point of curvature; thence along the arc of a 222.75 foot radius curve to the right (the chord of which bears South 50 degrees 24' West 111.04 feet) 112.22 feet to a point of reverse curve; thence along the arc of a 309 foot radius curve to the left (the chord of which bears South 57 degrees 52' 35" West 74.91 feet) 75.0 feet to a point; thence with a line 15 feet East of and parallel to the center of line of Old Georgetown and Alexandria Road now known as South Arlington Ridge Road North 21 degrees 31' East 577.26 feet to a point in the line of the P. P. Campbell property; thence with the line of the P. P. Campbell property South 70 degrees 15' East 191.99 feet to a point and place of beginning, and as shown on plat of survey by DeLashmutt Associates, C. L. S., dated July 21st, 1978.

EXHIBIT B

TABLE OF UNDIVIDED INTEREST IN COMMON ELEMENTS

<u>Identification of Unit</u>	<u>Par Value of Unit</u>	<u>Fraction of Undivided Interest in Common Elements</u>
18 Type A Units	593,860	59386/7720250 Each
5 Type B Units	593,860	59386/7720250 "
57 Type C Units	901,570	90157/7720250 "
7 Type D Units	1,132,860	113286/7720250 "
1 Type F Unit	2,664,890	266489/7720250 "
1 Type G Unit	1,559,320	155932/7720250 "

Veeco Form No. 102-A
10-1-54

Deed Book 1273, Page 456
of the land records of
County, Virginia

Recorded: 11/16/56

THIS AGREEMENT, made this 20th day of September, 1956
between Gertrude Nelson Brewster, as her sole and
separate estate

OF Lee Co, Virginia, hereinafter called "Owner"
("Owner" wherever used herein being intended to include the grantors whether one
or more or masculine or feminine), and Virginia Electric and Power Company, a
Virginia Corporation, hereinafter called "Company."

WITNESSETH:

That for the sum of One Dollar (\$1.00), and other valuable considerations,
the receipt whereof is hereby acknowledged, Owner grants unto Company, its suc-
cessors and assigns, the right, privilege and easement of right of way to con-
struct, operate and maintain a pole line for transmitting and distributing
electric power, including all wires, poles, attachments, ground connections,
equipment, accessories and appurtenances desirable in connection therewith
(hereinafter referred to as "facilities"), and including all telephone wires and
attachments of any other company, over, upon and across the lands of Owner,
situated in Lee, Virginia, as shown on Plat No. POTAL TR 32
hereto attached and made a part of this agreement; the location of said right
of way being shown in broken lines on said plat.

The facilities erected hereunder shall remain the property of Company.
Company shall have the right to inspect, rebuild, remove, repair, improve, re-
locate on the right of way above described, and make such changes, alterations,
substitutions, additions to or extensions of its facilities as Company may from
time to time deem advisable, including the right to increase or decrease the
number of wires.

Company shall at all times have the right to trim, cut and keep clear all
trees, limbs, undergrowth and other obstructions along said pole line or
adjacent thereto that may endanger the safe and proper operation of its
facilities. All trees and limbs cut by Company at any time shall remain the
property of Owner. Trees cut by Company with merchantable trunks six inches or
more in diameter will be cut into lengths of not less than four feet when re-
quested by Owner and will be placed in piles separate from other trees, limbs
and undergrowth by Company.

For the purpose of constructing, inspecting, maintaining or operating its
facilities, Company shall have the right of ingress to and egress from the right
of way over the lands of Owner adjacent to the right of way and lying between
public or private roads and the right of way in such manner as shall occasion the
least practicable damage and inconvenience to Owner.

Company shall repair damage to roads, fences or other improvements and shall
pay Owner for other damage done in the process of the construction, inspection, or
maintenance of Company's facilities, or in the exercise of its right of ingress
and egress; provided Owner gives written notice thereof to Company within thirty
days after such damage occurs.

The Owner covenants that he is seized of and has the right to convey the
said easement of right of way, rights and privileges; that Company shall have
quiet and peaceable possession, use and enjoyment of the aforesaid easement of
right of way, rights and privileges, and that Owner shall execute such further
assurances thereof as may be required.

1273 / 456

(1)

EXHIBIT C To Declaration

Deed Book 1577 , page 170 ,
of the land records of
Arlington County, Virginia

Recorded February 24, 1965

THIS AGREEMENT, made this 8th day of January, 1965 ,
between John Digenis and Alma Digenis, General Partners, Arlington County
~~of~~ Virginia, hereinafter called "Owner" (the word "owner" wherever used
herein being intended to include the grantor, whether one or more or
masculine or feminine), and Virginia Electric and Power Company, a Virginia
corporation, hereinafter called "Company".

WITNESSETH:

That for the sum of One Dollar (\$1), and other valuable considerations,
the receipt whereof is hereby acknowledged, Owner grants unto Company, its
successors and assigns, the right, privilege and easement of right of way
ten feet in width to lay, construct, operate and maintain underground
conduit and cable lines for transmitting and distributing electric power,
including all wires, cables, handholes, manholes, transformers, transformer
enclosures, concrete pads, connection boxes, ground connections, attachments,
equipment, accessories and appurtenances desirable in connection therewith
(hereinafter referred to as "facilities"), under, upon and across the lands
of Owner, situated in Arlington County, Virginia, as shown on Plat No.
POTAL 16286, hereto attached and made a part of this agreement; the
location of the center line of said right of way being shown in broken lines
on said plat.

The facilities erected hereunder shall remain the property of Company.
Company shall have the right to inspect, rebuild, remove, repair, improve,
and make such changes, alterations, substitutions and additions in and to its
facilities as Company may from time to time deem advisable, including the
right to increase or decrease the number of conduits, wires, cables, handholes,
manholes, connection boxes, transformers and transformer enclosures.

Company shall at all times have the right to keep the easement clear
of all buildings, structures or other obstructions, trees, undergrowth and
roots. All trees and limbs cut by Company at any time shall remain the
property of Owner.

Owner, its successors and assigns, may use the land within the easement
for any purpose not inconsistent with the rights hereby granted, provided
such use does not interfere with or endanger the construction, operation or
maintenance of Company's facilities.

For the purpose of constructing, inspecting, maintaining or operating
its facilities, Company shall have the right of ingress to and egress from
the easement over the lands of Owner adjacent to the easement and lying
between public or private roads and the easement, such right to be exercised
in such manner as shall occasion the least practicable damage and
inconvenience to Owner.

Owner covenants that it is seised of and has the right to convey the
said easement, rights and privileges; that Company shall have quiet and
peaceable possession, use and enjoyment of the aforesaid easement, rights
and privileges, and that Owner shall execute such further assurances
thereof as may be required.

BY-LAWS
OF
THE RIDGE HOUSE, A CONDOMINIUM
ARLINGTON COUNTY, VIRGINIA

ARTICLE I

GENERAL

Section 1. Applicability. These By-Laws provide for the self-government of THE RIDGE HOUSE, A CONDOMINIUM, pursuant to the requirements of Article 3, Chapter 4.2 of Title 55 of the Code of Virginia. THE RIDGE HOUSE, A CONDOMINIUM is located within the County of Arlington, Commonwealth of Virginia.

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 unit shall comply with these By-Laws.

Section 3. Office. The office 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.

