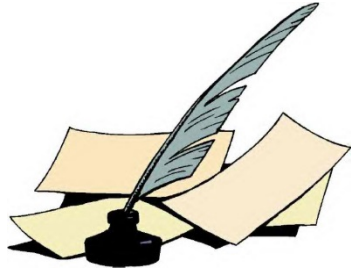


The Council of Co-Owners of Alexandria Knolls West Condominium Homes -



Special Meeting of the
Council of Co-Owners

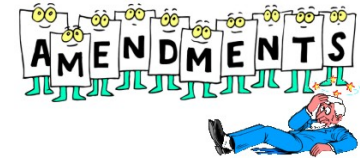
Condominium Instrument Review Project

Edward J. O'Connell, III

Whiteford, Taylor & Preston, LLP

Tuesday May 9, 2023

Contents of the Amendments to the Master Deed and By-Laws



- **First Amendment** - three (3) proposed amendments to certain definitions, appending the Storage Area Schedule, and adding the enforcement and remedies in the Master Deed and By-Laws.
- **Second Amendment** - five (5) proposed amendments to certain administrative (e.g., maintenance and repair) and financial provisions (e.g., reserves) in the Master Deed and By-Laws.
- **Third Amendment** - nine (9) proposed amendments to certain administrative (e.g., alteration of the project) provisions in the Master Deed and By-Laws.
- **Fourth Amendment** - one (1) proposed amendment to certain insurance provisions in the Master Deed and By-Laws.
- **Fifth Amendment** authorizes the adoption of the Amended and Restated Master Deed and By-Laws.

2023 First Amendment to Master Deed and By-Laws

ARTICLE I - DEFINITIONS

1. ARTICLE I - DEFINITIONS of the Master Deed is hereby revised as follows:

- b. Apartment" shall mean — any one of the dwelling units described in Schedule "SCHEDULE B",, PERCENTAGE OF COMMON INTERESTS BY APARTMENT NUMBER of the Master Deed, attached hereto and shall consist

The perimeter on the balcony wall shall be the vertical plane that intersects the outermost projections of the balcony; (ii) one parking stall or one parking space for one automobile without the parking garage designated for use of the owner of the apartment; (iii) all appliances and machinery exclusively appurtenant to the apartment; (iv) the storage area located on the first floor of the building which has the same number as the apartment unit; (v) spaces in parking garages as designated on the plat attached to be sold to the Co-Owners ; (iv) the storage area located on the first floor of the building as reflected on SCHEDULE A-10, GROUND FLOOR STORAGE AREA of the By-Laws; and (v) parking spaces and parking stalls to be sold to the Co-Owners as designated on the Plat of the Master Deed.

Note: Definition revised to further clarifying that the storage areas and parking spaces are shown in the Schedules and Plat appended to this proposed First Amendment

2023 First Amendment to Master Deed and By-Laws

ARTICLE I – DEFINITIONS (continued)

- k. Occupant — a person entitled to occupy an apartment with the consent of the landlord, but who has not signed the rental agreement and therefore does not have the financial obligations as a tenant under the rental agreement.
- l. Plat — the Plat prepared by Walter L. Phillips, C.L.S. dated and recorded herewith, showing the property and all improvements thereon as divided into common elements and apartments.
- m. Project — all improvements and structures located on the property.
- n. Property — the land on which the project is located.

***NOTE: “OCCUPANT” IS A NEW DEFINITION.
THERE ARE NO CHANGES TO THE DEFINITIONS OF “PLAT”, “PROJECT” AND
“PROPERTY”. INCLUDED BECAUSE THE PROPOSED DEFINITION OF OCCUPANT
REQUIRED RENUMBERING OF THE THREE DEFINITIONS.***

- The GROUND FLOOR STORAGE AREA, which is appended hereto as EXHIBIT 1, is hereby added as SCHEDULE A-10 to the Master Deed.

NOTE: NEW SCHEDULE

2023 First Amendment to Master Deed and By-Laws

ARTICLE V – OBLIGATIONS OF APARTMENT OWNERS

3. ARTICLE V - OBLIGATION OF APARTMENT OWNERS, Section 5 of the By-Laws is hereby deleted in its entirety and the following is substituted in its place:

NOTE: THESE ARE NEW AND UPDATED ENFORCEMENT PROVISIONS, WHICH ARE CONSISTENT WITH INDUSTRY PRACTICES, THAT ARE DESIGNED TO PROVIDE MORE EFFICIENT AND COST-EFFECTIVE OPTIONS FOR THE COUNCIL

Section 5. ENFORCEMENT AND REMEDIES. Each Co-Owner and all members of the Co-Owner's household or the Co-Owner's family guests, invitees, employees, tenants and licensees must comply with all of the terms of the Master Deed, these By-Laws and rules and regulations, as the same from time to time may be amended. Co-Owners are responsible and liable for any violation of the Master Deed, these By-Laws and the rules and regulations by the members of the Co-Owner's household, or a Co-Owner's family, guests, invitees, employees, tenants and licensees. Except as otherwise stated herein, a default by a Co-Owner shall be subject to the following:

a. Legal Proceedings. 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 may be sought by the Council, either upon resolution of a majority of Co-Owners present in person or proxy at meeting at which a quorum is present, or the Board, or if appropriate, by an aggrieved Co-Owner.

2023 First Amendment to Master Deed and By-Laws

ARTICLE V – OBLIGATIONS OF APARTMENT OWNERS (continued)

b. Additional Liability. The Council may assess a Co-Owner for the expense of all maintenance, repair, or replacement rendered necessary by: (i) such Co-Owner's act, carelessness or neglect, and for the act, carelessness or neglect of the members of the Co-Owner's household, or the Co-Owner's family, guests, invitees, employees, tenants and licensees; or (ii) a condition that originates in the Co-Owner's apartment, without regard as to whether the Co-Owner or the Co-Owner's family, guests, invitees, employees, tenants or licensees was negligent, but only to the extent that such expense is not covered by the proceeds of the insurance maintained by the Council. Co-Owners are responsible for the insurance deductible for conditions originating in their apartment, as provided for in ARTICLE XVI – INSURANCE AND REPAIR AND RECONSTRUCTION IN CASE OF FIRE OR OTHER CASUALTY of the Master Deed.

c. Costs and Fees. All Co-Owners shall pay to the Council promptly on demand all expenses, fees, and costs of collection including reasonable attorney's fees and interest imposed by the Board of Directors on behalf of the Council, incurred in collecting any delinquent assessments, foreclosing its lien, or enforcing any provision of the Master Deed, these By-Laws, or rules and regulations against such Co-Owner or Occupant of an apartment.

