

AMENDED AND RESTATEDBY-LAWSOFCARROLLSBURG SQUARE CONDOMINIUM ASSOCIATIONARTICLE I.INTRODUCTION AND APPLICATIONA. Name

The name of this Condominium Association is "Carrollsburg Square Condominium Association, Inc.," hereinafter the "Association." The Association is currently a nonprofit Corporation duly organized under the District of Columbia Nonprofit Corporation Act, as amended and subsequently amended from time to time.

B. Establishment of Condominium

Carrollsburg Square Condominium, hereinafter "Condominium," was established by the recordation of the Declaration of Condominium in accordance with the Horizontal Property Act of the District of Columbia, which has been superseded by the District of Columbia Condominium Act of 1976, as amended, and subsequently amended from time to time, hereinafter the "Condominium Act" or "Act." The administration of the Condominium and the actions of Unit Owners and the Association, and its Board of Directors and officers shall be governed by the Act and these By-Laws.

C. Definitions

Unless it is plainly evidenced from the context that a different meaning is intended, all terms used herein shall have the same meaning as they are defined to have in the Declaration and the Condominium Act.

D. Applicability

All present and future Unit Owners and their tenants, licensees, invitees, agents, employees and other person or persons who are permitted to use the Condominium shall be subject to these By-Laws and the other Condominium Instruments and to the Rules and Regulations of the Association. Acquisition, rental or occupancy of a Unit shall constitute the Unit Owner's, tenant's and

occupant's acceptance and ratification of, and the agreement to comply with, these By-Laws and other Condominium Instruments, and any Rules and Regulations now existent or hereafter adopted.

ARTICLE II.

UNIT OWNERS ASSOCIATION

A. Membership

All of the Owners of Condominium Units, acting as a group in accordance with the Act, the Declaration and these By-Laws, shall constitute the "Association." The Association may be an unincorporated association or a nonprofit corporation. Each Unit Owner in the Condominium, upon acquiring title to a Unit, shall automatically become a member of the Association and shall remain a member thereof until such time as his or her ownership of such Unit ceases for any reason, at which time his or her membership in the Association shall automatically cease, provided, however, that any person, group or persons, corporation, trust or other legal entity, or any combination thereof, who holds any interest in a Unit solely as security for the performance of an obligation shall not be a member of the Association. Title to Condominium Units may be taken in the name of a natural person or in the names of two or more natural persons, or in the name of a corporation, partnership, association, trust or other entity capable of holding title to real property or any combination thereof.

B. Place of Meetings

Meetings of the Association shall be held at such suitable place convenient to the Owners, as may be designated by the Board of Directors.

C. Annual Meetings

The annual meetings of the Association shall be held on the first week of November as determined by the Board of Directors. At such meeting, there shall be elected by ballot of the Owners a Board of Directors in accordance with the requirements of these By-Laws. There shall also be transacted at such meeting such other business as may be properly brought before the Association.

D. Special Meetings

The President shall call a special meeting of the Association

Whenever so directed by a resolution of the Board of Directors or upon a petition signed and presented to the Secretary by the Owners holding one-third (1/3) of the voting interests of the members of the Association. The signatures on a petition requesting a special meeting shall be valid for a period of one hundred eighty (180) calendar days after the date of the first such signature. Notices of all special meetings shall state the time and place of each such meeting and the purpose thereof. No business shall be transacted at a special meeting unless stated in the notice thereof.

E. Notice of Meetings

It shall be the duty of the Secretary to mail a notice of meeting of the Association and an official proxy to each Unit Owner at least twenty-one (21) days in advance of an annual meeting and at least seven (7) days in advance of any other meeting. The notice shall state the time, place and purposes of the meeting. The notice shall be sent by United States mail to all Unit Owners of record at the address of their respective Units and to such other addresses as any of them may have designated to the Secretary in writing or hand-delivered by the Secretary, provided the Secretary certifies in writing that the notice was delivered to the Unit Owner. Placing the notice in the Unit Owner's mail slot constitutes hand-delivery of the notice. The mailing or hand-delivery of a notice of meeting in the manner provided herein shall constitute service of notice.

F. Adjourned Meetings

If any meeting of the Association cannot be held because a quorum is not present, Owners holding a majority of the votes present at such meeting, in person or by proxy, may adjourn the meeting to a time not less than one week from the time the original meeting was called.

G. Quorum

The presence in person or by proxy of Owners entitled to cast fifty-one percent (51%) of the votes in the Association at the beginning of such meeting shall constitute a quorum.

H. Voting

Voting at all meetings of the Association shall be on a percentage basis and the percentage of the vote to which each Owner is entitled shall be the individual percentage interest assigned to his or her Condominium Unit in the Declaration. Where the ownership of a Condominium Unit is in more than one person, then

the person who shall be entitled to cast the vote of that Condominium Unit shall be the person named in a certificate signed by all of the Owners of the Condominium Unit and filed with the Secretary of the Association. Such certificate shall be valid until revoked by a subsequent certificate. Wherever the approval or disapproval of an Owner is required by the Act, the Declaration or these By-Laws, such approval or disapproval shall only be made by the person who would be entitled to cast the vote for the Owner of such Condominium Unit at any meeting of the Association. Except as otherwise provided in the Act, in the Declaration or in these By-Laws, a majority of the Owners present (in person or by proxy) and voting is required to adopt decisions at any meeting of the Association. In the event the Association owns one or more Units, the votes associated with such Unit(s) shall be included in determining whether a quorum is present at any meeting, and shall be deemed to be cast in proportion to the affirmative and negative votes cast at the meeting by all Unit Owners other than the Association.

I. Percentage of Owners

Wherever the terms "majority of the Owners present," "two-thirds of the Owners" and "three-fourths of the Owners" are used in these By-Laws or in the Declaration, they shall mean respectively 51%, 66-2/3%, and 75% of those present and qualified to vote at a meeting (in person or by proxy) and voting, computed in accordance with their individual percentage interests as established in the Declaration.

J. Proxies

The votes appertaining to any Unit may be cast pursuant to a proxy or proxies duly executed by or on behalf of the Unit Owner, or, in cases in which the Unit Owner is more than one (1) person, by or on behalf of all such persons. Revocation of a proxy is not binding on the Association unless actual notice of the revocation is received by the officer presiding over the meeting or by the death of the Unit Owner. All proxies must be in writing and must be filed in original or by facsimile with the Secretary in the form approved by the Board of Directors before the appointed time of each meeting. If a proxy is submitted by facsimile, it must be followed by delivery of the original proxy form to the Secretary within thirty (30) calendar days. A proxy shall be void if it is not dated, if it purports to be revocable without notice, or if the signature of any Unit Owner executing the same has not been witnessed by a person who shall sign his or her full name and address. A proxy shall terminate automatically upon the final adjournment of the first meeting held on or after the date of the

proxy, but shall remain in effect during any recess or temporary adjournment of the meeting.

K. Order of Business

At the annual meeting of the Association, and as far as practical at all special meetings of the same, the following order of business shall apply:

1. Roll call.
2. Proof of notice of meeting.
3. Reading or waiver of minutes of preceding meeting.
4. Reports of officers.
5. Reports of committees.
6. Election of Inspectors of Election (when so required).
7. Election of Directors.
8. Unfinished business.
9. New business.
10. Adjournment.

L. Conduct of Meeting

The President shall preside over all meetings of the Association and the Secretary shall keep the minutes of the meeting and record in a Minute Book all resolutions adopted at the meeting as well as a record of all transactions occurring thereat. The most recent edition of Roberts Rules of Order shall govern the conduct of all meetings of the Association when not in conflict with the Declaration, the By-Laws and any of the statutes of the District of Columbia or the Condominium Act.

ARTICLE III.

BOARD OF DIRECTORS

A. Number and Qualifications

The affairs of the Carrollsburg Square Condominium Association shall be governed by a Board of Directors composed of five (5) persons, who must be Owners and four (4) of which must reside in Units in the Carrollsburg Square Condominium.

B. Powers and Duties

The Board of Directors shall have all of the powers and duties

necessary for the administration of the affairs of the Association and the Carrollsburg Square Condominium and may do all such acts and things as are not by the Act or by these By-Laws directed to be exercised and done by the Association.

The Board of Directors shall have the power to adopt any rules and regulations deemed necessary or desirable at any time for the enjoyment of the Carrollsburg Square Condominium provided such rules and regulations shall not be in conflict with the Act and the Declaration. The Board of Directors may delegate to one of its members the authority to act on behalf of the Board of Directors on matters relating to the duties of the Managing Agent, if any, which might arise between meetings of the Board of Directors.