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 By-Laws, shall constitute the "Unit Owners Association", who 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 Condominium 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, these By-Laws 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. Unless required to be sooner as set forth herein, two years after the date the Declaration is recorded, the Declarant shall cause to be held the first annual meeting of the Unit Owners Association pursuant to this section. However, forthwith after units representing 75% of the undivided interests in the common elements have been sold by the Declarant, the Declarant shall notify the unit owners, and the first annual meeting of the Unit Owners Association shall be held on a call issued by the President. At such meeting, the term of office of the persons designated by the Declarant as members of the Board of Directors shall be deemed to have expired, and all of the Unit Owners, including the Declarant, if the Declarant owns any unit or units, shall elect a new Board of Directors. Thereafter, the annual meetings of the Unit Owners Association shall be held on the second Wednesday of November of each succeeding year. At such annual meeting, the Board of Directors shall be elected by a written ballot of the Unit Owners in accordance with the requirements of Section 4 of Article III of these By-Laws.

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. It shall be the duty of the President to call a special meeting of the Unit Owners Association, if so directed by resolution of the Board of Directors, or upon a petition signed and presented to the Secretary by Unit Owners owning not less than twenty five percent (25%) of the Undivided Interest in the Common Elements. The notice of any special meeting shall state the time, place and purpose of such meeting. No business shall be transacted at a special meeting except as stated in the notice.

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.

Section 6. Adjournment of Meetings. If any meetings of the Unit Owners Association cannot be held because a quorum is not present, Unit Owners owning a majority of the Percentage Interests 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.

Section 7. Order of Business. The order of business at 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. Voting. At every meeting of the Unit Owners, each of the Unit Owners shall have the right to cast a vote in proportion to his Undivided Interest in the Common Elements as set forth in the Declaration. No Unit Owner shall be eligible to vote, either in person or by proxy, or be elected to the Board of Directors, who is shown on the books or management accounts of the Association to be more than thirty (30) days delinquent in any payment due the Association.

The votes appertaining to any unit may be cast pursuant to a proxy or proxies duly executed by or on behalf of the unit owner, or, in cases, where the unit owner is more than one person, by or on behalf of all such persons.

No proxy shall be revocable except by actual notice to the person presiding over the meeting, by the unit owner or by any of such persons, that it be revoked. Any proxy shall be void if it is not dated, if it purports to be revocable without notice as aforesaid, or if the signatures of any of those executing the same has not been duly acknowledged. The proxy of any person shall be void if not signed by a person having authority, at the time of the execution thereof, to execute deeds on behalf of that person. Any proxy shall terminate automatically upon the adjournment of the first meeting held on or after the date of that proxy.

Section 9. Conduct of Meeting. The President shall preside over all meetings of the Unit Owners Association and the Secretary shall keep the minutes of the meeting and record in a Minute Book all resolutions adopted by the meeting as well as a record of all transactions occurring thereat. Roberts Rules of Order (latest edition) shall govern the conduct of all meetings of the Unit Owners Association when not in conflict with the Declaration, these By-Laws or the Condominium Act.

Section 10. Quorum. The presence, either in person or by proxy, of members representing at least twenty-five percent (25%) of the total votes of the project shall be requisite for, and shall constitute a quorum for the transaction of business at all meetings of members.

ARTICLE III

BOARD OF DIRECTORS

Section 1. Number and Qualification. The affairs of the Condominium shall be governed by a Board of Directors. Until units representing 75% or more of the Undivided Interests in the Common Elements of all units, shall have been sold by the Declarant and such sales fully settled by the purchasers, or until two years after the date the Declaration is recorded, whichever occurs sooner, and thereafter until their successors shall have been elected by the Unit Owners, the Board of Directors shall be designated and appointed by the Declarant. The initial Board of Directors so designated and appointed shall be composed of not less than three (3) nor more than five (5) persons, who may be, but are not required to be, officers, directors, or designees of the Declarant, Unit Owners or spouses

of Unit Owners, or mortgagees (or designees of mortgagees) of Units. The first Board of Directors elected at the first annual meeting shall consist of five (5) persons.

Section 2. Power and Duties. The Board of Directors shall have all of the powers and duties necessary for the administration of the affairs of the Condominium and may do all such acts and things as are not by the Condominium Act, by the Declaration, or by these By-Laws directed 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 enjoyment of the Condominium provided such Rules and Regulations shall not be in conflict with the Condominium Act, the Declaration, or these By-Laws. In addition to the duties imposed by these By-Laws or by any resolution of the Unit Owners Association that may hereafter be adopted, the Board of Directors shall have the power to, and be responsible for, those duties and functions set forth in Section 55-79.79 and 80, Code of Virginia, as amended, and those duties and functions set forth in Article II, Section 1 of these By-Laws.

Section 3. Managing Agent. The Board of Directors shall be required to employ for the Condominium a professional Managing Agent at a compensation established by the Board of Directors, to perform such duties and services as the Board of Directors shall authorize; provided, however, that any such professional Management Contract may not be entered into for a term exceeding two (2) years, and provided further that such Management Contract may be terminated for cause upon sixty (60) days written notice, and provided, further, that such Management Contract may be terminated by the Unit Owners Association with a ninety (90) day written notice.

Section 4. Election and Term of Office. At the first annual meeting of the Unit Owners Association, after the period of Declarant control, as provided in Article II of these By-Laws, the Unit Owners Association shall elect five (5) Directors who each must be a unit owner of a unit within the condominium. The two persons receiving the highest number of votes shall serve for a term of three (3) years; the two persons receiving the next highest number of votes

shall serve for a term of two (2) years, and the person receiving the next highest number of votes shall serve for a term of one year. At the expiration of the initial term of office of each respective member of the Board of Directors, his successor shall be elected in the same manner as hereinbefore provided 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.

Section 5. Removal of Members of the Board of Directors. 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 an affirmative vote of the Unit Owners representing more than 50% of the Undivided Interest in the Common Elements, and a successor may then and there be elected to fill the vacancy thus created. 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 reasons 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 that purpose, promptly after the occurrence of any such vacancy, and each person so elected shall be a member of the Board of Directors until a successor shall be elected at the next annual meeting of the Unit Owners Association.

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 30 days.

Section 8. Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the directors, but at least once every two months meetings

shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each director personally, by mail, telephone or telegraph, at least three (3) days prior to the day named for such meeting.

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 telegraph, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of at least two (2) directors.

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 may require adequate fidelity bonds for all officers and employees of the Condominium handling or responsible for Condominium funds. The premiums 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. Roberts 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 By-Laws 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.

ARTICLE IV

OFFICERS

Section 1. Designation. The principal officers of the Condominium 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 Treasurer, but no other officers, shall be required to be members of the Board of Directors.

Section 2. Election of Officers. The officers of the Condominium shall be elected annually by the Board of Directors at the organization 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 Condominium. He shall preside at all meetings of 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 stock corporation organized under the Virginia Stock Corporation Act, including, but not limited to, the power to appoint committees from among the Unit Owners from time to time as he may in his discretion decide is appropriate to assist 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 shall be 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 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 stock corporation organized under the Virginia Stock Corporation Act.

Section 7. Treasurer. The Treasurer shall have the responsibility for Condominium funds and securities and shall be responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements, and for the preparation of all required financial data; he shall be responsible for 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, Checks, etc. All agreements contracts, deeds, leases, checks and other instruments of the Condominium shall be executed by any two (2) officers of the Condominium, or by such 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 Condominium 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 Condominium 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 then Board of Directors of the Condominium) to which he may be a party by reason of being or having been an officer or

director of the Condominium whether or not such person is an officer or director at the time such expenses are incurred. The officers and directors of the Condominium 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 Condominium shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Condominium project (except to the extent that such officers or directors may also be owners of Condominium units) and the Condominium 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 for herein shall not be exclusive of any other rights to which any officer or director of the Condominium, or former officer or director of the Condominium, 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 project. No contract or other transaction between the Condominium and one or more of its Directors, or between the Condominium and any corporation, firm or association (including the Declarant) in which one 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 of 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 members, or a majority thereof, and they approve or ratify the contract or transaction in good faith by a vote sufficient for the purpose; or

(c) The contract or transaction is commercially reasonable 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.