2023 First Amendment to Master Deed and By-Laws

ARTICLE V – OBLIGATIONS OF APARTMENT OWNERS (continued)

d. Additional Liability. The Council may assess a Co-Owner for the expense of all maintenance, repair, or replacement rendered necessary by: (i) such Co-Owner's act, carelessness or neglect, and for the act, carelessness or neglect of the members of the Co-Owner's household, or the Co-Owner's family, guests, invitees, employees, tenants and licensees; or (ii) a condition that originates in the Co-Owner's apartment, without regard as to whether the Co-Owner or the Co-Owner's family, guests, invitees, employees, tenants or licensees was negligent, but only to the extent that such expense is not covered by the proceeds of the insurance maintained by the Council. Co-Owners are responsible for the insurance deductible for conditions originating in their apartment, as provided for in ARTICLE XVI – INSURANCE AND REPAIR AND RECONSTRUCTION IN CASE OF FIRE OR OTHER CASUALTY of the Master Deed.

e. Costs and Fees. All Co-Owners shall pay to the Council promptly on demand all expenses, fees, and costs of collection including reasonable attorney's fees and interest imposed by the Board of Directors on behalf of the Council, incurred in collecting any delinquent assessments, foreclosing its lien, or enforcing any provision of the Master Deed, these By-Laws, or rules and regulations against such Co-Owner or Occupant of an apartment.

2023 First Amendment to Master Deed and By-Laws

ARTICLE V – OBLIGATIONS OF APARTMENT OWNERS (continued)

f. Abatement and Enjoinment of Violations by Co-Owners. In the event of violation or breach of any provision of the Master Deed, these By-Laws, or any rule or regulation, the Board of Directors, any person(s) authorized by the Board of Directors or Council, or any group of the foregoing, shall have the right and authority, in addition to any other rights set forth in the Master Deed, these By-Laws and under the laws of the Commonwealth of Virginia to: (i) enter an apartment, including the parking space and storage area, in which such violation or breach exists and summarily to correct, abate and/or remove, at the expense of the defaulting Co-Owner, any structure, thing or condition that may exist therein that violates and/or is therein contrary to the intent and meaning of any provision of the Master Deed, these By-Laws, rules and regulations, or the Virginia Condominium Act; (ii) use self-help to remove or cure any violation of the Master Deed, these By-Laws, or rules and regulations (including without limitation the towing of vehicles) on the common elements or in an apartment, including the parking space and storage area; or (iii) enjoin, abate, or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach. Notwithstanding the foregoing, no cause of action of any kind, including, but not limited to trespass, shall arise against the Board of Directors, the Council, any officer, director, employee or agent of the Council, or any person(s) authorized by the Board of Directors or Council, and any group of the foregoing on which may arise out of their exercise of their right of entry into an apartment as provided in this Section.

2023 First Amendment to Master Deed and By-Laws

ARTICLE V – OBLIGATIONS OF APARTMENT OWNERS (continued)

g. Other Penalties. In addition to all other remedies and notwithstanding the pending of any legal proceeding or a foreclosure, failure by a Co-Owner (or the members of the Co-Owner's household or family, or the Co-Owner's guests, invitees, employees, tenants, and licensees) to comply with any of the terms of the Master Deed, these By-Laws, and the rules and regulations, shall subject such Co-Owner to other penalties, including, but not limited to, the imposition of special charges as a monetary sanction and the suspension of privileges for any infraction or violation of the Master Deed, these By-Laws, or the rules and regulations. Privileges may be suspended for any period during which assessments are past due sixty (60) days or more until the assessment is paid or resolved, and for a period up to thirty (30) days for any non-monetary violation of the Master Deed, these By-Laws, or the rules and regulations. The Board of Directors and Managing Agent shall follow such procedures as are required by § 55.1-1959 of the Virginia Condominium Act or as otherwise required under Virginia law.

2023 Second Amendment to Master Deed and By-Laws

ARTICLE III - EASEMENTS

1. **ARTICLE III - EASEMENTS, Subparagraph “c” of the Master Deed is hereby deleted in its entirety and the following is substituted in its place:**

NOTE: EASEMENT AMENDED TO REMOVE AUTOMATIC RIGHTS OF THE MANAGING AGENT/COMMUNITY MANAGER AND ITS EMPLOYEES TO ENTER APARTMENTS. INSTEAD, THE BOARD BY RESOLUTION MUST NOW AUTHORIZE SUCH ENTRY BY MANAGING AGENT/COMMUNITY MANAGER AND ITS EMPLOYEES.

c. In accordance with the applicable provisions of the Virginia Condominium Act, there hereby is reserved a right of access through each apartment, including the parking space and storage areas, for the benefit of the Council, Board of Directors, any person(s) authorized by the Board of Directors and any group of the foregoing, for the purpose of enabling the exercise of the Board of Directors powers and duties, including (without limitation) making inspections, correcting any conditions originating in an apartment that threatens another apartment or the Common Elements, upkeep of the Common Elements within an apartment or elsewhere in the Project, and correcting any condition which violates any provision of this Master Deed or the By-Laws, the rules and regulations, the Virginia Condominium Act, or any mortgage. Requests for entry shall be made in advance, and any such entry shall be made at a time that is reasonably convenient to the Co-Owner; provided, however, that in the case of an emergency such right of entry shall be immediate, whether the Co-Owner is present at the time of entry or not, and the party exercising the right of entry shall not be required to provide advance notice of such entry to the Co-Owner, or to receive permission from the Co-Owner.

2023 Second Amendment to Master Deed and By-Laws

ARTICLE III – EASEMENTS (continued)

For the purposes stated herein, the Council shall maintain a duplicate set of keys to each apartment, and each Co-Owner shall be required to provide a duplicate set of keys for the apartment to the Council for the locks on the main entry door to the apartment. Co-Owners shall provide a duplicate set of keys for each new or additional lock installed on the main entry door to the apartment within five (5) calendar days of the installation of the new or additional locks. Notwithstanding the foregoing, no cause of action of any kind, including but not limited to trespass, shall arise against the Board of Directors, the Council, any officer, director, employee or agent of the Council, or any person(s) authorized by the Board of Directors or Council on account of their failure to inspect or otherwise ascertain any defects or conditions associated therewith which occur in the apartment, or which may arise out of their exercise of their right of entry into an apartment.

2023 Second Amendment to Master Deed and By-Laws

- ARTICLE IX – ADMINISTRATION OF THE PROJECT, Subparagraph “d” of the Master Deed is hereby deleted in its entirety and the following is substituted in its place:

d. Before commencing or permitting construction of any improvement on the Project, obtain from the Contractor to perform such work and deposit with the Council a bond or certificate thereof naming as obligees the Council and collectively all other apartment owners as their interest may appear, in a penal sum equal to 100% of the estimated cost of such construction and with surety, guaranteeing completion of such construction free and clear of all mechanics' and materialmen's liens.