C. Other Duties

In addition to the duties imposed by these By-Laws or by any resolution of the Association that may hereafter be adopted, the Board of Directors shall be responsible for the following:

1. To prepare an annual budget and submit the same to the Association at its annual meeting for approval, in which annual budget there shall be established the contribution of each Owner to the Common Expenses.

2. To establish the means and methods of collecting such contribution from the Owners and it shall establish the period of the installment payment of the annual contribution to the Common Expenses. Unless otherwise determined hereafter by the Board of Directors, the annual contribution of each Owner to the Common Expenses adopted by the Association shall be in monthly installments, and each installment shall be due and payable in advance on or before the fifteenth (15) day of each month for said month.

3. To provide for and regulate the care, operation, upkeep, repair, maintenance, replacement and surveillance of all of the buildings and improvements and the General and Limited Common Elements and services contained in the Carrollsburg Square Condominium.

4. To designate, hire and dismiss the personnel necessary for the maintenance and operation of the Carrollsburg Square Condominium and the General and Limited Common Elements of the same, and provide services for the same, and where appropriate it may provide for the compensation of such personnel and for the purchase of equipment, supplies and material to be used by such personnel in the performance of their duties, which supplies and equipment shall be deemed the common property of the Association.

5. To employ for the Association, a professional Managing Agent at a compensation to be established by the Board of Directors. The Board of Directors shall delegate to such Managing Agent the responsibility of providing for the care, upkeep and surveillance of all of the buildings and improvements and the General and Limited Common Elements and services contained in the Carrollsburg Square Condominium. It may also authorize the Managing Agent to designate, hire and dismiss the personnel necessary for the maintenance and operation of the Carrollsburg Square Condominium and the General and Limited Common Elements of the same, and provide services for the same. It may also delegate to such Managing Agent or Bookkeeper the responsibility of collecting the contribution from the Owners required to be contributed by the Owners by these By-Laws, the Declaration and the Act.

6. To collect the contributions of the Owners in accordance with the manner fixed by the Association, to deposit the proceeds thereof in a bank depository which the Board of Directors shall approve, and to use the proceeds of the contributions to carry out the administration of the Carrollsburg Square Condominium.

7. To contract for and to pay for all maintenance, repair and replacement of all of the parts of the Carrollsburg Square Condominium required to be maintained, repaired and replaced by the Association in the Declaration and these By-Laws.

8. To make and amend rules and regulations respecting the use of the property, including the Condominium Units and the General and Limited Common Elements in the Carrollsburg Square Condominium.

9. To enforce by legal means the provisions of the Declaration these By-Laws and the Rules and Regulations adopted by the Board of Directors, and bring, intervene or defend any proceeding in the name of the Association or on behalf of the Association any matter that affects the Condominium and/or the Association and to bring any proceeding authorized to be instituted on behalf of the Association in the Condominium Act.

10. To carry insurance against casualties and liabilities, as hereinafter provided in the By-Laws and to pay the premium cost thereof.

11. To pay the cost of all services rendered to the Condominium and not billed to Owners of individual Condominium Units.

12. To keep books with detailed accounts in chronological order of the receipts and expenditures affecting the Condominium Units and the administration of the Carrollsburg Square Condominium Association, specifying the maintenance and repair expenses of the Common Elements, the Limited Common Elements, and any other expenses incurred. Both the said books and the vouchers accrediting the entries thereupon shall be available for examination by the Owners, their duly authorized agents or attorneys, at general hours on working days. All books and records shall be kept in accordance with good accounting practice and the same shall be audited at least once a year by an independent certified public accountant employed by the Board of Directors who shall not be a resident of the Carrollsburg Square Condominium, or an Owner of a Condominium Unit therein. If the Board of Directors employs a Managing Agent, it may delegate to such Managing Agent the responsibility of maintaining such books and records and the Managing Agent shall keep and maintain the same in the manner provided for in these By-Laws and the Act. Such books and records when kept by the Managing Agent shall nevertheless be available for examination by the Owners or their duly authorized agents or attorneys in the manner hereinbefore provided, and such books and records, when kept by the Managing Agent, shall nevertheless be audited at least once a year by an independent certified public accountant who is not associated with the Managing Agent and who is not a resident of or the Owner of a Condominium Unit in the Carrollsburg Square Condominium. The cost of such audit shall be a Common Expense borne by the Association.

13. Whenever it shall receive notice in writing from any mortgagee or holder of any deed of trust encumbering any Condominium Unit, the Board of Directors shall notify such mortgagee or holder of such deed of trust of any default by the Owner of such Condominium Unit.

14. To impose a charge for late payment of an assessment and, after notice and an opportunity to be heard, levying a reasonable fine for violation of any provision of the Declaration, these By-Laws or the Rules and Regulations adopted by the Board of Directors, which, in the judgment of the majority of the Board, materially affects the health, safety or welfare of the Association.

15. To impose on and receive from individual Unit Owners any payment, fee, or charge for the use, rental, or operation of the Common Elements or for any service provided to Unit Owners.

16. To grant such licenses, easements, and/or rights of way for sewer lines, water lines, electrical cables, telephone cables,

gas lines, storm drains, underground conduits and/or such other purposes as may be considered necessary and appropriate by the Board of Directors for the orderly maintenance, preservation of the health, safety, convenience and/or welfare of the Unit Owners, which may be granted only over or through the Common Elements.

17. To acquire, hold, encumber or convey in the name of the Association any right, title or interest to real or personal property. The Board of Directors is empowered to grant any easement, lease, license or concession through or over the Common Elements. The Board of Directors shall have the irrevocable power as attorney-in-fact on behalf of all Unit Owners and their successors in title to grant such easements through and over the Common Elements and to accept easements benefitting the Condominium or any part thereof.

18. To establish committees for the benefit of the Condominium and the Association to the extent that the Board deems it appropriate.

19. To open bank accounts on behalf of the Association and designate the signatures required therefor.

20. To obtain a loan and pledge and assign the Association's right to future income, including Common Expense assessments from Owners for the limited purpose to repair or replace the Common Elements of the Condominium as agreed to by a majority vote of the Association.

21. To do such other things and acts not inconsistent with the Act and with the Declaration which it may be authorized to do by a resolution of the Association.

D. Election and Term of Office

Commencing with the Annual Meeting after the recordation of the By-Laws, all Board of Directors will serve two year terms on a staggered basis. The Directors shall hold office until their successors have been elected and hold their first meeting.

E. Vacancies

Vacancies in the Board of Directors caused by any reason other than the removal of a Director by the vote of the Association shall be filled by vote of the majority of the remaining Directors, even though they may constitute less than a quorum, and each person so elected shall be a Director until a successor is elected at the next annual meeting of the Association. For purposes of this

Section, a vacancy is deemed to have occurred when a Director resigns or when a Director misses without good cause more than three (3) regularly scheduled meetings of which he or she has received notice.

F. Removal and Resignation of Directors

At any regular or special meeting duly called, any one or more of the Directors may be removed with or without cause by a majority of the Association, all Unit Owners, in accordance with their Percentage Interests, and a successor may then and there be elected to fill the vacancy thus created. Any Director whose removal has been proposed by the Owners shall be given at least ten (10) days' notice of the calling of the meeting and the purpose thereof, and he or she shall be given an opportunity to be heard at the meeting. A Director may resign at any time and shall be deemed to have resigned upon disposition of the Unit which made such person eligible to be a Director as provided by the Condominium Act.

G. Organization Meetings

The first meeting of a newly elected Board of Directors shall be held within thirty (30) days of their election at such place and time as shall be fixed by the Directors at the meeting at which such Directors were elected, and no further notice of the organization meeting shall be necessary provided a quorum shall be present.

H. Regular Meetings

Regular meetings of the 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 six (6) such meetings shall be held during each fiscal year. Notice of regular meetings shall be given to each Director personally or by mail, telephone, via facsimile or telegraph, at least three (3) days prior to the day named for such meeting, unless such notice is waived.

I. Special Meetings

Special meeting of the Board of Directors may be called by the President, and must be called by the Secretary at the written request of three (3) or more Directors. Not less than three (3) days' notice of the meeting shall be given personally or by mail, telephone, via facsimile or telegraph, which notice shall state the time, place and purpose of the meeting.