ARTICLE VI

OPERATION OF THE PROPERTY

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

(a) Fiscal Year. The fiscal year of the Condominium shall consist of the twelve (12) month period commencing on January 1st of each year and terminating on December 31st of the same year, or as the same may be changed hereafter by the Board of Directors of the Unit Owners Association of THE RIDGE HOUSE, A CONDOMINIUM.

(b) Preparation and Approval of Budget. Each year on or before the first day of the fiscal year, the Board of Directors shall adopt a budget for the Condominium containing an estimate of the total amount which it considers necessary to pay the cost of utility services, maintenance, management operation, repair and replacement of the 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, services, supplies and other expenses that may be declared to be Common Expenses by the Condominium Act, these By-Laws 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. The Budget may also include:

(i) The cost of maintenance or repair of any condominium unit 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 project or is otherwise in the interest of the general welfare of all owners of the condominium units; 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 and, when so assessed, 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 XII of these By-Laws. 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 sub-paragraph (i).

(ii) Any amount necessary to discharge any lien or encumbrance levied against the condominium project, or any portion thereof, which may in the opinion of the Board of Directors, constitute a lien against the common elements rather than the interest therein of the owner of any individual condominium unit.

(c) 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 Common Expenses payable by each Unit Owner, at least ten (10) 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 Common Expenses for the Condominium.

(d) Pursuant to Section 55-79.83 (b) of the Condominium Act, any common expenses benefiting less than all of the condominium units or caused by the conduct of all those entitled to occupy the same or by their licensees or invitees shall be specially assessed against the condominium unit or units involved, in accordance with such reasonable provisions as may be made by the Board of Directors for such cases.

(e) Assessment and Payment of Common Expenses. Except for those common expenses which are specially assessed against the condominium unit or units involved pursuant to the provisions of sub-paragraph (d) of this Section 1 of Article VI, 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 the condominium units in proportion to the number of votes in the Unit Owners Association appertaining to such units, and 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. Within sixth (60) days after the end of each fiscal year, an audited accounting of the common expenses for such fiscal year actually incurred and paid, together with a tabulation of the amounts collected pursuant to the budget adopted by the Board of Directors for such fiscal year, and showing the net amount collected pursuant to the actual expenditures plus reserves shall be made available for examination by all of the co-owners at convenient hours on working days that shall be set and announced for general information. 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 to the Condominium Units in proportion to the number of votes in the Unit Owners Association appurtenant to such Units, thereby reducing the installments due from such Condominium Units in the succeeding months in the Fiscal Year.

In the event any legal action is required to collect assessments hereunder then and at the direction of the Board of Directors, the entire balance of assessments due on account of said unit for the remainder of the fiscal year shall be due in full.

(f) The payment and collection of the assessment made pursuant to the foregoing sub-paragraphs of this section shall be in accordance with the terms providing for the payment and collection of assessments in these By-Laws 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) Reserves. The Board of Directors may build up and maintain reasonable reserves for working capital, operations, contingencies and replacements. Extraordinary expenditures not originally included in the annual budget which may become necessary during the year shall be charged first against reserves. If the reserves are inadequate for any reasons, including non-payment of any Unit Owner's assessment, the Board of Directors may at any time levy a further assessment, which shall be assessed against the condominium units in proportion to the number of votes in the Unit Owners Association appertaining to each such units, and which 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 further assessment on all Unit Owners by a statement in writing giving the amount and reason therefor, and such further 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 further assessment. All Unit Owners shall be obligated to pay the adjusted monthly amount or, if the additional assessment is not payable in installments, the amount of such assessment. The 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 By-Laws 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.

(h) Repair and Replacement Reserve. The Board of Directors shall obtain from members contributions to capital on a regular basis, which contributions will be used to establish a replacement and repair reserve. 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 common expense. Such funds shall be deposited in a special 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. The replacement reserve may be expended only for the purpose of the replacement and repair of the 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 or the maximum expenditure anticipated for a major repair. 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 By-Laws 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.

(i) Initial Assessment. When the initial Board of Directors, elected or designated pursuant to these By-Laws, 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 Paragraph (d) of this Section. The Board of Directors will levy an "initial assessment" against the initial purchaser at the time he settles on his purchase contract. Such initial assessment shall be in an amount equal to two (2) months regular assessments, and shall be utilized for commencing the business of the Unit Owners Association and providing the necessary working fund for it. In addition to the foregoing initial assessment, the Board of Directors will levy against the initial purchaser at the time he settles on his purchase contract, an assessment in an amount equal to part of one monthly annual assessment, prorated from the date of settlement to the end of the calendar month in which the settlement occurs, and thereafter no further regular assessments shall be due on such Unit until the first day of the first month following settlement on the Unit by the initial purchaser.

(j) Effect of Failure to Prepare or Adopt Budget. The failure to 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.

(k) 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 number of votes in the Unit Owners Association appertaining to his unit.

Section 2. 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 Section 1 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 sale, transfer or other conveyance by him of such Unit. The purchaser of a Unit shall be jointly and severally liable with the selling Unit Owner for all unpaid assessments against the latter for his proportionate share of the Common Expenses up to the time of conveyance, without prejudice to the purchaser's right to recover from the selling Unit Owner the amounts paid by the purchaser therefor. 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. Provided, further, that if a mortgagee of a first mortgage of record obtains title to a Unit as a result of foreclosure, or a Deed in lieu of foreclosure, such purchaser, its successor and assigns, shall not be liable for, and such Unit shall not be subject to a lien for the payment of Common Expenses assessed prior to the acquisition of title of such Unit by such purchaser pursuant to the foreclosure sale, or the Deed in lieu of foreclosure, Such unpaid share of Common Expenses assessed prior to the acquisition of title to such Unit by such purchaser pursuant to the foreclosure sale or Deed in lieu of foreclosure shall be collectible from all Unit Owners, including the purchaser of the foreclosure sale in proportion to their respective Undivided Interests in the Common Elements.

Section 3. Collection of Assessments. The Board of Directors shall take prompt action to collect any assessments for Common Expenses due from any Unit Owner which remain unpaid for more than thirty (30) days from the date due for payment thereof. Such collection shall be pursuant to the provisions of Section 55-79.84.

Section 4. 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 in excess of TEN THOUSAND DOLLARS (\$10,000.00), the making of such additions, alterations or improvements shall be approved by an affirmative vote of Unit Owners representing more than 50% of the Undivided Interest in the Common Elements, and the Board of Directors shall proceed with such additions, alterations or improvements and shall assess all Unit Owners for the cost thereof as a Common Expense. Any additions, alterations, or improvements costing TEN THOUSAND DOLLARS (\$10,000.00) or less 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 80% of the members of the Board of Directors, such additions, alterations or improvements are exclusively or substantially exclusively for the benefit of the Unit Owner or Unit Owners requesting the same, such requesting Unit Owner or Unit Owners shall be assessed therefor in such proportion as they jointly approve, or if they are unable to agree thereon, in such proportions as may be determined by the Board of Directors. Notwithstanding the foregoing, so long as the Declarant, its successors or assigns, own any Unit in THE RIDGE HOUSE, A CONDOMINIUM, for sale in the ordinary course of business, the Declarant, its successors or assigns, shall have the right to veto any addition, alteration or improvement, costing in excess of TEN THOUSAND DOLLARS (\$10,000.00), authorized either by an affirmative vote of more than 50% of the unit owners or by the Board of Directors.

Section 5. Additions, Alterations or Improvements by Unit Owners. No Unit Owner shall make any alteration in or to his Unit, or to a portion, if any, of the building contained within the vertical boundaries of his unit, except as provided in Section 55-79.68, Code of Virginia, as amended.