- d. Before commencing work or permitting construction on any improvement in the Project, the cost of which exceeds the five percent (5%) of the Annual Budget for the current fiscal year, the Board of Directors shall make a determination as to whether the Council shall require that bonds be obtained for a Project.

- **NOTE: THIS PROVISION AS AMENDED REMOVES OBSOLETE REQUIREMENTS IN LIGHT OF CHANGES IN CONSTRUCTION INDUSTRY STANDARDS**

2023 Second Amendment to Master Deed and By-Laws

ARTICLE X – COMMON EXPENSES

1. The following is added as **ARTICLE X – COMMON EXPENSES**, Section b (7) of the Master Deed:

NOTE: THIS IS A NEW ASSESSMENT THAT IS DESIGNED TO HELP FUND THE RESERVES BY REQUIRING PURCHASERS TO MAKE A CONTRIBUTION AT THE TIME OF PURCHASE.

- b. **Assessment of Common Expenses**

7. Reserve Enhancement Contribution Assessment. The purchaser in a resale transaction shall, in addition, be obligated to pay at settlement, a Reserve Enhancement Contribution Assessment that will be equal to one (1) month of the Annual Assessment due for the apartment on the date of transfer or conveyance of the apartment, unless otherwise exempt as set forth herein. The Reserve Enhancement Contribution Assessment shall be paid into reserves maintained by the Council. The payment and collection of the Reserve Enhancement Contribution Assessment made pursuant to the foregoing provisions shall be in accordance with the terms providing for payment and collection of assessments in the Master Deed, By-Laws, and the Virginia Condominium Act, including without limitation, the right reserved to the Board to accelerate payment of assessment and the right to recovery of attorney's fees and costs. Notwithstanding the above, no Reserve Enhancement Contribution Assessment shall be levied upon transfer to or conveyance of title to an apartment for the following:

2023 Second Amendment to Master Deed and By-Laws

ARTICLE X – COMMON EXPENSES (continued)

a) by a Co-Owner to any person who was a Co-Owner immediately prior to such transfer (provided, upon any subsequent transfer of an ownership interest in such apartment, the Reserve Enhancement Contribution Assessment shall become due);

b) to the Co-Owner's estate, surviving spouse, or heirs at law upon the death of the Co-Owner (provided, upon any subsequent transfer of an ownership interest in such apartment, the Reserve Enhancement Contribution Assessment shall become due);

c) to an entity wholly owned by the grantor or to a family trust created by the grantor for the direct benefit of the grantor and spouse and/or heirs at law, or foreclosure of such a Mortgage (provided, upon any subsequent transfer of an ownership interest in such apartment, the Reserve Enhancement Contribution Assessment shall become due); or

d) to an institutional lender as security for the performance of an obligation pursuant to a Mortgage or from a purchaser acquiring an apartment from an institutional lender that acquired the apartment as security for the performance of an obligation pursuant to a Mortgage; (provided however, upon any subsequent transfer of an ownership interest in such apartment, the Reserve Enhancement Contribution Assessment shall become due).

2023 Second Amendment to Master Deed and By-Laws

ARTICLE XIII – LIMITATIONS ON SALE AND LEASE

4. The following is added as new ARTICLE XXIII — LIMITATIONS ON SALE AND LEASE, Section c of the Master Deed:

c. Department of Veterans Affairs. Notwithstanding any other provision in this Master Deed, to the extent that any provision set forth in the Master Deed or By-Laws is inconsistent with the requirement(s) of guaranteed or direct loan programs of the United States Department of Veterans Affairs, as set forth in Chapter 37 of Title 38, United States Code, or part 36 of Title 38, Code of Federal Regulations, such provision shall not apply to any apartment that is:

- (i) encumbered by Department of Veterans Affairs Financing or;
- (ii) owned by the Secretary of Veterans Affairs, an Officer of the United

States.

NOTE: THIS AMENDMENT IS INTENDED TO ADDRESS CONCERNS WITH RESPECT TO LOANS GUARANTEED BY THE DEPARTMENT OF VETERANS AFFAIRS.

2023 Second Amendment to Master Deed and By-Laws

ARTICLE V – OBLIGATIONS OF APARTMENT OWNERS

NOTE: THIS AMENDMENT IS INTENDED TO CLARIFY THE ALLOCATION OF MAINTENANCE, REPAIR AND REPLACEMENT OBLIGATIONS OF THE CO-OWNERS AND THE COUNCIL OF CO-OWNERS AS DEFINED IN THE CONDOMINIUM INSTRUMENTS

5. **ARTICLE V – OBLIGATIONS OF APARTMENT OWNERS, Section 2. MAINTENANCE OF APARTMENTS** of the By-Laws is hereby deleted in its entirety and the following is substituted in its place:

Section 2. MAINTENANCE AND REPAIR.

a. **Chart of Maintenance Responsibilities.** The specific maintenance responsibilities and the costs attributable thereto shall be determined pursuant to the Chart of Maintenance Responsibilities, which is appended as **SCHEDULE C-1 – CHART OF MAINTENANCE RESPONSIBILITIES** to the By-Laws. If the maintenance or repair responsibilities are not included in the Chart of Maintenance Responsibilities, then the responsibilities for maintenance and repair and the attributable costs are set forth in **ARTICLE IX – ADMINISTRATION OF THE PROJECT** of the Master Deed and Sections 2 b and 2 c of this **ARTICLE V – OBLIGATIONS OF APARTMENT OWNERS**. In addition, the Balcony/Façade Section View and the Balcony/Façade Isometric View prepared by Gardner Engineering, Inc. dated 4/17/2003 (“Balcony Views”) are appended as **SCHEDULE C-2 – BALCONY VIEWS** to the By-Laws.

2023 Second Amendment to Master Deed and By-Laws

ARTICLE V – OBLIGATIONS OF APARTMENT OWNERS (continued)

b. By the Council. The Council, acting by and through the Board of Directors, shall be responsible for the maintenance, repair, and replacement of all of the Common Elements of the Project, including the limited Common Elements, whether located inside or outside of the apartment. The cost of such maintenance, repair, and replacement may be charged to Co-Owners as a Common Expense as provided for in this Section; provided, however, that the Board of Directors shall especially assess a responsible Co-Owner for the amounts incurred by the Council, if in the opinion of a majority of the Board of Directors, the Council incurs an expense as a result of such Co-Owner's act, carelessness or neglect, and for the act, carelessness or neglect of the members of the Co-Owner's household or family, or the Co-Owner's family guests, invitees, employees, tenants and licensees, or such Co-Owner's failure to maintain the apartment, in accordance with the requirements set forth in these By-Laws or the Master Deed.