J. Waiver of Notice

Any Director may waive notice of a Directors' meeting before or after the meeting, and such waiver shall be deemed equivalent to the giving of notice. Attendance by a Director at any meeting of the Board of Directors shall constitute a waiver of notice by him or her 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.

K. Quorum

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

L. Fidelity Bond

The Board of Directors shall require that all Directors, officers, trustees, volunteers, agents (including the Managing Agent), and employees of the Association handling or responsible for funds furnish adequate fidelity bonds or insurance. The fidelity bonds or insurance shall designate the Association as a named insured and, if obtainable, shall be written in an amount sufficient to provide protection which shall not be less than all of the reserves and one-half ($\frac{1}{2}$) the Association's estimated annual operating expenses. The premiums on such fidelity bonds shall be a Common Expense.

M. Compensation

No Director or Officer shall receive any fee or compensation for services performed by him or her, but a Director may be reimbursed for actual out-of-pocket expenses incurred by him or her in the proper performance of his or her duties.

N. 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. The most recent edition of Roberts Rules of Order shall govern the conduct of the meetings of the Board of Directors when not in conflict with the Declaration and these By-Laws or the statutes of the District of Columbia and the Condominium Act.

O. Liability of the Board of Directors, Officers and Committee Members

The Directors shall not be liable to the Association or to the Unit Owners for mistakes of judgment or for negligence not amounting to willful misconduct, gross negligence, or bad faith. The Unit Owners shall indemnify and hold harmless each of the Directors from and against all contractual liability to others arising out of contracts made by the Board of Directors on behalf of the Association or the Unit Owners unless such contract was made in bad faith or contrary to the provisions of the Condominium Instruments. The directors shall not be personally liable for contracts made by them on behalf of the Association. The liability of any Unit Owner arising out of any contract made by the Board of Directors shall be limited to that proportion of the total liability thereunder as the Par Value of his or her Unit bears to the aggregate Par Values of all the Units. The Association shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding by reason of the fact that he or she is or was a Director or officer of the Association against expenses (including attorney's fees), judgments, fines and amounts paid in settlement incurred by him or her in connection with such action, suit or proceeding if he or she acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of the Association. The provisions of this Section shall also apply to each officer, committee member and volunteer appointed by the Board of Directors.

P. Action Without Meeting

Any action required or permitted to be taken by the Board of Directors at any meeting may be taken without a meeting if all of the members of the Board of Directors shall individually or collectively consent in writing or orally to such action. Such written or oral consents shall be reflected in the minutes of the proceedings of the Board of Directors.

Q. Executive Sessions

All meetings of the Board of Directors shall be open to Unit Owners as observers, except that the President or presiding officer

may call the Board into executive session on sensitive matters, including, but not limited to, the following:

1. Discussion of matters pertaining to employees and personnel;
2. Consultation with legal counsel.
3. Consultation with staff personnel, consultants, attorneys, or other persons in connection with pending or potential litigation;
4. Investigative proceedings, concerning possible or actual criminal misconduct;
5. Complying with a specific constitutional statutory, or judicially imposed requirement protecting particular proceedings or matters from public disclosure;
6. Personal and/or financial affairs of Owners and residents;
7. Enforcement of the By-Laws and Rules and Regulations; and
8. On an individually recorded affirmative vote of two-thirds of the Directors present, for some other reason sufficiently compelling to override the general public policy in favor of open meetings.

Any final action taken by the Directors in executive session shall be recorded in the minutes.

R. Committee

1. The Board of Directors may establish committees as may be deemed necessary or expedient by the Board of Directors to further the purposes of the Association, and the responsibilities and powers of such committees shall be in accordance with provisions established by the Board of Directors not inconsistent with these By-Laws.

2. The President and Vice President of the Board of Directors shall be members, ex-officio, or all committees.

3. The membership in each committee shall be appointed by the Board of Directors at its first meeting following the annual meeting of the members of the Association or at any other time as the Board of Directors deems it necessary, and members of such

committees shall serve at the pleasure of the Board of Directors until their successors are appointed or until their resignation or removal.

S. Managing Agent

The Board of Directors may employ for the Association a professional Managing Agent at a compensation fixed by the Board of Directors, to perform such duties as the Board of Directors may authorize. The Board of Directors may delegate to the Managing Agent certain powers and duties delegated to the Board of Directors by these By-Laws. The Board of Directors shall not be liable for any omission or improper exercises by the Managing Agent for any such duty, power or function delegated. Any agreement with the Managing Agent shall be in writing and shall provide that it may be terminated, with or without cause, on thirty (30) days' written notice.

ARTICLE IV.

OFFICERS

A. Designation

There shall be four principal officers, a President, a Vice President, Secretary and Treasurer, all of whom shall be elected by and from the Board of Directors. The Directors may appoint such other officers or assistants as in their judgment may be necessary.

B. Election of Officers

Officers shall be elected annually by the Board of Directors at the organization meeting of each new Board and such officers shall hold office at the pleasure of the Board of Directors.

C. Removal and Resignation of Officers

Upon any 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 or her successor elected at any regular meeting of the Board of Directors, or at any special meeting of the Board called for that purpose. Any officer may resign at any time and shall be deemed to have resigned upon disposition of the Unit which made such person eligible to be an officer as provided by the Condominium Act.

D. President

The President shall be the Chief Executive Officer of the Association. He or she shall preside at all meetings of the Association and the Board of Directors, and he or she shall have the right to vote in all cases at such meetings. He or she shall have all of the general powers and duties which are usually vested in the office of a president of an unincorporated association or corporation, including, but not limited to, the power to appoint committees from among the Owners from time to time as he or she may in his or her discretion decree is appropriate to assist in the conduct of the affairs of the Association.

E. Vice President

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

F. Secretary

The Secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of the Association, and he or she shall have charge of such books and papers as the Board of Directors may direct.

G. Treasurer

The Treasurer may have responsibility for the funds and securities of the Association and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. He or she may be responsible for the deposit of all monies and other property in the name of and to the credit of the Association in such depositories as may from time to time be designated by the Board of Directors. If a Managing Agent or Bookkeeper has been engaged by the Board of Directors, then the Treasurer may delegate to such Managing Agent or Bookkeeper the responsibility for maintaining the fiscal books of account, provided regular periodic statements are submitted to him or her by such Managing Agent or Bookkeeper.

H. Execution of Agreements, Contracts, Deeds, Checks, Etc.

With the prior authorization of the Board of Directors all

agreements, contracts, deeds, leases, checks and other instruments shall be executed on behalf of the Association by either the President or the Vice President, and all checks shall be executed on behalf of the Association by such Officers, agents or other persons as are from time to time so authorized by the Board of Directors, provided, however, that all agreements, contracts, deeds, leases, checks and other instruments of the Association requiring or effecting expenditures or obligations of One Thousand Dollars (\$1,000.00) or more, shall be executed by any two (2) Officers of the Association or by such other person or persons as may be designated by the Board of Directors. Contracts in excess of Ten Thousand Dollars (\$10,000.00) shall be reviewed by the Association's legal counsel before they are signed.

ARTICLE V.

FISCAL MANAGEMENT

Each Owner shall be liable for the payment of his or her contribution to the Common Expenses which shall be determined, assessed and collected in the following manner:

A. Budget

1. The Board of Directors shall adopt a budget for each calendar year which shall be submitted to the annual meeting of the Association for approval, which budget shall contain estimates of the cost of performing the functions of the Association, including but not limited to, the following items:

a. Common Expense Budget

(1) Maintenance, repair and replacement of the General Common Elements and Limited Common Elements.

(2) Administration of the Condominium.

(3) Landscaping.

(4) Maintenance of walks and paved areas.

(5) Casualty insurance.

(6) Liability insurance.

(7) Utility services affecting the General Common

Elements.

(8) Management fees to Managing Agent.

(9) Such other expenses as shall be estimated by the Board of Directors and necessary for the administration and operation of the Condominium, or which may be declared to be Common Expenses by the Act, the Declaration, these By-Laws, or by resolution of the Association.

b. Contingency Reserve Fund - To provide for all sums to be collected for emergencies and unforeseen contingencies.

c. Repair and Replacement Reserve Fund - To provide for all sums to be collected for alteration and improvement assessments and for reconstruction and repair assessments.

d. Other Assessments - To provide for all service to be collected for and such other proposed assessments against each Owner for such other purpose as may be deemed necessary by the Board of Directors and which may be approved by the Association.