Section 6. Use of Common Elements. Unit Owners, tenants, guests, and invitees shall not place or cause to be placed in the Common Areas or facilities, any furniture, packages or objects of any kind which would tend to unreasonably obstruct or interfere with the proper use of such Common Areas or common facilities by other Unit Owners. The stairways shall be used for no purpose other than for normal transit through them.

Section 7. Duty to Maintain. Except for maintenance requirements herein imposed upon the Unit Owners Association, if any, the owner of any condominium unit shall, at his own expense, maintain the interior of his condominium unit and any and all equipment, appliances, fixtures, glass portion of windows, or doors therein situate, and its other appurtenances, including, without limitation, any balcony, appurtenant to such condominium unit and designated on the Record Plat as a limited common element reserved for exclusive use by the owner of a particular condominium unit, in good order, condition and repair free and clear of ice and snow, and in a clean and sanitary condition. In addition to the foregoing, the owner of any condominium unit shall at his own expense, maintain, repair or replace secondary electrical fixtures and lines, and heating and air-conditioning equipment, whether within or without the unit so long as it serves one unit, light fixtures, refrigerators, freezers, dishwashers, disposals, ranges and/or other equipment that may be in or appurtenant to such condominium unit. Primary electrical fixtures and lines, all plumbing lines, the exterior portion of outside doors, and outside doorframes shall be repaired by the Unit Owners Association. The owner of any condominium unit shall also, at his own expense, maintain any other limited common elements which may be appurtenant to such condominium unit and reserved for his exclusive use in a clean, orderly and sanitary condition.

There is reserved to the Unit Owners Association, or its delegate, the right of entry after reasonable notices to any unit and an easement for access therein, when and as necessary, in connection with any repairs, maintenance, or construction for which the Unit Owners Association is responsible hereunder. No notice shall be required in case of an emergency. Any damage caused by such entry shall be repaired at the expense of the Unit Owners Association. Provided, however, that if such entry is made to perform any obligations for which the unit owner is responsible, such entry and all work done shall be at the risk and expense of such unit owner.

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 lessees. The payment and collection of any charge made pursuant to the foregoing provisions shall be in accordance with the terms providing for payment and collection of assessments in these By-Laws 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 fee and costs.

Section 8. 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 By-Laws and the Rules and Regulations, the Board of Directors may require the unit owner to secure the eviction of his tenant.

Section 9. Windows. The owner of any condominium unit shall, at his own expense, clean, repair and maintain both the interior glass surfaces of all windows and such exterior glass surfaces of windows as are accessible from his balcony.

Section 10. Annual Audit. All books and records of the Unit Owners Association shall be kept in accordance with good accounting procedures and shall be audited at least once a year by an independent auditor. Such annual audited financial statement of the condominium shall be available for examination by all of the co-owners at convenient hours on working days that shall be set and announced for general information.

ARTICLE VII.INSURANCE

Section 1. The Unit Owners Association shall obtain and maintain at all times insurance, as set forth herein, including insurance against fire, with endorsement for extended coverage for the full insurable replacement value, as required by Section 55-79.81, Code of Virginia, as amended, of THE RIDGE HOUSE, A CONDOMINIUM. Such insurance shall run to the benefit of the Unit Owners Association, the respective unit owners and their respective mortgagees, as their interests may appear, which insurance shall be governed by the following provisions:

(a) The Board of Directors shall be required to obtain a single master policy covering physical damage for the entire Property under which the insurance company will issue to each Unit Owner a certificate or sub-policy specifying the portion of the master policy allocated to each Unit Owner's Unit and his Undivided Interest in the Common Elements.

(b) In addition, the Board of Directors shall be required to secure a master policy covering physical damage that will provide the following:

(1) That the insurer waives its rights of subrogation to any claims against the Declarant, Board of Directors, the Managing Agent, the Unit Owners and their respective agents, employees, guests and, in the case of Unit Owners, the members of their households;

(2) That the master policy on the Property cannot be cancelled, invalidated, or suspended on account of the conduct of any member of the Board, officer or employee of the Board of Directors or the Managing Agent, without a prior demand in writing that the Board of Directors or the Managing Agent cure the defect;

(3) That any "no other insurance" clause contained in the master policy shall expressly exclude individual Unit Owners' policies from its operation;

(4) That until the expiration of thirty (30) 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 cancelled for nonpayment of premiums.

(5) That the master policy may not be cancelled or substantially modified without at least thirty (30) days' prior written notice to the Board of Directors and all mortgagees of Units.

(6) That the net proceeds of such policies, if less than TWENTY FIVE THOUSAND DOLLARS (\$25,000.00) shall be payable to the Board of Directors, and if more than TWENTY FIVE THOUSAND DOLLARS (\$25,000.00) shall be payable to the Insurance Trustee designated in Section 4 of this Article.

(7) That the master 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 contained in Sections 4 and 5 of this Article VII.

(c) All policies of insurance shall be written with a company licensed to do business in the State of Virginia and holding a rating of "AA" or better by Best's Insurance Reports.

(d) In no event shall the insurance coverage obtained and maintained by the Board of Directors hereunder be brought into contribution with insurance purchased by individual Unit Owners or their mortgagees.

(e) Each Unit Owner shall be required to notify the Board of Directors of all improvements made by the Unit Owner to his Unit, the value of which is in excess of ONE THOUSAND DOLLARS (\$1,000.00).

(f) 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 such policy is cancelled.

Section 2. Insurance Coverage.

(a) The Board of Directors shall be required to the extent available to obtain and maintain the following insurance:

(i) Fire with extended coverage, vandalism, malicious mischief and windstorm endorsements, insuring the entire Property including all of the Units and bathroom and kitchen fixtures, cabinets, wall to wall carpeting and appliances presently installed therein and all replacements thereof, but not including furniture, furnishings, or other personal property supplied or installed by Unit Owners, and covering the interests of the Board of Directors and all Unit Owners and their mortgagees, as their interests may appear, in the amount equal to at least 100% of replacement value of the Property.

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

(iii) Such other insurance as the Board of Directors may determine.

(b) The Board of Directors shall also be required to obtain and maintain, to the extent obtainable, public liability and property damage insurance in such limits as the Board of Directors may from time to time determine, insuring the Declarant, each member of the Board of Directors, the Managing Agent, and each Unit Owner against liability to the public or to the Unit Owners (and their invitees, agents and employees arising out of, or incident to, the ownership and/or use of the Common Elements). Said insurance shall be issued on a comprehensive liability basis and shall contain 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. The Board of Directors shall review such limits once a year, but in no event shall such insurance be less than ONE MILLION DOLLARS (\$1,000,000.00) with respect to any one accident or occurrence and FIFTY THOUSAND DOLLARS (\$50,000.00) with respect to any claim for property damage. It shall be the responsibility of each Unit Owner to obtain, at his own expense, liability insurance with respect to his ownership and/or use of his unit, and the Board of Directors shall not be responsible for obtaining such insurance.

(c) A duplicate original of the master policy of physical damage insurance, all renewals thereof, and all sub-policies or certificates issued thereunder, together with proof of payment of premiums, shall be delivered to all mortgagees of Units at least thirty (30) days prior to expiration of the then current policies. Prior to obtaining any policy of fire insurance or any renewal thereof, the Board of Directors shall obtain an appraisal from an insurance company, or such other source as the Board of Directors may determine, of the full replacement value of the property, without deduction for depreciation for the purpose of determining the amount of physical damage insurance to be effected pursuant to this Section.

Section 3. Separate Insurance. Each Unit Owner shall have the right, at his own expense, to obtain additional insurance for his own Unit and for his own benefit and to obtain insurance coverage upon his personal property and for his personal liability, provided that no Unit Owner shall be entitled to exercise his right to 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.