2023 Second Amendment to Master Deed and By-Laws

ARTICLE V – OBLIGATIONS OF APARTMENT OWNERS (continued)

c. By the Co-Owner. All Co-Owners shall, at their own expense, repair, maintain, amend, and keep their apartments, including without limitation, any and all internal installations, such as water, electricity, telephone, internet, telecommunication systems, sewer, sanitation, heating ventilation and air conditioning equipment (“HVAC”), lights, and all fixtures and/or accessories contained in such apartments, including, but not limited to, any interior decorated or finished wall surfaces, floors, and ceilings of such apartments. All necessary reparations and betterments and improvements shall be maintained in good order and condition, except as otherwise provided by law or by the Master Deed, and the Co-Owner shall be liable for any loss or damage, originating from within an apartment to the Common Elements, limited Common Elements or other apartments due to the act, neglect or carelessness of a Co-Owner or the failure of the Co-Owner to perform such work in a diligent manner. A Co-Owner shall be responsible for prompt reimbursement of all authorized expenses incurred by the Council on demand, (i) due to the Co-Owner’s failure to repair or replace an uninsured loss or damage caused to the Common Elements, furniture, furnishings, or any equipment when such loss is resulting from such act, carelessness or neglect by a Co-Owner, or the act, carelessness, or

2023 Second Amendment to Master Deed and By-Laws

ARTICLE V – OBLIGATIONS OF APARTMENT OWNERS (continued)

neglect of a member of Co-Owner's household, or Co-Owner's family, guests, tenants, employee's or licensees; or (ii) when such loss or damage to the Project arises from a condition originating in the apartment without regard as to whether the Co-Owner was negligent. The Co-Owner shall promptly notify the Board of Directors of any loss, damage or other defect in the Project when discovered.

d. Manner of Repair and Replacement. All repairs and replacements shall be substantially similar to the original construction and installation, be of first-class quality, and shall comply with current building codes, laws and regulations, but may be done with contemporary building materials and equipment.

e. All Co-Owners and tenants are reminded that the insurance maintained by the Council does not cover furniture, wall coverings, improved flooring, carpeting, equipment, and other betterments or improvements supplied or installed by the Co-Owners or tenants, as well as other personal property of the Co-Owners or tenants.

5. SCHEDULES C-1 and C-2 to the By-Laws are appended hereto as EXHIBIT 1 to this 2023 Second Amendment to Master Deed and By-laws and are incorporated as Schedules to the By-Laws as if fully set forth therein.

2023 Third Amendment to Master Deed and By-Laws

ARTICLE XIX – ALTERATION OF PROJECT

1. **ARTICLE XIX – ALTERATION OF PROJECT of the Master Deed is hereby deleted in its entirety and the following is substituted in its place:**

ALTERATION OF PROJECT. Restoration or replacement of the Project or any building thereof or construction of any additional building or structural alteration or addition to any building, different in any material respect from said Condominium Plat of the Project, except as provided in **ARTICLE XVII – UNINSURED CASUALTY** herein, shall be undertaken by the Council or any Co-Owners only pursuant to an amendment of this Master Deed, duly executed by or pursuant to an affirmation vote of seventy-five percent two-thirds (2/3) of the Co-Owners and accompanied by the written consent of a majority of the holder of all liens affecting any of the apartments mortgagees, and in accordance with complete plans and specifications therefore first approved in writing by the Board, and promptly upon completion of such restoration, replacement or construction, the Council shall duly record such amendment in said Clerk's office, together with a complete set of floor plans of the Project as so altered, certified as built by a registered architect or professional engineer.

**NOTE: CLARIFIES THE APPROVAL REQUIREMENTS FOR ALTERATIONS OF THE
CONDONINIUM PROJECT**

2023 Third Amendment to Master Deed and By-Laws

ARTICLE XXV – CONTRACTS AND COMPETITIVE BIDDING

2. ARTICLE XXV – CONTRACTS AND COMPETITIVE BIDDING of the Master Deed is hereby deleted in its entirety and the following is substituted in its place:

CONTRACTS AND COMPETITIVE BIDDING. In any event where construction is required or approved for alteration of additions to or reconstruction and repair of the common elements, or reconstruction and repair of an apartment unit due to casualty damage covered by insurance, where the cost of such construction exceeds the sum of ~~\$10,000.00~~ \$100,000.00 in the opinion of an independent appraiser, the contract for such construction shall be let on a competitive bid-basis and the contract approved by the Board and the insurance Trustee, when insurance policy proceeds are used.

NOTE: VALUE ASSOCIATED WITH COMPETITIVE BIDDING PROCESS

2023 Third Amendment to Master Deed and By-Laws

ARTICLE XXVIII - LIMITATION OF LIABILITY

3. **ARTICLE XXVIII - LIMITATION OF LIABILITY** of the Master Deed is hereby deleted in its entirety and the following is substituted in its place:

LIMITATION OF LIABILITY.

- a. The Board of Directors, the Council and the Managing Agent shall not be considered a bailee of any personal property stored on the common elements (including vehicles parked on the common elements), whether or not exclusive possession of the particular area is given to an apartment owner for parking purposes, and shall not be responsible for security of such personal property or for any loss or damage thereto, whether or not due to negligence, except to the extent covered by insurance in excess of any applicable deductible.
- b. The Council shall not be liable for any failure of the water supply, utilities or other services, if any, obtained through the Council or paid for out of common expenses, or for the injury or damage to person or property caused by the natural elements, weather, or resulting from electricity, water, snow or ice, which may leak or flow from or through any part or portion of the common elements or from any wire, pipe, drain, chute, conduit, appliance, or equipment located on the common elements or in the another apartment.

NOTE: ADDED THE TITLE, NO OTHER CHANGES

2023 Third Amendment to Master Deed and By-Laws

ARTICLE XXVIII - LIMITATION OF LIABILITY

4. **SCHEDULE A-1, GROUND FLOOR PLAN to the Master Deed, is hereby revised to remove the designation of the Women's Fitness Room and Men's Fitness Room are hereby designated as Fitness Rooms and appended hereto as EXHIBIT 1.**

5. **The COVERED PARKING PLAT and OPEN PARKING PLAT appended as SCHEDULE A-7 and SCHEDULE A-8 to the Master Deed are hereby deleted in their entirety and the following SCHEDULE A-7, COVERED PARKING PLAT and SCHEDULE A-8, UNCOVERED PARKING PLAT are substituted in their place to the Master Deed, which are appended hereto as EXHIBIT 2 and EXHIBIT 3.**

6. **A Deed of Easement dated April 18, 1977, recorded with the Clerk's Office, Circuit Court of the City of Alexandria in Deed Book 855 at Page 564, is incorporated by reference as if fully set forth in the Master Deed and shall be marked SCHEDULE A-9, DEED OF EASEMENT to the Master Deed, which is appended hereto as EXHIBIT 4.**