2. Assessments for the Common Expense

Copies of the proposed budget and proposed assessments shall be furnished to each Condominium Unit Owner by the Board of Directors at least fifteen days before the annual meeting of the Association, and the same shall be submitted for approval to the Association at such annual meeting. If approved at such annual meeting by a majority of the Owners, the budget shall constitute the basis of determining the contribution of each Owner for the assessment of Common Expenses as established by the Act, the Declaration and these By-Laws. The contribution of each Owner to the Common Expenses shall be in proportion to their respective individual percentage interest as set forth in the Declaration. The same shall be paid by each Owner in the manner provided for in the Declaration and these By-Laws and the same is hereby declared to be a lien within the Act of the District of Columbia against the respective Condominium Unit in the manner provided for in ARTICLE VII of these By-Laws. Payment shall be made to the Managing Agent employed by the Board of Directors or else to the Treasurer or such other person designated by the Board of Directors. In the event of a default in the payment of the contribution by any Owner, then the Board of Directors shall have the right to exercise any of the powers granted to the Association for the enforcement of the obligation of each Owner to pay his or her respective contribution as is set forth in the Act, the Declaration and these By-Laws.

B. Assessments Other Than Common Expenses

Whenever the Association shall levy any assessment other than Common Expenses in accordance with the provisions of the Act, the same shall be paid by the Condominium Unit Owner in the manner provided for in the resolution adopting such assessment, which resolution may declare the same to be a lien within the purview of the Act of the District of Columbia, and the collection of the same shall be the responsibility of the Board of Directors acting through the Managing Agent, or by any other means not inconsistent with the Act and the Declaration.

C. Accounts

All sums collected by the Board of Directors on behalf of the Association may be commingled into a single fund, and if so, they shall be held for the Condominium Unit Owner in accordance with his or her individual percentage interest as set forth in the Declaration. The Board of Directors may create such accounts in bank or savings and loan association depositories as it sees fit, and may create separate depository accounts for special funds and accounts as it may determine from time to time.

D. Lien for Assessments

All assessments levied against a Unit Owner pursuant to these By-Laws shall constitute a lien against the Unit of such Owner within the purview of the Act, which lien shall be effective from the date of the assessments. The Board of Directors shall have the authority to take all necessary action as may be required by the then laws of the District of Columbia to confirm the establishment of such lien.

E. Acceleration of Installments

Upon the default by any Unit Owner in the payment of any single installment, which default shall continue for ten (10) days beyond the due date of payment for such installment, then thereafter at the option of the Board of Directors, the then remaining total of the unpaid installments of such lien may be accelerated for payment and the then balance owing may be declared due and payable in full by the service of notice to such effect upon the defaulting Unit Owner by the Board of Directors in the manner provided by these By-Laws.

F. Enforcement of Lien

Any lien may be foreclosed in the manner provided by the laws

of the District of Columbia. During the pendency of any suit, the Unit Owner shall be required to pay a reasonable rental for the Unit for any period prior to sale pursuant to any judgment or order of any court having jurisdiction thereover for such sale. The plaintiff in such proceeding shall have the right to the appointment of a receiver if available under the then laws of the District of Columbia. The Board of Directors, acting on behalf of the Association shall have the power to bid on the Unit at any foreclosure sale, and to acquire, hold, lease, mortgage and convey the same. Notwithstanding the above, a suit to recover a money judgment for unpaid contributions shall be maintainable without foreclosing or waiving the lien securing the same, and foreclosure shall be maintainable notwithstanding pendency of any suit to recover a money judgment.

G. Supplementary Method of Enforcement of Lien

In addition to proceedings available at law or equity for the enforcement of the lien for Common Expenses, the Association may require each Unit Owner to execute bonds constituted upon the faithful performance and payment of the installments of the lien for Common Expenses and may secure the payment of such obligations in accordance with the provisions of the Act and the laws of the District of Columbia.

H. Priority of Lien

The lien established hereby and in accordance with the Act shall have preference over other assessments, liens, judgments or charges, except the following:

- (1) General and special assessments for real estate and other taxes on the Condominium Project;
- (2) The liens of any deeds of trust, mortgage instruments or encumbrances duly recorded on the Unit prior to the assessment of the lien thereon or duly recorded on said Unit after receipt of a written statement from the Board of Directors reflecting that payments on said lien were current as of the date of recordation of said deed of trust, mortgage instrument or encumbrance, unless provided otherwise by the Condominium Act.

I. Obligation for Payment of Liens Upon Sale or Conveyance of a Unit

1. Upon a voluntary sale or conveyance of a Unit, a purchaser Unit Owner and a seller Unit Owner of such Unit shall be jointly

and severally liable for all unpaid assessments against said Unit in accordance with the provisions of the Act.

2. Upon an involuntary sale of a Unit, a purchaser Unit Owner of such a Unit shall not be liable for any unpaid assessments against said Unit which become due prior to his/her acquisition of the Unit in accordance with the provisions of the Act.

J. Subordination and Mortgage Protection

Notwithstanding any other provisions hereof to the contrary, the lien of any assessment levied pursuant to these By-Laws shall be subordinate to, and shall in no way affect the rights of the holder of any indebtedness secured by any recorded first mortgage (meaning a mortgage with a priority over other mortgages) upon such interest made in good faith and for value received, provided, however, that such subordination shall apply only to assessments which have become due and payable prior to a sale or transfer of such Condominium Unit pursuant to a decree of foreclosure, or any other proceeding in lieu of foreclosure, unless provided otherwise by the Condominium Act. Such sale or transfer shall not relieve the purchaser at such sale of the Condominium Unit from liability for any assessments thereafter becoming due.

No amendment to this Section shall affect the rights of the holder of any such mortgage (or the indebtedness secured thereby) recorded prior to recordation of such amendment unless the holder thereof (or of the indebtedness secured thereby) shall join in the execution of such amendment.

K. Reserve Fund for Improvements, Replacements and Major Repairs or Emergencies

The Board of Directors shall establish and maintain a reasonable fund for improvements, replacements and major repairs or emergencies by providing for a reserve fund in the Annual Budget, segregating such reserve fund on the books of the Association, and allocating and paying monthly to such reserve fund a minimum of one-twelfth (1/12) of the total amount budgeted for such reserve fund for the current fiscal year. The portion of the Unit Owners' assessments paid into such reserve fund shall be conclusively deemed to be contributions to the capital of the Association by the Unit Owners. Such reserve fund may be expended for the purposes of improvements, replacements and major repairs or emergencies. If for any reason, including nonpayment of any Unit Owner's assessment, such reserve fund is inadequate to defray the cost of a required improvement, replacement or major repair or emergency, the Board of Directors may at any time propose the levy of an

additional assessment against the Unit Owners in proportion to the percentage interest in their Units, payable into such reserve fund in a lump sum or in installments as the Board of Directors may determine. The Board of Directors shall give notice of any such further assessment on the Unit Owners by a statement in writing giving the amount and reasons therefor, and such additional assessments shall become due and payable, unless otherwise specified in the notice, with the next monthly assessment payment which is due more than ten (10) days after the delivery or mailing of such notice of additional assessment. All Unit Owners shall be obligated to pay the adjusted monthly amount or, if the additional assessment is not payable in installments, the amount of such assessment.

The proportionate interest of any Unit Owner in any reserve fund shall be considered an appurtenance of his or her Unit and shall not be separately withdrawn, assigned or transferred or otherwise separated from the Unit to which it is appurtenant, and shall be deemed to be transferred with such Unit.

ARTICLE VI.

INSURANCE

A. Insurance Obtained by the Association

The Association shall obtain and maintain, to the extent reasonably available:

1. Property insurance on the Common Elements and the Units, exclusive of improvements and betterments installed in the Units by the Unit owners, insuring against those risks of direct physical loss commonly insured against, in an amount equal to 100% of the replacement cost of the insured property.

2. Liability insurance, including medical payments insurance, in an amount determined by the Board of Directors, but not less than \$1,000,000, that covers all occurrences commonly insured against for death, bodily injury, or property damage arising out of or in connection with the use, ownership, or maintenance of the Common Elements.

3. Any other insurance that the Board of Directors deems appropriate to protect the Association or the Unit Owners.

B. Notice to Unit Owners

If the insurance described in Section A of this Article is not reasonably available, the Association shall promptly cause notice of the unavailability of insurance to be hand-delivered or sent prepaid by the United States mail to all of the Unit Owners.