Section 4. Insurance Trustee.

(a) The Board of Directors shall have the right to designate any bank, trust company, management agent, savings and loan association, building 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 By-Laws.

(b) The Insurance Trustee shall not be liable for the payment of premiums, the renewal of the policies, the sufficiency of coverage, the form of content of the policies, the correctness of any amounts received by it on account of the proceeds of any insurance policies, nor for the failure to collect any insurance proceeds. The sole duty of the Insurance Trustee shall be to receive such proceeds as are paid to it and to hold the same in trust for the purposes elsewhere stated in these By-Laws, for the benefit of the Unit Owners and their respective mortgagees.

Section 5. 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 other interest in the Property 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 6. 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. In the event of damage to or destruction of all or any part of the building as a result of fire or other casualty (unless Unit Owners of Units to which Eighty [80%] Percent of the votes in the Unit Owners Association appertain vote note to proceed with the reconstruction and repair of the building), the Board of Directors shall arrange for and supervise the prompt repair and restoration of the Building including any damaged Unit or Units, any floor coverings, any kitchen or bathroom fixtures, cabinets or appliances, presently installed therein, and replacements thereof installed by the Unit Owners, but not including any other furniture, furnishings, fixtures or equipment 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 the building, the Board of Directors shall obtain reliable and detailed estimates of the cost of repairing and restoring the building including any damaged Unit, or Units, any floor coverings, kitchen and bathroom fixtures, cabinets and appliances presently installed therein, and replacements thereof installed by the unit owner, but not including any other furniture, furnishings, fixtures or equipment installed by the Unit Owner 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 in proportion to the number of votes in the Unit Owners Association appertaining to each such units.

(c) Plans and Specifications. Any such reconstruction or repair shall be substantially in accordance with the plans and specification under which the Property was originally constructed, and later restored 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 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, 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 or supplying the materials or services for the repair and reconstruction of the Building as are 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 the President or Vice President, and the Secretary, of the Unit Owners Association certifying:

(i) Whether or not the damaged property is required 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 promptly after request.

ARTICLE IX

TERMINATION

The Condominium shall be terminated only by the written agreement of the Unit Owners of Units to which Eighty (80%) Percent of the votes in the Unit Owners Association appertain, and by the prior written approval of Seventy Five (75%) Percent in number of the institutional holders of first deed of trust liens on Units in the Condominium, provided, however, that such approval by such holders of first deed of trust liens shall not be required in the event of a termination following a decision by the Unit Owners, pursuant to Article VIII, Section 1, hereof, not to proceed with reconstruction and repair of the destruction of Seventy Five (75%) Percent or more of the improvements in the Condominium. Such termination shall be effective only upon the recordation of such agreement, and, if required, such approval pursuant to Section 55-79.72(d) of the Code of Virginia 1950, as amended.

ARTICLE X

MORTGAGES

Section 1. Notice to Board of Directors. A Unit Owner who mortgages his Unit shall notify the Board of Directors of the name and address of his mortgagee and shall file a conformed copy of the note and mortgage with the Board of Directors.

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

Section 3. Right to Examine Books and Records. First mortgagees or holders of notes secured by first deeds of trust encumbering any Unit in this Condominium shall have the right to examine the books and records of the Condominium Unit Owners Association, or the Condominium project, during regular and normal business hours after reasonable notice.

Section 4. Notice to the Federal Home Loan Mortgage Corporation and to The Federal National Mortgage Association. The Board of Directors shall give notice in writing to the Federal Home Loan Mortgage Corporation, and/or to the Federal National Mortgage Association, or to the mortgagee servicing a loan on behalf of the Federal Home Loan Mortgage Corporation and/or the Federal National Mortgage Association, in writing of any loss to or taking of the Common Elements of the condominium project if such loss or taking exceeds TEN THOUSAND DOLLARS (\$10,000.00).

Section 5. Notice of Default. The Board of Directors, when giving notice to a Unit Owner of a default in paying an assessment for Common Expenses or any other default, shall send a copy of such notice to each holder of a mortgage covering such Unit Owner's Unit whose name and address has theretofore been furnished to the Board of Directors.

Section 6. Amendment to the Declaration or to the By-Laws of the Unit Owners Association. The prior written approval of 75% in number of institutional holders of first deed of trust liens on units in this condominium will be required for any material amendment to the Declaration or to the By-Laws of the Unit Owners Association, including, but not limited to, any amendment which would change the percentage interest of the Unit Owners in the common elements.

Section 7. Management of the Condominium. The prior written approval of 75% in amount of institutional holders of first deed of trust liens on units in the condominium will be required to effectuate any decision by the Unit Owners Association to terminate professional management and assume self-management of the Project.

Section 8. Partition or Subdivision of Units. No unit in this condominium may be partitioned or subdivided without the prior written approval of the holder of any first mortgage or deed of trust lien on such unit.

Section 9. Annual Audited Financial Statements and Notice of all Meetings. First mortgagees or holders of notes secured by first deeds of trust encumbering any unit in this condominium shall be entitled, upon request, to receive an annual audited financial statement of the condominium within ninety (90) days following the end of any fiscal year of the Unit Owners Association and to receive written notice of all meetings of the Unit Owners Association and, further, shall be permitted to designate a representative to attend all such meetings.

Section 10. Substantial Damage to or Destruction of any Unit or any Part of the Common Elements. In the event of substantial damage to or destruction of any unit or any part of the common elements, the institutional holder of any first mortgage or deed of trust on a unit will be entitled to timely written notice of any such damage or destruction.

Section 11. Condemnation or Eminent Domain Proceedings. If any unit or portion thereof, or the common elements, or any portion thereof, is made the subject matter of any condemnation or eminent domain proceedings, or is otherwise sought to be acquired by the condemning authority, then the institutional holder of any first mortgage or deed of trust lien on a unit will be entitled to timely written notice of any such proceedings or proposed acquisition.

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 By-Laws, and the Rules and Regulations, 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 By-Laws and the Rules and Regulations shall be grounds for relief which may include, without limiting the same, an action to recover any sums due for money damages, injunctive relief, foreclosure of the lien for payment of all assessments, any other relief provided for in these By-Laws or any combination thereof and any other relief afforded by a court of competent jurisdiction, all of which relief may be sought by the 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, or lessees, but only to the extent that such expense is not covered by the proceeds of insurance carried by the Board of Directors. Such liability shall include any increase in fire insurance rates occasioned by use, misuse, occupancy or abandonment of any Unit or its appurtenances. Nothing contained herein, however, shall be construed as modifying any waiver by any insurance company of its rights of subrogation.

(c) Costs 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 By-Laws 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 By-Laws, or the Rules and Regulations shall be deemed to be cumulative, and the exercise of any one or more thereof shall not be deemed to constitute an election of remedies, nor shall it preclude the party exercising the same from exercising such privileges as may be granted to such party by the Declaration, these By-Laws or the Rules and Regulations, or at law or in equity.

(e) Interest. In the event of a default by any Unit Owner in paying any Common Expenses or other sum assessed against him which continues for a period in excess of ten (10) days, such Unit Owner may, at the option of the Board of Directors, be obligated to pay interest on the amounts due at the rate of Eight percent (8%) per annum from the due date thereof.

(f) Abatement and Enjoinment of Violations by Unit Owners. The violation of any rule or regulation adopted by the Board of Directors, or the breach of any By-Law contained herein, or the breach of any provision of the Declaration shall give the Board of Directors the right, in addition to any other rights set forth in these By-Laws: (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.

(g) Failure by any unit owner to comply with any of the terms of the Declaration, these By-Laws 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 fines.

Section 2. Lien for Contributions.