2023 Third Amendment to Master Deed and By-Laws

ARTICLE II – BOARD OF DIRECTORS

7. ARTICLE II – BOARD OF DIRECTORS, Section 5. REMOVAL OF DIRECTORS of the By-Laws is hereby deleted in its entirety and the following is substituted in its place:

Section 5. REMOVAL OF DIRECTORS. At any regular or special meeting of the Council duly called, any one of the Directors may be removed with or without cause, and a successor may then and there be selected to fill the vacancy thus created. Any Director whose removal has been proposed by the Co-Owners shall be given at least ten (10) business days written notice of the time, place, and purpose of the meeting and shall be given an opportunity to be heard at the meeting. The notice given to Co-Owners of such meeting shall state that one of the purposes of the meeting is to remove said Director. **The vote required to remove a Director shall be a majority vote of the Co-Owners present, in person, by proxy or absentee ballot, at a meeting at which a quorum of the Co-Owners is present.**

NOTE: REVISED TO CLARIFY THE VOTE REQUIRED TO REMOVE A DIRECTOR.

2023 Third Amendment to Master Deed and By-Laws

ARTICLE IV – ADMINISTRATION

8. ARTICLE IV – ADMINISTRATION, Section 4. EXECUTION OF INSTRUMENTS of the By-Laws is hereby deleted in its entirety and the following is substituted in its place:

Section 4. EXECUTION OF INSTRUMENTS. All checks, drafts, notes, acceptances, conveyances, contracts and other instruments shall be signed on behalf of the Council by such person or persons as shall be provided by general or special resolution of the Board of Directors or, in the absence of any such resolution applicable to such instrument, by the President or Vice President and by the Treasurer or Secretary. **In the event that two or more of the Officers are Co-Owners of the same apartment, those Officers may not be co-signers on any check, draft, note, acceptance, conveyance, contract or other instrument.**

NOTE: SUGGESTED AMENDMENT ADDS FURTHER PROTECTIONS FOR CO-OWNERS.

2023 Third Amendment to Master Deed and By-Laws

ARTICLE V – OBLIGATIONS OF APARTMENT OWNERS

9. The following is added as new **ARTICLE V – OBLIGATIONS OF APARTMENT OWNERS, Section 3. USE OF PROJECT (o)** of the By-Laws.

(o) Motor vehicles shall be parked only in designated parking spaces on the Property. No commercial or industrial vehicles including, but not limited to, trucks, moving vans, buses, tractors, trailers, tow trucks, or hearses shall be permitted to be kept or parked overnight upon any portion of the Project without the prior written consent of the Board of Directors. Trailers, recreational vehicles and equipment, camping vehicles and equipment, or boats shall not be parked on the Property without the prior written consent of the Board of Directors. No motor vehicle shall remain on the Project unless it has current state license plates and a current inspection sticker, unless otherwise approved by the Board of Directors. Major repairs to vehicles of any kind are prohibited upon the Project. The Board, however, may designate common element parking spaces, as needed for other uses. Parking spaces shall be used only for the parking of motor vehicles.

NOTE: NEW MOTOR VEHICLE COVENANTS

2023 Third Amendment to Master Deed and By-Laws

ARTICLE V – OBLIGATIONS OF APARTMENT OWNERS (continued)

10. The following is added as new ARTICLE V – OBLIGATIONS OF APARTMENT OWNERS, Section 8. ADDITIONS, ALTERATIONS, OR IMPROVEMENTS BY CO-OWNERS to the By-Laws.

NOTE: NEW COVENANTS FOR ADDITIONS, ALTERATIONS AND IMPROVEMENTS IN THE APARTMENTS

Section 8. **ADDITIONS, ALTERATIONS, OR IMPROVEMENTS BY CO-OWNERS.** (a) Co-Owners shall not make any structural, plumbing, or electrical addition, alteration, or improvement in or to their apartments, or paint or alter the exterior appearance of their apartments (including flooring, exterior doors, threshold, and windows), without the prior written consent of the Board. No structural addition, alteration, or improvement may be made to a load-bearing wall or structural support without obtaining certified plans from licensed engineer, any and all governmental approvals, and the prior written consent of the Board of Directors. Co-Owners must submit requests for any such addition, alteration, or improvement to the Board in accordance with the procedures adopted by the Board. Requests for approval must include a full description of the scope of work to be performed, as well as, a certification that any structural, plumbing, or electrical work shall be conducted by a contractor licensed in Virginia.

2023 Third Amendment to Master Deed and By-Laws

ARTICLE V – OBLIGATIONS OF APARTMENT OWNERS (continued)

(b) In connection with its discharge of responsibilities, the Board of Directors may engage or consult with architects, engineers, planners, surveyors, or other professionals. The Board of Directors reserves the right to require any Co-Owner seeking approval for additions, alterations, or improvements to pay some or all of those fees incurred by the Council. Before such fees or costs are incurred, the Board of Directors shall advise the Co-Owner of the projected costs for these services and/or professionals. The payment of these fees may be established as a condition for approval for such additions, alterations, or improvements.

(c) The Board shall be obligated to answer any written request by a Co-Owner within forty-five (45) days after such request. In the event the Board (or its designated Committee) fails to respond to a Co-Owner's written request for an addition, alteration, or improvement within forty-five (45) days of a properly submitted request, the Co-Owner's request shall be deemed to have been approved except for a Co-Owner's request that is prohibited under the Master Deed, these By-Laws, or Virginia law, in which case no disapproval is necessary to uphold the prohibited additions, alterations, or improvements.

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ARTICLE V – OBLIGATIONS OF APARTMENT OWNERS (continued)

(d) If any application to any governmental authority for a permit is required to make any such structural, plumbing, electrical additions, alterations, and improvements in or to an apartment, then the Application shall be signed on behalf of Council by an authorized officer only, without however, incurring any liability on the part of the Board, officers, Council, or any of them to any contractor, subcontractor, or materialmen on account of such addition, alteration, or improvement or to any person or entity having a claim for injury to person or damage to property arising therefrom.

(e) The approval of the plans for an addition, alteration, or improvement shall not constitute a representation or warranty by the Board of Directors of the adequacy, technical sufficiency or safety of the addition, alteration, or improvement as described in the plans. Co-Owner expressly releases the Board of Directors and Council from all liability whatsoever for the failure of the plans for the addition, alteration, or improvement to comply with applicable building codes, laws or ordinances or to comply with sound engineering, architectural or construction practices. In addition, in no event shall the Board of Directors or Council have liability to any Co-Owner, contractor or any other party for any costs or damages (consequential or otherwise) that may be incurred or suffered on account of the Board of Directors' approval, disapproval or conditional approval of plans for an addition, alteration or improvement.