C. Insurance Terms

An insurance policy carried pursuant to Section A of this Article shall provide that:

1. A Unit Owner is an insured person under the policy with respect to liability that arises out of the Unit Owner's interest in the Common Elements or membership in the Association; and

2. The insurer waives the insurer's right to subrogation under the policy against any Unit owner or member of the Unit Owner's household; and

3. An act or omission by the Unit Owner, unless acting within the scope of his or her authority on behalf of the Association, shall not void the policy or be a condition to recover under the policy; and

4. If at the time of loss under the policy, there is other insurance in the name of the Unit Owner that covers the same risk covered by the policy, the Association's policy shall provide primary insurance; and

5. If the Association brings suit against a Unit Owner, or vice versa, with respect to any loss, the insurer shall provide for the defense of the defendant.

D. Insurance Protections

1. Any loss covered by the property insurance under Section A.1 of this Article shall be adjusted with the Association, but the insurance proceeds for the loss shall be payable to the insurance trustee designated to receive payments or otherwise to the Association, and not to any mortgagee or beneficiary under a deed of trust. The insurance trustee or the Association shall hold any insurance proceeds in trust for the Unit Owners or lienholders as the Unit Owners' or lienholders' interests may appear. Subject to the provisions of Section E of this Article, the proceeds shall be disbursed first for the repair or restoration of the damaged property. A Unit Owner or lienholder shall not be entitled to receive any portion of the proceeds unless there is a surplus of proceeds after the property has been completely repaired or restored or the Condominium is terminated. The Board of Directors

shall have the right to act as insurance trustee, and all parties beneficially interested in such insurance coverage shall be bound thereby. The sole duty and responsibility of the insurance trustee shall be to receive the insurance proceeds as are paid and to hold and distribute the same for the purposes stated in these Bylaws.

2. An insurance policy issued to the Association shall not prevent a Unit Owner from obtaining insurance for his or her own benefit.

3. An insurer that has issued an insurance policy under this Article shall issue certificates of insurance to the Association and, upon written request, to any Owner, mortgagee, or beneficiary under a deed of trust. The insurer that issues the policy may not cancel or refuse to renew the policy until 30 days after notice of the proposed cancellation or nonrenewal has been mailed to the Association, any Unit Owner, and any mortgagee or beneficiary under the deed of trust to whom a certificate of insurance has been issued at their respective last known addresses.

E. Reconstruction and Repair

1. Any portion of the Condominium for which insurance is required under this Article that is damaged or destroyed shall be repaired or replaced promptly by the Association unless the Condominium is terminated, repair or replacement would be illegal under any health or safety statute, rule or regulation, or 80% of the Unit Owners, including every Owner of a Unit or assigned Limited Common Element which will not be rebuilt, vote not to rebuild. The cost of repair or replacement in excess of insurance proceeds shall be a Common Expense.

2. If the entire Condominium is not repaired, the insurance proceeds attributable to the damaged Common Elements shall be used to restore the damaged area to a condition compatible with the remainder of the Condominium. The insurance proceeds attributable to the Units and Limited Common Elements that are not rebuilt shall be distributed to the Owners of those Units and the Owners of the Units to which those Limited Common Elements appertained, or to lienholders, as their interests may appear. The remainder of the proceeds shall be distributed to all of the Unit Owners or lienholders, as their interests may appear, in proportion to the interests in the Common Elements appertaining to all of the Units.

3. If the Unit Owners vote not to rebuild any Unit, that Unit's allocated interests shall be automatically reallocated upon the vote as if the Unit had been condemned under Section 45-1806 of the Act, and the Association shall promptly prepare, execute, and

record an amendment to the Condominium Instruments reflecting the reallocations. Notwithstanding the provisions of this Article, Section 45-1838 of the Condominium Act shall govern the distribution of insurance proceeds if the Condominium is terminated.

F. Individual Insurance

Each Condominium Unit Owner is encouraged to obtain insurance at his or her own expense to cover his or her personal belongings, unit, improvements and betterments, personal liability exposures, additional living expenses, and the Association's property insurance deductible amounts that he or she may be responsible for under Section G of this Article. Tenants are also encouraged to obtain the necessary insurance for their protection, including liability and property coverage. No Unit Owner shall maintain insurance coverage which will tend to decrease the amount which the Association may realize under any insurance policy which it may have in force at any particular time. The Board of Directors may require that each Unit Owner shall file with the Managing Agent a copy of each individual policy of insurance purchased by the Unit Owner within thirty (30) days after its purchase; and the Board of Directors may also require that each Unit Owner shall notify the Board of Directors of all improvements made to his or her Unit having a value in excess of One Thousand Dollars (\$1,000.00).

G. Premiums and Deductibles

1. Premiums upon insurance policies purchased by the Association shall be paid by the Association and charged as a Common Expense.

2. The Association shall pay the deductible for loss or damage in which the event causing loss or damage initially occurred in or to the Common Elements. The Association shall not pay the deductible for loss or damage arising from an event which initially occurred in or to a Unit. In such case, the Unit Owner shall be responsible for the deductible.

3. The Association's property insurance deductible is not a cost of repair or replacement in excess of insurance proceeds, but rather an expense that is obligated before insurance proceeds are received.

4. The Managing Agent, as provided by the Board of Directors' Resolution, shall determine where the event initially occurred that caused the loss or damage, and who is responsible for the deductible. If a Unit Owner disagrees with the Managing Agent's

decision, the Unit Owner may appeal the matter to the Board of Directors.

H. The Condominium Act and Insurance

If there is a conflict between the insurance provisions in these Bylaws and the provisions in the Condominium Act, as amended from time to time, the provisions in the Act shall control.

ARTICLE VII.

OBLIGATIONS OF THE OWNERS

A. Assessments

All Owners are obligated to pay the installments on their contribution to the Common Expenses and assessments imposed by the Association.

B. Maintenance and Repair

Every Owner shall promptly perform all maintenance and repair work required to be performed by him or her in the Declaration, these By-Laws and the Condominium Act.

C. Use Restrictions

In order to provide for a for a community of congenial residents and to provide for the protection of the value of the Condominium Units, the use of Carrollsburg Square Condominium and the sale, lease, rental and transfer of any Condominium Unit by any Owner, shall be subject to the following provisions:

1. Restrictions

a. No Unit Owner or other resident of the Condominium shall post any advertisements or posters of any kind in or on the Condominium except as authorized by the Board or as provided by Rules and Regulations of the Association.

b. All Units shall be used only for private residential purposes and such other uses as may be permitted by the zoning regulations of the District of Columbia. No activity shall be conducted or maintained in any Unit or upon any of the Common Elements which is not in conformity with the zoning regulations of the District of Columbia.

c. No clothing, laundry, rugs or wash shall be hung from or spread upon or from any window or exterior portion of or in or upon any Common Element. All refuse and trash shall be deposited in a manner prescribed by the Board of Directors or Managing Agent.

d. No animal, other than common household pets, shall be kept or maintained within any Condominium Unit or upon any Common Elements. In no event shall any animals be kept, bred or maintained for commercial purposes on the Condominium property. Any Unit Owner who keeps or maintains any pet in the Condominium shall be responsible and may be assessed by the Board of Directors for any costs incurred by the Association in enforcing the Rules and Regulations prescribed or to be prescribed by the Board of Directors for the control and regulation of pets in the Condominium, and the Board of Directors may revoke such permission in the event that the Unit Owner violates any such Rules and Regulations.

e. Unit Owners, residents and lessees shall exercise extreme care to avoid unnecessary noise or the use of musical instruments, radios, televisions and amplifiers that may disturb other Unit Owners.

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

g. No Unit Owner, resident or lessee shall install wiring for electrical or telephone installation, television antenna or other equipment, which protrudes through the walls or the roof of the Buildings except as authorized by the Board of Directors.