(a) Any sum assessed by the Unit Owners Association for the share of the Common Expenses chargeable to any Unit and remaining unpaid for a period of thirty (30) days or longer after default shall constitute a lien on such unit and shall be enforced pursuant to the provisions of Section 55-79.84, Code of Virginia, as amended.

(b) Late Charges. Any assessment levied pursuant to the Declaration or these By-Laws, or any installment thereof, which is not paid within ten (10) days after it is due, shall 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 By-Laws for the collection of assessments.

ARTICLE XII

USE RESTIRCTIONS

Section 1. Residential Use. Except for the areas of the Condominium designated for recreational use, and for commercial use, all condominium units shall be used for private residential purposes exclusively except for such temporary non-residential uses as may be permitted by the Board of Directors from time to time. Nothing in this Section, or hereinafter, shall be construed to prohibit for promotion, marketing or display purposes as "model units" or from leasing any unit or units which Declarant owns, the Declarant from the use of any condominium unit which Declarant owns.

Section 2. Leasing. No condominium unit within the project shall be rented for transient or hotel purposes, or without the prior written approval of the Board of Directors, for any period less than six (6) months. Any owner of any condominium unit other than the Declarant who shall lease such unit shall, promptly following the execution of any such lease, forward a conformed copy thereof to the Board of Directors. Any such lease shall contain a provision to the effect that the rights of the tenant to use and occupancy of the condominium unit shall be subject and subordinate in all respects to the provisions of the Declaration and these By-Laws and to such other reasonable rules and regulations relating to the use of the common elements, or other "House Rules", as the Board of Directors may from time to time promulgate. In lieu of forwarding a conformed copy of the lease to the Board of Directors as hereinabove provided, any Unit Owner, other than the Declarant, who leases his unit may certify that such lease contains the provisions described in this paragraph. Any owner of any condominium unit other than the Declarant who shall lease his unit in violation of this paragraph shall forfeit his right to the use of the recreational facilities in the condominium until the violation is cured.

Section 3. Rules and Regulations The following Rules and Regulations shall apply to the condominium, the common elements, the limited common elements and the condominium units. The unit owners shall, at all times, obey said Rules and Regulations and shall use their best efforts to see that they are faithfully observed by their families, guests, invitees, servants, lessees and persons over whom they exercise control and supervision.

(1) The sidewalks, entrances, passages, vestibules, stairways, elevators, corridors, halls and all 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, or any other object of a similar type and nature be stored therein. No person or persons shall play or loiter in halls, stairways, elevators, or other public areas.

(2) The personal property of all unit owners shall be stored within their condominium units or within storage areas assigned to Unit Owners.

(3) No garbage cans, supplies, milk bottles, or other articles shall be placed in the halls, on the balconies, terraces, patios, in the staircase landings, nor shall any linens, cloths, clothing, curtains, rugs, mops or laundry of any kind, or other articles, be shaken or hung from any of the windows, doors, balconies, or exposed on any part of the limited common elements or common elements. Fire exits shall not be obstructed in any manner and the common elements shall be kept free and clear of rubbish, debris, and other unsightly material.

(4) No unit owner shall allow anything whatsoever to fall from the windows or balconies of the premises, nor shall he sweep or throw from his unit any dirt or other substances outside of this unit.

(5) Refuse and bagged garbage shall be deposited only in the area provided therefor.

(6) No unit owner shall store or leave boats, trailers or recreational vehicles on the condominium property, except as expressly authorized in writing by the Board of Directors.

(7) Employees of the Association shall not be sent off the condominium premises by any unit owner at any time for any purpose. No unit owner or resident shall direct, supervise, or in any manner attempt to assert any control over the employees of the Association.

(8) The parking facilities, except for limited common element parking facilities, shall be used in accordance with the regulations adopted by the Board of Directors. No vehicle which cannot operate on its own power shall remain on the condominium premises for more than twenty four (24) hours, and no repair of vehicles shall be made on the condominium premises. No vehicle shall remain on the condominium premises unless it has current state and city or county license plates and a current inspection sticker.

(9) No unit owner shall make or permit any disturbing noises by himself, his family, servants, employees, agents, visitors, and licensees, nor do or permit anything by such persons which will interfere with the rights, comforts or convenience of the unit owners. No unit owner shall play upon or suffer to be played upon any musical instrument, or operate or suffer to be operated, a phonograph, television, radio or sound amplifier in his unit, in such manner as to disturb or annoy other occupants of the condominium. All party(ies) shall lower the volume as to the foregoing at 11:00 PM of each day. No unit owner shall conduct or permit to be conducted, vocal or instrumental instruction at any time.

(10) No radio or television installation, or other wiring, shall be made without the written consent of the Board of Directors. Any antenna or aerial erected or installed on the exterior walls of a unit or on the limited common element or common elements of the condominium, which includes the roof, without the consent of the Board of Directors, in writing, is liable to removal without notice and at the cost of the unit owner for whose benefit the installation was made.

(11) Except for such signs and advertising used by the Declarant during the sales program, no sign, advertisement, notice or other lettering shall be exhibited, displayed, inscribed, painted or affixed, in, on or upon any part of the condominium unit, limited common elements or condominium property by any unit owner or occupant without written permission of the Board of Directors of the Association. The foregoing includes signs within a unit which are visible from outside the unit and the foregoing includes posters, advertisements or circulars upon the condominium property, including common elements, limited common elements, units or vehicles parked upon the condominium property, and distributing advertisements or circulars to units within the condominium.

(12) Balconies may not be enclosed nor anything affixed to the walls within such balconies except with the prior written consent of the Board of Directors of the Association, and said consent may be given as to certain units and not given as to others. The type of screening or enclosure and the manner of installation as to balconies, is subject to the written consent of the Board of Directors of the Association. Notwithstanding the foregoing, the Declarant has the paramount right to determine the type of screening or enclosure to be used and the manner of installation as to said balconies.

(13) 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.

(14) Complaints regarding the service of the condominium shall be made in writing to the Board of Directors of the Association.

(15) No inflammable, combustible or explosive fluid, chemical or substance, shall be kept or used in any unit or limited common element except such as are required for normal household use.

(16) All interior drapes hung by individual unit owners shall be lined on the side visible from the outside with white or neutral material.

ARTICLE XIII.

CONDEMNATION

In the event of a taking in condemnation or by eminent domain, the provisions of Section 55-79.44, Code of Virginia 1950, as amended, shall prevail and govern.

ARTICLE XIV

MISCELLANEOUS

Section 1. Notices. All notices, demands, bills, statements or other communications under these By-Laws shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by registered or certified mail, return receipt requested, first-class prepaid:

(i) 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

(ii) 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. Invalidity. The invalidity of any part of these By-Laws shall not impair or affect in any manner the validity, enforceability or effect of the balance of these By-Laws.

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 the reasonable cost of preparing such statement pursuant to the provisions of Section 55-79.97(b) Code of Virginia, as amended.

Section 4. Interchangeable Terms: As used in these By-Laws, 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.

ARTICLE XV

AMENDMENTS TO BY-LAWS

Section 1. Amendments. Except as otherwise provided in this Section, these By-Laws may be modified or amended either:

(a) By a vote of the owners of sixty six and two thirds (66-2/3%)

Percent of the Undivided Interest in the Common Elements at any regular or special meeting, provided that notice of the proposed amendment shall have been given to each Unit Owner at least twenty one (21) days in advance of such meeting; or

(b) Pursuant to a written instrument duly executed by the owners of at least sixty six and two thirds (66-2/3%) Percent of the Undivided Interest in the Common Elements.

Section 2. Recording. A modification or amendment of these By-Laws shall become effective only if such modification or amendment is recorded in the Land Records of Arlington County, Virginia.