2023 Third Amendment to Master Deed and By-Laws ARTICLE V – OBLIGATIONS OF APARTMENT OWNERS (continued)

(f) The installation of an electric vehicle charging station in a parking stall or parking space requires the unanimous approval of the Board of Directors. In addition, as a condition for said approval, a Co-Owner must comply with all the stated conditions and requirements in Va. Code Ann. § 55.1-1962.1 as amended (1950).

11. The following is added as new ARTICLE V – OBLIGATIONS OF APARTMENT OWNERS, Section 9. ADDITIONS, ALTERATIONS, OR IMPROVEMENTS BY THE BOARD OF DIRECTORS to the Bylaws.

Section 9. ADDITIONS, ALTERATIONS, OR IMPROVEMENTS BY THE BOARD OF DIRECTORS. Whenever in the judgment of the Board of Directors, the Common Elements requires additions, alterations, or improvements and the projected cost of the alteration or improvement project is in excess of fifteen percent (15%) of the approved annual budget for the fiscal year during any period of twelve (12) consecutive months, the total expense of the additions, alterations, or improvements must be approved by a majority vote of the Co-Owners, present in person or by proxy at a duly called meeting of the Council convened in accordance with these By-Laws, and the cost thereof shall constitute a Common Expense or limited

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ARTICLE V – OBLIGATIONS OF APARTMENT OWNERS (continued)

Common Expense, depending on the nature of the additions, alterations, or improvements project. Any additions, alterations, or improvements project costing fifteen percent (15%) of the approved annual budget for the fiscal year during any period of twelve (12) consecutive months or less may be made by the Board of Directors without approval of the Co-Owners, and the cost thereof shall constitute a Common Expense or limited Common Expense, depending on the nature of the additions, alterations, or improvements project. Notwithstanding the foregoing, if, in the opinion of not less than two-thirds (2/3rds) of the Board of Directors, such additions, alterations, or improvements project is exclusively or substantially for the benefit of the Co-Owners requesting the same, such requesting Co-Owners shall be assessed therefore in such proportion as they jointly approve, or if they are unable to agree thereon, in such proportion as may be determined by the Board of Directors. This section does not apply to the repair, maintenance, replacement, or restoration of Capital Components as defined in the Virginia Condominium Act.

2023 Fourth Amendment to Master Deed and By-Laws

ARTICLE XVI – INSURANCE

1. **ARTICLE XVI – INSURANCE of the Master Deed is hereby deleted in its entirety and the following is substituted in its place:**

NOTE: PROPOSED REVISIONS TO INSURANCE PROVISIONS THAT ARE CONSISTENT WITH INDUSTRY AND ADDING MORE CLEARLY DEFINED REPAIR AND REPLACEMENT PROVISIONS IN THE EVENT OF A FIRE OR OTHER CASUALTY.

ARTICLE XVI – INSURANCE AND REPAIR AND RECONSTRUCTION IN CASE OF FIRE OR OTHER CASUALTY

a. Authority to Purchase.

1. The Board of Directors (the “Board”) for the benefit of each Co-Owner and each apartment, as a Common Expense, shall obtain and maintain all insurance policies relating to the Project. Neither the Board nor the Managing Agent shall be liable for any failure of the Council to obtain any insurance coverage required by this Article if such failure is due to: (i) the unavailability of such coverage from reputable insurance companies; or (ii) such coverages are available only at a demonstrably unreasonable cost; provided the Board or the Managing Agent provides a written notice within ten (10) calendar days to all the Co-Owners stating the reason(s) the insurance could not be obtained.

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ARTICLE XVI – INSURANCE (continued)

2. The Board shall obtain insurance coverages, which provides that: (i) the insurer waives its right to sue the Board, the Council, the Managing Agent or the Co-Owners and their respective agents, employees, and guests, and in the case of Co-Owner, the members of their household, in order to subrogate an insurance claim; (ii) the insurer cannot cancel, invalidate, or suspend the policy because of the conduct of any member of the Board or its officers, or employees, any Co-Owner or such Co-Owner's family members, invitees, agents, employees, or guests, or the Managing Agent or its officers or employees, without prior written demand to the Board to cure such conduct and the allowance of a reasonable time within which to effect such cure; (iii) the insurer cannot cancel or substantially modify the policy without providing at least sixty (60) days advance notice to the Board and the Managing Agent and, in the case of physical damage insurance, to all mortgagees; and (iv) the named insured under any such policies shall be the Council, as trustee for the Co-Owners.

2023 Fourth Amendment to Master Deed and By-Laws

ARTICLE XVI – INSURANCE (continued)

3. If available, all policies shall be written with a company or companies licensed to do business in the Commonwealth of Virginia. All such policies shall also provide, to the extent possible, that: (i) the insurer of the master condominium policy shall issue to each apartment owner or their mortgagee a certificate specifying the portion of the master condominium policy allocated to each owner's apartment; and, (ii), that until the expiration of sixty (60) days from the date of written notice to a mortgagee of any apartment, the mortgagee's insurance coverage shall not be affected or jeopardized by any act or conduct of the Co-Owner of such apartment, any other Co-Owner(s), the Board of Directors or any of their respective agents, employees, or household members, nor canceled for nonpayment of premiums.

4. The master condominium policy shall contain a standard mortgagee clause in favor of each mortgagee of an apartment to the extent of that portion of the coverage of the master condominium policy allocated to such apartment. The clause shall provide that any such loss shall be payable to such mortgagee and Co-Owner as their interests may appear, subject to the loss payment and adjustment provisions in favor of the Board and the Insurance Trustee, if one is designated.

2023 Fourth Amendment to Master Deed and By-Laws

ARTICLE XVI – INSURANCE (continued)

5. A “no control” clause must be a part of the master condominium policy, stating that coverage may not be prejudiced by: (a) any act or neglect of the **Co-Owners** when such act or neglect is not within the control of the Council; or (b) any failure of the Council to comply with any warranty or condition regarding any portion of the premises over which the Council has no control.

6. The insurer waives any right to claim by way of subrogation against the Council, the Board, the Managing Agent, or the **Co-Owners** and their respective guests, invitees, tenants, agents and employees, and in the case of the **Co-Owners**, the members of their households.

b. Physical Damage Insurance.

2023 Fourth Amendment to Master Deed and By-Laws

ARTICLE XVI – INSURANCE (continued)

1. The Board shall obtain and maintain a “Special Causes of Loss” policy of property insurance equal to the full guaranteed replacement value of the Condominium, (i.e., 100% of current “replacement cost,” less a reasonable deductible amount exclusive of land, foundation, excavation and other items normally excluded from coverage) with an Agreed Amount Endorsement, including all building service equipment **within the apartments** and floor coverings, kitchen or bathroom fixtures, **cabinets, electrical fixtures**, and appliances **based upon what was initially installed therein by the Developer and any replacements thereof made by the Developer. within the apartments.** The policy shall not include furniture, furnishings, fixtures, **carpeting**, equipment and other personal property of the **Co-Owner**, or any betterments and improvements installed by **Co-Owners**. The amount of coverage is to be determined annually by the Board of Directors.