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

i. A Unit Owner shall not place or cause to be placed in the public walkways, or other Common Elements any furniture, packages or objects of any kind. The public walkways shall be used for no purpose other than for normal transit through them.

j. No Unit Owner, resident or lessee shall direct or engage any employee of the Association on any private business of such Unit Owner, resident or lessee, nor shall he or she direct, supervise or in any manner attempt to assert control over any such employee or over any contractor acting under a contract or agreement with the Association.

k. No activity shall be done or maintained in any Unit or upon any Common Elements which will increase the rate of insurance on any Unit or the Common Elements or result in the cancellation of insurance thereon, unless such activity is first approved in writing by the Board of Directors.

l. In the use of the Units and the Common Elements of the Condominium, Unit Owners shall obey and abide by all valid laws, ordinances and zoning and other governmental regulations affecting the same and all applicable Rules and Regulations adopted by the Board of Directors.

m. The Common Elements shall be used only for the furnishing of the services and facilities for which they are reasonably suited and which are incident to the use and occupancy of the Units.

n. A fully conformed copy of the lease or renewal thereof, as well as the Addendum to lease adopted by the Board, shall be delivered to the Board of Directors within 7 days after execution; such lease shall be consistent with the provisions of the Condominium Instruments, as the same may be amended from time to time, and with the Rules and Regulations of the Association; and the Board of Directors has the power to terminate such lease or to bring summary proceedings to evict the tenant in the name of the lessor thereunder in the event of a default by the tenant in the performance of such lease. The leasing of any Unit shall not release the Unit Owner from any obligation under the Condominium Instruments. No portion of any Unit (other than the entire Unit) may be leased. No Unit Owner shall lease his or her Unit unless and until he or she has paid in full to the Board of Directors all unpaid Common Charges theretofore assessed by the Association against his or her Unit. No Unit shall be leased for less than twelve (12) months, and no Unit shall be subleased.

o. Passenger automobiles shall be parked only in the parking spaces designated therefor. No trailer, truck, boat, camper, house trailer or similar types of vehicles shall be parked or stored except in such areas, if any, as may be designated by the Board of Directors by resolution or in the Rules and Regulations. No inoperable, unlicensed or abandoned motor vehicle of any type shall be parked or stored upon the Property, and no portion of the Property shall be used for the repair, overhaul, painting or work of a similar nature of any motor vehicle. Any such vehicle may be towed from the Condominium at the offending Unit Owner's risk and expense.

2. Right of Access

Each Unit Owner grants a right of access to his or her Unit to the Board of Directors, the Managing Agent and to any other person authorized by the Board of Directors for the purpose of making inspections and for the purpose of correcting any condition originating in his or her Unit and threatening another Unit or Common Element, or for the purpose of performing installations, alterations or repairs to the mechanical or electrical services or other Common Elements in his or her Unit or elsewhere in the Buildings, or to correct any condition which violates the provisions of any mortgage covering another Unit provided that requests for entry are made in advance and that any such entry is at a time reasonably convenient to the Unit Owner. In case of an emergency, such right of entry shall be immediate, whether the Unit Owner is present at the time or not. To the extent that damage is inflicted on the Common Elements or any Unit through which access is taken, the Unit Owner or the Association, if it caused the same, shall be liable for the prompt repair thereof.

3. Limitation of Liability

The Association shall not be liable for any failure of water supply or other services to be obtained by the Association or paid for out of the Common Expense funds, or for injury or damage to person or property caused by the elements or resulting from electricity, water, snow or ice which may leak or flow from any portion of the Common Elements or from any wire, pipe, drain, conduit, appliance or equipment. The Association shall not be liable to the Owner of any Condominium Unit for loss or damage, by theft or otherwise, of articles which may be stored upon any of the Common Elements. No diminution or abatement of Common Expense assessments, as provided in these By-Laws, shall be claimed or allowed for inconvenience or discomfort arising from the making of repairs or improvements to the Common Elements, or to any Condominium Unit, or from any action taken by the Association to comply with any law or ordinance or with the order or directive of any municipal or other governmental authority or for the dispossession of the Unit Owner by reason of fire or other casualty, except to the extent covered by insurance.

4. Mortgagees Exempted

The provisions of this Article with respect to leasing of Condominium Units shall not be applicable to transfers to Mortgagees, whether in foreclosure or by judicial sale, and their transferees and purchasers at foreclosure sales or judicial sales, or by a voluntary conveyance in lieu of foreclosure, whereby such Mortgagee becomes a Owner, nor shall the same apply to any sale or lease by such Mortgagee. Nothing contained in the By-Laws shall be

deemed or construed to preclude any Mortgagee from acquiring the interest of any Mortgagor by a Mortgagee transfer in lieu of foreclosure of the mortgage, nor shall such Mortgagee be precluded from acquiring the interest of the Mortgagor in any foreclosure proceeding or sale in connection therewith.

5. Mortgages to Include Deeds of Trust

Mortgage, Mortgagor and Mortgagee as used in these By-Laws means and includes deed of trust and/or promissory note secured thereby, the borrower, the lender and the trustee under the deed of trust, as if those terms were expressly used. All rights, exemptions, liens and priorities provided or secured to the Mortgagee and transferee of a Mortgagee by this instrument, the By-Laws of the Condominium, or otherwise, shall equally apply to or constitute a right, exemption, lien or priority of the trustee under a deed of trust and/or the holder of the promissory note secured thereby and their transferees, including purchasers at any foreclosure sale made by the trustee under the deed of trust.

D. Default and Violations

Each Owner shall be governed by and shall comply with all of the terms of the Declaration, these By-Laws, and all rules, regulations, resolutions and decisions that may be adopted from time to time pursuant thereto and any amendments of the same. A default or violation by an Owner shall entitle the Association, acting through its Board of Directors or through the Managing Agent, to the following relief:

1. Legal Proceedings

Failure to comply with any of the terms of the Declaration, these By-Laws, and the rules, regulations, resolutions and decisions adopted pursuant thereto, shall be grounds for relief which may include, without limiting the same, an action to recover sums due for damages, injunctive relief, foreclosure of lien, for payment of annual contributions, any other relief provided for in these By-Laws, or any combination thereof, and any other relief afforded by a court of competent jurisdiction, all of which relief may be sought by the Association, the Board of Directors, the Managing Agent, or, if appropriate, by any aggrieved Owner.

2. Additional Liability

All Owners shall be liable for the expense of any maintenance, repair or replacement rendered necessary by his or her act, neglect or carelessness or the act, neglect or carelessness of any member

of his or her family, employees, agents or licensees, but only to the extent that such expense is not met by the proceeds of insurance carried by the Association. Such liability shall include any increase in fire insurance rates occasioned by use, misuse, occupancy or abandonment of any Condominium Unit or its appurtenances. Nothing contained herein, however, shall be construed so as to modify any waiver by any insurance company by rights of subrogation.

3. Costs and Attorneys' Fees

In any proceeding arising out of any alleged default or violation by any 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.

4. No Waiver of Rights

The failure of the Association or of a Owner to enforce any right, provision, covenant or condition which may be granted by the Declaration and these By-Laws and regulations adopted thereto shall not constitute a waiver of the right of the Association or Owner to enforce such right, provision, covenant, or condition in the future. All rights, remedies and privileges granted to the Association or a Owner pursuant to any terms, provisions, covenants or conditions of the Declaration and these By-Laws and regulations adopted thereto shall be deemed to be cumulative, and the exercise of any one or more shall not be deemed to constitute an election of remedies nor shall it preclude the party thus exercising the same from exercising such privileges as may be granted to such party by the Declaration and these By-Laws and regulations adopted thereto or at law or in equity.

5. Repeated Violations

In any case of flagrant or repeated violations, the Owner may be required by the Board of Directors, or by the Managing Agent, to give or post a cash bond of not less than \$5,000, or a sufficient surety or sureties for said amount, to secure his or her future compliance with the Declaration, the By-Laws, and the rules, regulations, resolutions and decisions of the Association, Board of Directors and the Managing Agent pursuant thereto.

E. Lien for Contributions

1. The contribution for Common Expenses shall be determined, levied, and assessed in advance for each ensuing calendar year in the manner provided in Article V of these By-Laws, and the same

shall be paid by each Owner in the manner prescribed by the Board of Directors. The Board of Directors shall have the power to declare that the contribution for any calendar year may be payable in two or more installments during said calendar year.

2. The total annual contribution of each Owner is hereby declared to be a lien levied and issued against the Condominium Unit of such Owner within the purview of the Condominium Act of the District of Columbia, which lien shall be effective as of the first day of each such calendar year. The Board of Directors, or the Managing Agent, may file or record such other or further notice of lien, or such other or further document as may be required by the then laws of the District of Columbia to confirm the establishment of such lien.

3. If such contribution is payable in installments, then upon the default by any Owner in the payment of any single installment, which default shall continue for 10 days beyond the due date of payment for such installment, then thereafter at the option of the Board of Directors or of the Managing Agent, the then remaining total of the unpaid installments of such lien may be accelerated for payment, and the then balance owing may be declared due and payable in full by the service of notice to such effect upon the defaulting Owner by the Board of Directors or the Managing Agent in the manner provided by Article VIII of these By-Laws.