Section 3. Conflicts. No modification or amendment of these By-Laws may be adopted which shall be inconsistent with the provisions of the Condominium Act. A modification or amendment, once adopted and recorded as provided for herein, shall then constitute part of the official By-Laws of the Condominium, and all Unit Owners shall be bound to abide by such modification or amendment.

E. French Strother (SEAL)

E. French Strother, Attorney-in-Fact for Palfis Company, N.V., a Netherlands Antilles Corporation

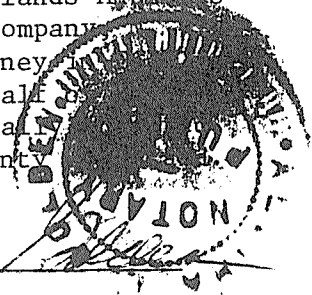
PALFIS COMPANY, N. V., a Netherlands Antilles Corporation

by: E. French Strother (SEAL)

E. French Strother as Attorney-in-Fact for Palfis Company, N. V.

STATE OF VIRGINIA, COUNTY OF ARLINGTON, to-wit:

I, Alletta L. [Signature], a Notary Public in and for the State and County aforesaid, do hereby certify that PALFIS COMPANY, N. V., a Netherlands Antilles Corporation, by E. French Strother, Attorney-in-Fact for Palfis Company, a Netherlands Antilles Corporation, and E. FRENCH STROTHER, Attorney-in-Fact for Palfis Company, N. V., a Netherlands Antilles Corporation, on behalf of Palfis Company, N. V., a Netherlands Antilles Corporation, whose names are signed to the foregoing By-Laws, personally appeared before me and acknowledged the same before me in my State and County. GIVEN under my hand and seal this 17th day of July, 1979.



Alletta L. [Signature]
Notary Public

My Commission expires: 1/10/82

Pursuant to Section 55-79.49 of the Code of Virginia, the name of the condominium is "The Ridge House, a Condominium" and the address of the condominium is 1301 S. Arlington Ridge Road, Arlington, Virginia.

FIRST AMENDMENT
 TO ORIGINAL DECLARATION OF
 THE RIDGE HOUSE,
 A CONDOMINIUM

PALFIS COMPANY, N. V., a Netherlands Antilles Corporation, Declarant, desires to make certain amendments to the original Declaration of THE RIDGE HOUSE, A CONDOMINIUM,

WHEREAS, the original Declaration of THE RIDGE HOUSE, A CONDOMINIUM, was executed on the 22nd day of March, 1979, and

WHEREAS, THE RIDGE HOUSE, A CONDOMINIUM, has been registered and is now registered with the Virginia Real Estate Commission in accordance with the Condominium Act, and

WHEREAS, no units in THE RIDGE HOUSE, A CONDOMINIUM, have yet been sold,

NOW THEREFORE, PALFIS COMPANY, N. V., a Netherlands Antilles Corporation, Declarant, hereby makes the following amendments to the original Declaration of THE RIDGE HOUSE, A CONDOMINIUM:

1. Paragraph II. "Limited Common Elements." of the original Declaration is deleted in its entirety and the following paragraph substituted therefore:

"II. Limited Common Elements. Limited Common Elements shall be governed by Section 55-79.50(e) of the Code of Virginia, 1950, as amended. Marked and identified on the attached PLANS as Limited Common Elements (LCE) are balconies and terraces which are assigned to the unit to which such Limited Common Element balcony or terrace is attached. Any expense of replacement relating to the Limited Common Element balconies and Limited Common Element terraces and all structural maintenance, repair or replacement thereof shall be treated as and paid for as part of the common expenses of upkeep and operation of the Condominium by the Unit Owners Association.

Shown on the attached PLANS are twenty-five (25) garage parking spaces. These twenty-five (25) parking spaces are Common Elements which may be assigned by the Declarant as Limited Common Elements. The Declarant reserves the right to assign these parking spaces as Limited Common Elements for the exclusive use of certain unit owners to whose units these parking spaces shall become appurtenant. The Declarant may assign such Common Elements as Limited Common Element parking

Return to: Jarnett, Kook & Jarnett

spaces pursuant to the provisions of Section 55-79.57 of the Condominium Act by making such an assignment in the Deed to the unit to which such Limited Common Element parking space shall be appurtenant and subsequently confirming such assignment by recording an appropriate amendment to this Declaration or to the Plats and Plans. Any expense associated with maintenance, repair, renovation, restoration or security of any Limited Common Element garage parking space shall be an expense assessed against the Condominium Unit or Units to which such Limited Common Element garage parking spaces are assigned."

2. Paragraph V. "Repair and Utility Easements." is amended by deleting the last sentence thereof which reads as follows: "These easements are restricted to the maintenance and repair of such utility lines and pipes and are strictly limited to the owners of adjoining units."

3. Paragraph VIII. "Subdivision of Units." is deleted in its entirety.

Except as modified and amended by this Amendment, the original Declaration of THE RIDGE HOUSE, A CONDOMINIUM, is continued in full force and effect.

IN WITNESS WHEREOF, PALFIS COMPANY, N. V. has caused this Amendment to Original Declaration of THE RIDGE HOUSE, A CONDOMINIUM, to be signed this 6th day of July, 1979.


E. French Strother (SEAL)
E. French Strother, Attorney-in-Fact
for Palfis Company, N. V., a Netherlands Antilles Corporation

PALFIS COMPANY, N. V.
by: E. French Strother (SEAL)
E. French Strother, its Attorney-in-Fact

STATE OF VIRGINIA,
COUNTY OF ARLINGTON

I, Alfred L. Bolger a Notary Public in and for the State and County aforesaid, do hereby certify that PALFIS COMPANY, N. V., a Netherlands Antilles Corporation, by E. French Strother, Attorney-in-Fact for Palfis Company, N. V., a Netherlands Antilles Corporation, and E. FRENCH STROTHER, Attorney-in-Fact for Palfis Company, N. V., a Netherlands Antilles Corporation, on behalf of the Corporation, whose names are signed to the foregoing First Amendment to Original Declaration, personally appeared before me and acknowledged the same before me in my State and County aforesaid.

Given under my hand and seal this 17th day of July, 1979.

Alfred L. Bolger
Notary Public 

My Commission expires: 1/10/82

Pursuant to Section 55-79.49 of the Code of Virginia, the name of the condominium is "The Ridge House, a Condominium", its address is 1301 South Arlington Ridge Road, Arlington, Virginia, and the Declaration with By-Laws, Plan and Plats and other Exhibits attached thereto was recorded on July 17th, 1979, among the land records of Arlington County, Virginia, as Instrument # 7054.

BY-LAWS

OF

THE RIDGE HOUSE, A CONDOMINIUM

ARLINGTON COUNTY, VIRGINIA

PALFIS COMPANY, N. V., a Netherlands Antilles Corporation, Declarant, desires to make certain amendments to the original By-Laws of THE RIDGE HOUSE, A CONDOMINIUM,

WHEREAS, THE RIDGE HOUSE, A CONDOMINIUM, has been registered and is now registered with the Virginia Real Estate Commission in accordance with the Condominium Act, and

WHEREAS, no units in THE RIDGE HOUSE, A CONDOMINIUM, have yet been sold,

NOW THEREFORE, PALFIS COMPANY, N. V., a Netherlands Antilles Corporation, Declarant, hereby makes the following amendments to the original By-Laws of THE RIDGE HOUSE, A CONDOMINIUM:

1. "Section 3. Managing Agent." of ARTICLE III. BOARD OF DIRECTORS. is deleted in its entirety and the following paragraph is substituted therefore:

"Section 3. Managing Agent. The Board of Directors shall be required to employ for the Condominium a professional Managing Agent at a compensation established by the Board of Directors, to perform such duties and services as the Board of Directors shall authorize; provided, however, that any such professional Management Contract may not be entered into for a term exceeding two (2) years, and provided further that such Management Contract may be terminated for cause upon sixty (60) days written notice, and provided, further, that such Management Contract may be terminated by any party without cause and without payment of a termination fee upon ninety (90) days written notice."