2. The master condominium policy must provide at least the following protection:

- (i) loss or damage by fire and other hazards covered by the standard extended coverage endorsement and by sprinkler leakage, debris removal, cost of demolition, vandalism, malicious mischief, windstorm and, to the extent determined by the Board of Directors, water damage; and
- (ii) such other risks as are customarily covered in similar projects.

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ARTICLE XVI – INSURANCE (continued)

3. Such policy shall also provide: (i) any excess proceeds shall be deposited in the Condominium’s replacement reserve fund; and (ii) the following endorsements, or their equivalents: (a) “no control”; (b) “contingent liability from operation of building laws or codes”; (c) “increased cost of construction” or “condominium replacement cost”; and (d) “agreed amount” or elimination of co-insurance clause.

4. A “no other insurance” clause expressly excluding individual Co-Owners' policies from its operation so that the physical damage policy purchased by the Board shall be deemed primary coverage and any individual Co-Owner’s policies shall be deemed excess coverage. In no event shall the insurance coverage obtained and maintained by the Board of Directors on behalf of the Council hereunder provide for or be brought into contribution with insurance purchased by individual Co-Owners or their mortgagees, unless required by law.

2023 Fourth Amendment to Master Deed and By-Laws

ARTICLE XVI – INSURANCE (continued)

c. Liability Insurance.

1. The Board shall obtain and maintain comprehensive general liability, defamation, slander, false arrest and invasion of privacy coverage, and liability coverage for acts of the Council, officers and directors of the Council, and property damage insurance in a limit no less than One Million Dollars (\$1,000,000.00) per occurrence, insuring the Council, each member of the Board, the Managing Agent, each **Co-Owner** and those entitled to occupy any apartment against any liability to the public or to the **Co-Owner(s)** and their invitees, agents, and employees, arising out of or incidental to, the ownership and/or use of the Common Elements. Such insurance shall be issued on a comprehensive liability basis and shall contain: (i) a cross liability endorsement under which the rights of a named insured under the policy shall not be prejudiced with respect to **Co-Owner's** action against another named insured; (ii) hired and non-owned vehicle coverage; (iii) host liquor liability coverage with respect to events sponsored by the Council; (iv) deletion of the normal products exclusion with respect to events sponsored by the Council; and (v) a “severability of interest” endorsement which shall preclude the insurer from denying liability to a co-owner because of negligent acts of the Council or another Co-Owner.

2023 Fourth Amendment to Master Deed and By-Laws

ARTICLE XVI – INSURANCE (continued)

2. The Board of Directors shall review insurance limits once each year, but in no event shall such insurance be less than One Million Dollars (\$1,000,000.00) covering all claims for bodily injury or property damage arising out of each occurrence. The Board of Directors may obtain and maintain reasonable amounts of “umbrella” liability insurance in excess of the primary limits at its discretion.

d. Further Insurance. The Board shall obtain and maintain:

1. Fidelity bond or employee dishonesty coverage to protect against dishonest acts on the part of officers, directors, trustees, and persons employed by the Council and any other persons who handle, or who are responsible for handling, the funds of the Council, including the Managing Agent and employees of the Managing Agent. Such fidelity coverage or bonds shall: (i) be written and maintained in an amount not less than the current amount required in the Virginia Condominium Act, or the current amounts required by mortgagees, or government agencies, whichever is greater; and (ii) contain waivers of any defense based upon the exclusion of persons who serve without compensation from any definition of “employee” or similar expression;

2023 Fourth Amendment to Master Deed and By-Laws

ARTICLE XVI – INSURANCE (continued)

2. If required by any governmental or quasi governmental agency, flood insurance, in accordance with the then applicable regulations of such agency;
 3. Worker's compensation insurance, if and to the extent, required by law; and
 4. Such other insurance as the Board may determine appropriate.
- e. Individual Insurance. Each Co-Owner and any tenant of such Co-Owner, at their own expense, shall obtain additional insurance for Co-Owner's apartment and for Co-Owner's benefit in order to cover losses not covered by the insurance maintained for the Council including but not limited to the risk of loss or damage to Co-Owner's personal property, and for any improvements, made to the apartment. The policy shall include the same waiver of subrogation provision as that is required in subparagraph a (2) of this Article. Upon request of the Council, a Co-Owner shall produce a Certificate of Insurance or such other proof of insurance maintained for the Co-Owner's apartment within five (5) calendar days of the receipt of request.

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ARTICLE XVI – INSURANCE (continued)

f. Insurance Trustee.

1. The Board shall have the right, but shall not be required, to designate any federally-insured depository institution, trust company, management agent, insurance company, law firm, institutional/non-institutional lender, or the Council 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 shall be held in accordance with the terms of this Master Deed.

2. The Insurance Trustee shall not be liable for the payment of premiums, the renewal of the policies, the sufficiency of coverage, the form or content of the policies, the correctness of any amounts received by it on account of the proceeds of any insurance policies, nor the failure to collect any insurance proceeds. The sole duty of the Insurance Trustee shall be to receive such proceeds as are paid to it and to hold the same in trust for the purposes elsewhere stated in this Master Deed, for the benefit of the Council, the Co-Owners and their respective mortgagees.

2023 Fourth Amendment to Master Deed and By-Laws

ARTICLE XVI – INSURANCE (continued)

g. Board of Directors as Agent. By acceptance of title to an apartment, each Co-Owner irrevocably appoints the Board of Directors as the Co-Owners' agent for insurance claim purposes under any policy procured by the Board of Directors for the Council. Acting pursuant to such agency, the Board of Directors shall file all claims arising under insurance policies of the Council.

h. Premiums and Deductibles. The Council shall pay all premiums for the Council's insurance policies as a Common Expense. In order to obtain a policy at the most reasonable price for the Council, all factors considered, the Board may agree to a deductible clause(s), which causes the Council to absorb the first part of a covered loss. Accordingly, any insurance deductible under the master casualty insurance policy shall be paid by the Council as a Common Expense, if the cause of the damage to or destruction of any portion of the Condominium Project originated in or through the Common Elements, or an apparatus located within the Common Elements. However, a Co-Owner shall pay such deductible, if the cause of any damage to or destruction of any portion of the Project originated in or through an apartment or any component thereof without regard to whether the Co-Owner was negligent.

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ARTICLE XVI – INSURANCE (continued)

i. Repair and Replacement in Case of Fire or Other Casualty.