4. Such lien may be foreclosed in the manner provided by the laws of the District of Columbia by suit or non-judicial sale brought by the Board of Directors acting on behalf of the Association. During the pendency of such suit or non-judicial sale, the Owner shall be required to pay a reasonable rental for the Condominium Unit for any period prior to sale pursuant to any judgment or order of any court having jurisdiction thereover for such sale. The plaintiff in such proceeding shall have the right to the appointment of a receiver if available under the then laws of the District of Columbia. The Board of Directors, acting on behalf of the Association shall have the power to bid on the Condominium Unit at any sale, and to acquire, hold, lease, mortgage and convey the same.

5. Suit to recover a money judgment for unpaid contributions shall be maintainable without foreclosing or waiving the lien securing the same, and foreclosure shall be maintainable notwithstanding pendency of any suit to recover a money judgment.

6. Except as more particularly provided in the Condominium Act, the Declaration, or these By-Laws, nothing contained herein shall affect or impair or release the Condominium Unit from the

lien for such contribution or impair or diminish the rights of the Board of Directors or of the Managing Agent acting on behalf of the Association with respect thereto.

F. Supplementary Method of Enforcement of Lien

In addition to the proceedings available at law or in equity for enforcement of the lien established in the Declaration and the Condominium Act for any unpaid contributions required to be made by any Owner under the Declaration and these By-Laws, each Owner shall execute a bond in an amount to be determined by the Board of Directors, conditioned upon the faithful performance and payment of the installments of the lien for contributions and required to be made by each Owner in the Declaration and these By-Laws, and shall secure the payment of such obligations by a declaration in trust recorded among the land records of the District of Columbia, granting to a trustee or trustees appropriate powers to the end that upon default in the performance of such bond, said declaration in trust may be foreclosed by said trustee or trustees acting at the direction of the Board of Directors either by their own resolution, or, if a Managing Agent has been employed by such Board of Directors, acting through instructions given to the said Managing Agent by the Board of Directors, as is proper practice in the District of Columbia in foreclosing a deed of trust. In the event that such bonds have been executed and such declaration in trust is recorded, any subsequent purchaser of a Condominium Unit in the Carrollsburg Square Condominium shall take title subject thereto and shall assume such obligations, provided however, that the said lien, bond and declaration in trust shall be subordinate to and a junior lien to liens from real estate taxes and other taxes arising out of or resulting from ownership, use or operation of the common areas, liens for special assessments, including, but not limited to, special assessments for sewer mains, water mains, curbs, gutters, sidewalks, alleys, paving of streets, roads, and avenues, removal or abatement of nuisances, and special assessments levied in connection with condensation proceedings instituted by the District of Columbia, and liens for water charges and sanitary sewer service charges levied on the Condominium Unit, and to judgments, liens, preferences, and priorities for any tax assessed against an Owner by the United States of the District of Columbia, or due from or payable by an Owner to the United States of the District of Columbia, and to judgments, liens, preferences, and priorities in favor of the District of Columbia for assessments or charges referred to in this Section then or thereafter accruing against the Unit and to the lien of any duly recorded deeds of trust, mortgages, or encumbrances previously placed upon the Unit and said lien, bond, and declaration in trust, shall be and become subordinate to any subsequently recorded deeds of trust, mortgages

or encumbrances; provided that the lender shall first obtain from the Board of Directors or the Managing Agent a written statement setting forth the amount of unpaid assessments against the borrower from a statement reflecting that payments due under this lien are current as of the date of recordation of such subsequent deed of trust, mortgage or encumbrance.

G. Interest

In the event of a default by any Unit Owner which continues for a period in excess of 15 days, such Unit Owner shall be obligated to pay interest on the amounts due at the rate of ten percent (10%) or a rate not greater than the maximum rate permitted to be charged in the District of Columbia to natural persons on first mortgage loans at the time such assessment or installment became past due.

H. 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 Condominium Instruments shall give the Board of Directors the right, after notice and an opportunity to be heard, in addition to any other rights set forth in these By-Laws: (a) 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 provisions hereof, and the Board of Directors shall not thereby be deemed guilty in any manner of trespass; or (b) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach.

ARTICLE VIII.

NOTICE

Any notice, bill, statement or communication which the Association, the Board of Directors, or any Managing Agent designated by the Board of Directors, may desire or be required to give to any Owner, shall be deemed sufficiently given or rendered if, in writing, delivered to the Owner personally or sent by registered or certified mail addressed to the Owner at the address of the Condominium Unit of such Owner, or at any other address which the Owner shall designate in writing and which he or she shall file with the Secretary, or if left at the Condominium Unit addressed to the Owner, and the time of the rendition of such bill

or statement and of the giving of such notice be deemed to be the time when the same is delivered or mailed or left at the premises as herein provided. Any notice by the Owner to the Association, the Board of Directors, or the Managing Agent, as the case may be, must be served by registered or certified mail addressed to the Association, or the Board of Directors and addressed to the members of the Carrollsburg Square Condominium or if addressed to the Managing Agent, to the principal office of such Managing Agent or at such other address as the Association or the Board of Directors shall designate by written notice served in the manner aforesaid upon the Owner.

ARTICLE IX.

AMENDMENTS

These By-Laws may be modified or amended from time to time in the manner hereafter provided. However, no modification of or amendment to these By-Laws shall be valid unless set forth in an amendment to the Declaration and such amendment is duly recorded as required by the Condominium Act. Modifications of and amendments to the By-Laws shall be proposed and adopted in the following manner:

1. Notice of the subject matter of a proposed modification or amendment shall be included in the notice of any meeting at which the proposed modification or amendment is to be considered.

2. A resolution adopting a proposed modification or amendment must receive the approval of two-thirds of the Owners. Owners not present at the meeting considering the modification or amendment may express their approval or disapproval thereto in writing duly filed with the Secretary before the meeting.

3. A modification or amendment may be proposed by a majority vote of the Board of Directors at a duly constituted meeting thereof or upon a petition signed by a majority of the Association and duly filed with the Secretary of the Association. Upon such filing of such petition or upon the adoption of a resolution to that effect by the Board of Directors, then the President of the Association shall cause a special meeting of the Association to be convened in the manner provided for in these By-Laws for the purpose of considering the proposed modification or amendment.

4. A modification or amendment when adopted in accordance with the provisions of these By-Laws shall become effective only

upon the recording of the same as required in the By-Laws and by the Act.

5. No modification or amendment of the 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 Carrollsburg Square Condominium.

6. These By-Laws contain provisions concerning various rights, priorities, remedies and interests of the mortgagee. Such provisions in the By-Laws are to be construed as covenants for the protection of the mortgagee or holder of the first trust loans, on which it may rely in making loans secured by mortgages or deeds of trust on the individual Condominium Units. Accordingly, no amendment or modification of the By-Laws impairing or affecting such rights, priorities, remedies or interests of a mortgagee shall be adopted without the prior written consent of such mortgagee. If there is more than one mortgagee holding mortgages or deed of trust loans on the Condominium Units it shall be sufficient to obtain the written consent of the mortgagee who holds the mortgages on Condominium Units aggregating the greater percentage of the Condominium.

ARTICLE X.

MAINTENANCE AND REPAIR

To the extent the Declaration does not address specific maintenance, repair and replacement issues and matters, this Article shall apply.

A. By the Board of Directors

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

(I) All of the Common Elements (General or Limited), whether located inside or outside of the Units.

(ii) Incidental damage caused to any Unit by such work as

may be done or caused to be done by the Board of Directors in accordance herewith.

B. Additional Authority of Board of Directors

The Board of Directors may repair or replace specified components of a Unit assigned to a Unit using Common Expense funds if failure to make the repair or replacement would have a material adverse effect upon the health, safety, or Expenses of the Association, or, if a limited number of Units are affected, at the expense of the Unit Owners affected.

C. By the Unit Owner

Each Unit Owner shall be responsible for the maintenance, repair and replacement, at the Unit Owner's own expense, of his or her Unit and any part thereof. Each Unit Owner shall keep his or her Unit and its equipment and appurtenances in good order, condition and repair and in a clean and sanitary condition, and shall do all redecorating, painting and other maintenance which may at any time be necessary to maintain the good appearance and condition of the Unit. In addition, each Unit Owner shall be responsible for all damages to any and all other Units or to the Common Elements resulting from his or her failure to make any of the repairs required to be made by the Unit Owner by the Condominium Act, the Declaration or these By-Laws. Each Unit Owner shall perform his or her responsibility in such manner as shall not unreasonably disturb or interfere with the other Unit Owners. Each Unit Owner shall promptly report to the Board of Directors or the Managing Agent any defect or need for repairs for which the Board of Directors is responsible.