2. "Section 2. Payment of Common Expenses." of ARTICLE VI. OPERATION OF PROPERTY. Place a period after the word "foreclosure" in Line 20 and delete the following language appearing from Line 20 through Line 25: "Such unpaid share of Common Expenses assessed prior to the acquisition of title to such Unit by such purchaser pursuant to the foreclosure sale or Deed in lieu of foreclosure shall be collectible from all Unit Owners, including the purchaser of the foreclosure sale in proportion to their respective Undivided Interests in the Common Elements."

3. "Section 6. Amendment to the Declaration or to the By-Laws of the Unit Owners Association. of ARTICLE X. MORTGAGES. Delete the entire Section and add a new Section 6 as follows: "Section 6. Priority of Mortgages. Except as specifically provided in the Condominium Instruments, no provisions of the Condominium Instruments shall be construed to grant to any Unit Owner, the Unit Owners Association, or to any other Person, any priority over any rights of Mortgagees."

IN WITNESS WHEREOF, PALFIS COMPANY, N. V., has caused this Amendment to the Original By-Laws of THE RIDGE HOUSE, A CONDOMINIUM, to be signed this 6th day of July, 1979.

E. French Strother (SEAL)
E. French Strother, Attorney-in-Fact for Palfis Company, N. V., a Netherlands Antilles Corporation

PALFIS COMPANY, N. V.


by: E. French Strother (SEAL)
E. French Strother, its Attorney-in-Fact

STATE OF VIRGINIA,
COUNTY OF ARLINGTON, to-wit:

I, Almeta L. Galloway, a Notary Public in and for the State and County aforesaid, do hereby certify that PALFIS COMPANY, N. V., a Netherlands Antilles Corporation, by E. French Strother, Attorney-in-Fact for Palfis Company, N. V., a Netherlands Antilles Corporation, and E. FRENCH STROTHER, Attorney-in-Fact for Palfis Company, N. V., a Netherlands Antilles Corporation, on behalf of the Corporation, whose names are signed to the foregoing First Amendment to By-Laws, personally appeared before me and acknowledged the same before me in my State and County aforesaid.

GIVEN under my hand and seal this 17th day of July, 1979.

Almeta L. Galloway
Notary Public



My Commission expires: 11/10/82

Pursuant to Section 55-79.49 of the Code of Virginia, the name of the condominium is "The Ridge House, a Condominium", its address is 1301 South Arlington Ridge Road, Arlington, Virginia, and the Declaration with By-Laws, Plan and Plats and other Exhibits attached thereto was recorded on July 17th, 1979, among the land records of Arlington County, Virginia, as Instrument # 17054.

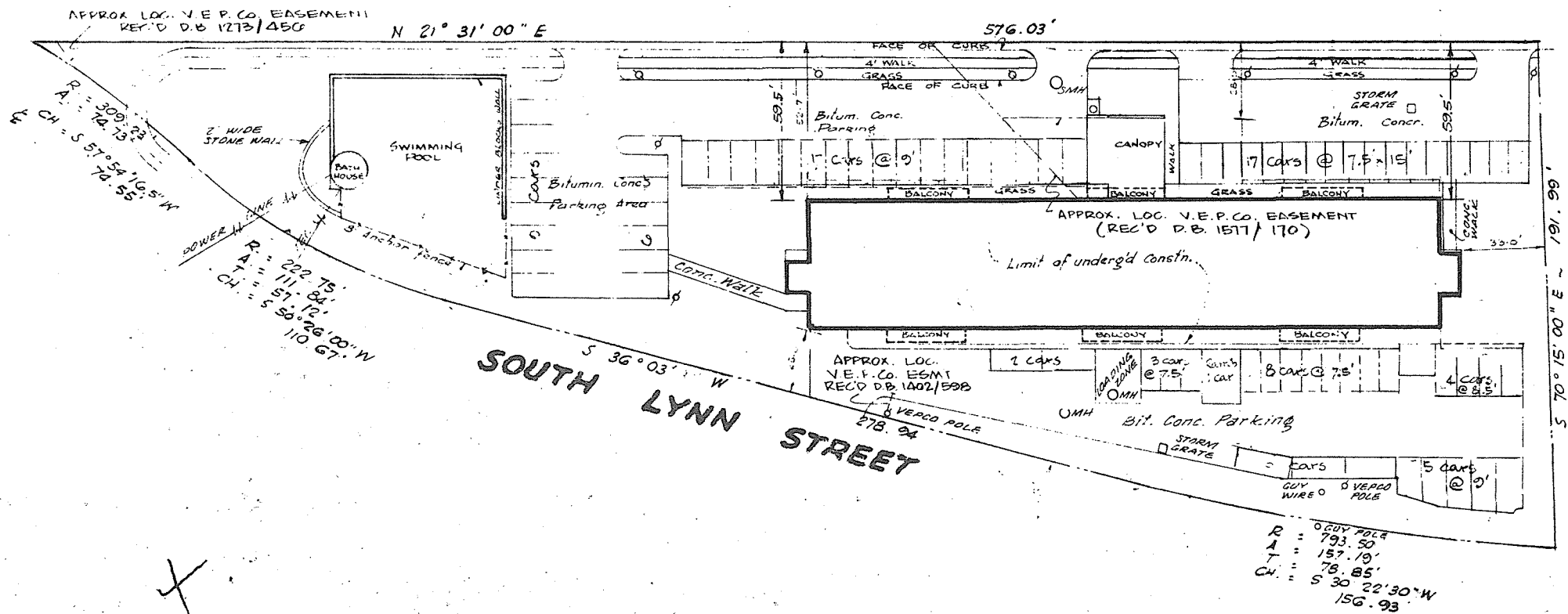
VIRGINIA: In and for the County of Arlington, the following instrument was presented to the Circuit Court of the County of Arlington

on July 17, 1979 at 3:23 o'clock P M

CONSIDERATION \$ _____
STATE TAX _____
COUNTY TAX _____
TRANSFER FEE _____
CLERK'S FEE 10.00
GRANTOR'S TAX _____
TOTAL 10.00

Testes: David A. Bell Clerk

SOUTH ARLINGTON RIDGE ROAD



THE RIDGE HOUSE

a Condominium
Arlington County, Virginia

SCALE: 1" = 40' JULY 1964

Delashmutt Associates
CERTIFIED LAND SURVEYORS
ARLINGTON VIRGINIA

I HEREBY CERTIFY THAT THIS PLAN IS ACCURATE AND CORRECT AND COMPLIES WITH THE REQUIREMENTS OF TITLE 55, SECTION 79.98 B AND THAT THE COMMON ELEMENT IMPROVEMENTS SHOWN HEREON ARE COMPLETE.

[Signature]
CERTIFIED LAND SURVEYOR

NOTE: Parking spaces shown on this plat shall be so delineated on site to conform to overall parking requirements

Note: Parking: 75 cars outside ~ 25 cars inside ~

NOTE: Final location added, May, 1965
Recertified July 21, 1978.

PLAT APPROVED FOR RECORD ONLY 7/17/79

[Signature]
SURVEYS ENGINEER

APPROVAL VOID IF PLAT IS NOT OFFERED FOR RECORD WITHIN 60 DAYS OF THE DATE OF APPROVAL.
THIS APPROVAL DOES NOT INCLUDE AUTHORITY FOR CONSTRUCTION

A-65-204-3