1) Reconstruction. If any part of the Project shall be damaged by fire or other casualty, the determination of whether or not to reconstruct or repair the same shall be made as follows, subject to the provisions of the Master Deed:

a) Where there is a partial destruction, which shall be deemed to mean destruction which does not render two-thirds (2/3) or more of the apartments untenable, there shall be compulsory reconstruction or repair.

b) Where there is total destruction and which shall be deemed to mean destruction which does render two-thirds (2/3) or more of the apartments untenable, reconstruction or repair shall not be compulsory unless at a meeting which shall be called within ninety (90) days after the occurrence of the casualty, or, if by such date the insurance loss has not been finally adjusted, then within one hundred twenty (120) days after the occurrence of the casualty, at least eighty percent (80%) of the Co-Owners vote in favor of such reconstruction or repair.

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ARTICLE XVI – INSURANCE (continued)

c) If the building or any improvements standing or erected upon the Project shall be destroyed or damaged by some casualty and such destroyed or damaged property is to be reconstructed or repaired, the reconstruction or repair thereof shall, at least, be to the extent of the replacement value of the property destroyed or damaged; and as nearly similar as practicable to the character of the building or improvements existing immediately prior to such casualty. Any reconstruction or repair shall be done in accordance with the outstanding building code requirements of the Commonwealth of Virginia and may be done with contemporary building materials and achieved by using updated construction systems and technology.

If the damage is only to those parts of one apartment for which the responsibility of maintenance and repair is borne by the Co-Owner, then the Co-Owner shall be responsible for reconstruction and repair after casualty and shall be entitled to apply, with the assistance of the Board of Directors, for the applicable insurance proceeds. In all other instances, the responsibility and repair after casualty shall be that of the Board of Directors.

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ARTICLE XVI – INSURANCE (continued)

2) Assessment if Insurance is Inadequate. Immediately after a casualty causing damage to property for which the Board of Directors has the responsibility of maintenance and repair, the Board shall obtain reliable and detailed estimates of the cost to replace the damaged property in as good a condition as it was before the casualty. Such costs may include professional fees and premiums for such bonds as the Board desires. If the proceeds of insurance are not sufficient to defray such estimated costs, a special assessment shall be made against all the apartments in proportion to the common interest of the apartments, in sufficient amounts to provide funds to pay the estimated costs. If at any time during reconstruction and repair, or upon completion of reconstruction or repair, the funds for payment of the costs thereof are insufficient, assessments shall be made against all of the apartments in proportion to their respective common interests in sufficient amounts to provide funds for the payment of such costs. Notwithstanding anything to the contrary contained herein, the Council shall not be responsible for any item of reconstruction, repair, maintenance, or replacement (including the costs thereof) or consequential or incidental damage to any Unit, for which it would not otherwise be responsible under the provisions of these By-Laws, unless such loss or damage was

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ARTICLE XVI – INSURANCE (continued)

occasioned through the fault of the Council. This provision shall be deemed to include the payment by the Co-Owners of any deductible amount for any insurance policies maintained by the Council.

3) Construction Fund. The net proceeds of insurance collected on account of a casualty and any funds collected by the Board from special assessments against Co-Owners as a result of such casualty shall constitute a construction fund, which shall be disbursed in payment of the cost of reconstruction and repair as set forth in this Section. The Board shall have the right (but not the obligation) to designate a federally-insured financial institution, trust company, managing agent, an institutional lender, the Board, or the Council, as an Insurance Trustee, and all parties beneficially interested in such insurance coverage shall be bound hereby. If the net proceeds of insurance collected on account of a casualty exceed One Hundred Thousand Dollars (\$100,000.00), then the funds collected by the Board from assessments against the Co-Owners may be deposited with the Insurance Trustee, and the entire construction fund may be held by the Insurance Trustee, if any, and disbursed as directed by the Board. The Insurance Trustee, if any, shall at the time of the deposit of such policies and endorsement

2023 Fourth Amendment to Master Deed and By-Laws

ARTICLE XVI – INSURANCE (continued)

acknowledge that the policies and any insurance proceeds therefrom will be held in accordance with the terms of this Master Deed. The Insurance Trustee shall not be liable for the payment of premiums, the renewal of the policies, the sufficiency of the coverage, the form or content of the policies, the correctness of any amounts received by it on account of the proceeds of any insurance policies, nor the failure to collect any insurance proceeds. The sole duty of the Insurance Trustee shall be to receive any insurance proceeds as are paid to it, and to hold the same in trust in an interest-bearing account, or instruments to the extent available in the market place and permissible under the terms of the insurance policies, or as elsewhere stated in this Master Deed or the By-Laws, for the benefit of the Co-Owners and the mortgagees.

4) Method of Disbursement. The Board or the Insurance Trustee, as the case may be, shall make appropriate progress payments to such contractors, suppliers, and laborers performing the repair and reconstruction work as the Board shall determine.

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ARTICLE XVI – INSURANCE (continued)

5) Surplus. The first monies disbursed in payment of costs of repair and reconstruction shall be from insurance and if there is a balance in the construction fund after payment of all the costs of repair and reconstruction for which the fund is established, such balance shall at the determination of the Board, either be deposited in the Council general operating account, applicable reserve account, or rebated to those Co-Owners who funded such construction fund in proportion to the respective amounts paid by such Co-Owners.

6) Common Elements. When the damage is to both the Common Elements and apartments, the insurance proceeds shall be applied first to the cost of repair and reconstruction of the Common Elements and the balance to the cost of repair and reconstruction of apartments.

7) Certificate. The Insurance Trustee, if any, shall be entitled to rely upon a certificate executed by the President or Vice President, and the Secretary of the Council certifying: (i) whether the damaged property is to be repaired or reconstructed; (ii) the name of the payee and the amount to be paid with respect to disbursements from any construction fund held by the Insurance Trustee whether surplus funds to be distributed are less than the assessments paid by the co owners; (iii) all other matters concerning the holding and disbursing

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ARTICLE XVI – INSURANCE (continued)

of any construction funds held by the Insurance Trustee; and (iv) any such certificate shall be delivered to the Insurance Trustee, if any, promptly after request.

8) When Reconstruction Not Required. In the event the Board elects not to repair any damage to the Common Elements, any insurance proceeds received on account of such damage shall be distributed among the Co-Owners in proportion to their respective proportionate share of the common interests appertaining to Co-Owners' apartment. If the Project shall be terminated, in accordance with the termination provisions of the Virginia Condominium Act, the net assets of the condominium together with the net proceeds of any insurance policies, shall be divided by the Board or the Insurance Trustee, as the case may be, among the Co-Owners in proportion to their respective proportionate share of the common interests, after first paying out of the share of each Co-Owners, to the extent funds are available, the amount of any unpaid liens on Co-Owner's apartment in the order of priority of such liens.

Contact Information

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