D. Manner of Repair and Replacement

All repairs and replacements shall be of first-class quality and as nearly as practicable similar to the character of the original construction or installation. Any repairs or replacements may be done with contemporary building materials and/or equipment.

E. Additions, Alterations or Improvements by the Board of Directors

Whenever in the judgment of the Board of Directors the Common Elements shall require additions, alterations or improvements costing in excess of Twenty Thousand Dollars (\$20,000.00) during any period of twelve (12) consecutive months, and the making of such additions, alterations or improvements shall have been approved by a majority of the Unit Owners present, in person or by proxy at a

meeting of the Association, 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 Twenty Thousand Dollars (\$20,000.00) or less during any period of twelve (12) consecutive months 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 eighty percent (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 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.

F. Additions, Alterations or Improvements by Unit Owners

1. No Owner of a Unit shall make any addition, alteration or improvement in or to his or her Unit that affects in any manner any Common Element or other Units without the prior written consent thereto of the Board of Directors. The Board of Directors shall be obligated to answer any written request by a Unit Owner for approval of a proposed structural addition, alteration or improvement in such Owner's Unit within forty-five (45) days after such request, and its failure to do so within the stipulated time shall constitute a consent by the Board of Directors to the proposed addition, alteration or improvement. No Owner of a Unit shall paint, or alter the exterior of the building or his or her Unit, including the doors and windows, without the prior written consent thereto of the Board of Directors.

2. Any Unit Owner who makes an addition, alteration or improvement to his or her Unit must pay all of the cost of such addition, alteration or improvement and must pay any increase in the cost of the operation of the Condominium caused by such addition, alteration or improvement. Unit Owners may not make any addition, alteration or improvement that lessens the support of any portion of the Condominium.

3. Unit Owners may not install, erect, attach, alter, remove or construct any lighting, screens, awnings, patio or balcony covers, decorations, aerials or receiving devices, fences, or make any change to or otherwise alter, including any alteration in color, in any manner whatsoever, the exterior of any Unit or Limited Common Element or any of the General Common Elements until the complete plans and specifications, showing the location, nature, shape, height, material, color, type of construction and/or any other

proposed form of change (including, without limitation, any other information specified by the Board of Directors or its designated committee) shall have been submitted to and approved in writing as to engineering and structural requirements and as to harmony of external design, color and location and use in relation to surrounding structures, General and Limited Common Elements, Units, the building and topography by the Board of Directors.

ARTICLE XI.

RESALE CERTIFICATES

A. Information to be Furnished in the Event of Resale by Unit Owner

1. The Board of Directors or a duly designated agent or the Managing Agent, upon written request of any Unit Owner, shall furnish to such Unit Owner the resale information prescribed by the Condominium Act.

2. The Board of Directors may impose a reasonable fee to furnish all the information required in accordance with paragraph 1 above, and payment thereof shall be a prerequisite to the issuance of any such statement.

ARTICLE XII.

MISCELLANEOUS

A. Definitions

1. Declaration. "Declaration" as used herein means that document that established the Condominium regime made by Carrollsburg Square Two Corporation, which was the developer of the Condominium.

2. Other Definitions. All other terms used herein shall have the same meaning as they are defined to have in the Declaration or in the Condominium Act of the District of Columbia unless it is plainly evident from the context that a different meaning is intended.

B. Conflict

These By-Laws are subordinate and subject to all provisions of the Declaration and to the provisions of the Condominium Act of the

District of Columbia. In the event of any conflict between these By-Laws and the Declaration, the provisions of the Declaration shall control; and in the event of any conflict between the aforesaid Declaration and the Condominium Act, the provisions of said Act shall control.

C. Captions

The captions contained in these By-Laws are for convenience only and are not a part of these By-Laws and are not intended in any way to limit or enlarge the terms and provisions of these By-Laws.

D. Severability

In the event any provision or provisions of these By-Laws shall be determined to be invalid, void or unenforceable, such determination shall not render invalid, void or unenforceable any other provisions hereof which can be given effect.

E. Waiver

No restriction, condition, obligation or provision of these By-Laws shall be deemed to have been abrogated or waived by reason of any failure or failures to enforce the same.

IN WITNESS WHEREOF, the undersigned officers of Carrollsburg Square Condominium Association, Inc. hereby certify the foregoing Amended and Restated By-Laws, which supersedes all prior By-Laws and By-Law Amendments, were approved by the affirmative vote of Unit Owners representing at least two-thirds (2/3) of the total votes (Percentage Interests) in the Association at a special meeting of the Association duly called for such purpose.

Attest:

CARROLLSBURG SQUARE CONDOMINIUM ASSOCIATION, INC.

Judith Anne Carter
Secretary

By: Carlos M. Rodriguez President

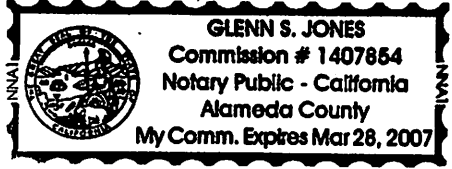
DISTRICT OF COLUMBIA, ss:

I hereby certify that on this 24th day of AUGUST, 2004, before me, the subscriber, a Notary Public of the District of Columbia, personally appeared CARLOS RODRIGUEZ, as President of Carrollsburg Square Condominium Association, Inc., known to me (or satisfactorily proven) to be the person who executed the foregoing and acknowledged the same to be the act and deed of the Association.

Glenn S. Jones
Notary Public
My Commission Expires: March 28th 2007

LEGAL DESCRIPTION

See Attached Schedule "A"



... ..
... ..
... ..
... ..
... ..
... ..

... ..
... ..

... ..

[Handwritten signature]

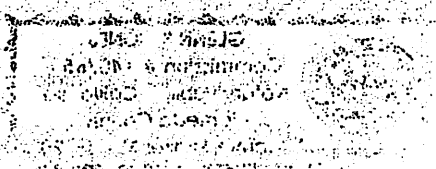
[Handwritten signature]

... ..
... ..
... ..
... ..
... ..

[Handwritten signature]

[Handwritten signature]

... ..



... ..

... ..

... ..

Schedule A
Legal Description

Part of Lots 303 through 307 and 310 through 314 in Square 546 in a subdivision made by District of Columbia Land Development Agency, as per plat recorded in Liber 133 at folio 4, among the Records of the Office of the Surveyor for the District of Columbia.

ALSO, Part of Lots 315 through 316 in Square 546 in a subdivision made by District of Columbia Land Development Agency, as per plat recorded in Liber 144 at folio 73, among the Records of the Office of the Surveyor for the District of Columbia.

The part of the land being more particularly designated as **UNITS NO. 1 through 102** in the "**Carrollsborg Square Condominium**", according to the Declaration of Condominium and the By-Laws relating thereto, recorded January 9, 1967 as Instrument No. 459, among the Land Records of the District of Columbia, and any and all amendments thereto, and as per Plat of Condominium Subdivision recorded in Condominium Book No. 1 at page 6 among the Records of the Office of the Surveyor for the District of Columbia.

NOTE: At the date hereof the above described land is designated on the Records of the Assessor of the District of Columbia for assessment and taxation purposes as Lots 2001 through 2102 in Square 546.



Lots 2001 through 2102, Square 546

After Recording, Return to:

Mark M. Mitek
~~**Kass, Mitek & Kass, PLLC**~~
1050 Seventeenth Street, NW
~~**Suite 1100**~~
Washington, DC 20036

Doc# 2004118504

Book:

Pages: -

Filed & Recorded

08/26/2004 03:31:07 PM

LARRY TODD

RECORDER OF DEEDS

WASHINGTON D.C. RECORDER OF DEEDS

RECORDING \$ 293.00

SURCHARGE \$ 6.50

Doc# 2004118504

Book: —

Pages: —

Filed & Recorded

08/26/2004 03:31:07 PM

LARRY TODD

RECORDER OF DEEDS

WASHINGTON D.C. RECORDER OF DEEDS

RECORDING \$ 293.00

SURCHARGE \$ 6.50