

BYLAWS
OF
RIVER PLACE SOUTH HOUSING CORPORATION

(Arlington, Virginia)

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BYLAWS
OF
RIVER PLACE SOUTH HOUSING CORPORATION

ARTICLE 1

Interpretive Provisions

Section 1.1. Definitions. In these Bylaws:

(1) “Apartment” means a portion of the Building designed for individual occupancy as a residence, including the materials comprising the finished surfaces of the walls, floors, and ceilings thereof, any patio, balcony or terrace designed to serve that residence exclusively, and any other fixtures, equipment, appliances or other apparatus designed to serve that residence exclusively.

(2) “Articles of Incorporation” mean the Articles of Incorporation of the Corporation.

(3) “Board of Directors” or “Board” means the Board of Directors of the Corporation, and the terms “Director” or “Directors” refer to members of that Board.

(4) “Building” means the apartment building or apartment buildings in which the Corporation has a leasehold interest (or estate for years) from the date each such estate or interest is acquired, but excludes any portions of such building or buildings excluded from such estate or interest.

(5) “Common Elements” means all of the Building except the Apartments.

(6) “Common Expenses” means expenditures by or financial obligations of the Corporation, together with allocations to reserves.

(7) “Corporation” means River Place South Housing Corporation.

(8) “Governing Documents” means (i) the Declaration of Covenants, Easements and Liens for River Place recorded in Deed Book 2061 at page

388, *et seq.* among the Land Records of Arlington County, (ii) the Articles of Incorporation, Bylaws, and Rules and Regulations of River Place Owners' Association, (iii) all leases and assignments of lease from Monument Associates to the Corporation now or hereafter recorded, and (iv) the Articles of Incorporation, Bylaws, and Rules and Regulations of the Corporation.

(9) "Majority Vote" means a simple majority (except where a higher majority is specified) of the votes actually cast at a meeting held pursuant to these Bylaws where the quorum requirements for such meeting are satisfied.

(10) "Officer" means a Director or Officer of the Corporation, except to the extent otherwise provided by Section 4.1 of these Bylaws.

(11) "Person" means a natural person, corporation, partnership, trust or other entity.

(12) "Proprietary Lease" means a lease of an Apartment from the Corporation to one of its Shareholders not scheduled to expire before December 20, 2052.

(13) "Proprietary Lessee" means a Shareholder who owns a Proprietary Lease issued by the Corporation.

(14) "Shares" means shares of the Corporation.

(15) "Shareholder" means one or more Persons who constitute a Shareholder of the Corporation

(16) "Sponsor" means Monument Associates, a Virginia general partnership. From and after the date of recordation of a document assigning to another Person all of the rights reserved to the Sponsor under the Declaration, the term "Sponsor" shall mean that Assignee.

(17) "Upkeep" means operation, regulation, care, maintenance, repair, repainting, remodeling, restoration, improvement, renovation, alteration, replacement and reconstruction.

(18) "Financial plan" means any formal or informal process by which the Corporation operates the property in any fiscal year in the absence of a budget as contemplated under Article 7 Section 7.2(a), or in a situation where a budget has been contested as not having been properly prepared and adopted. [Amended by Board of Directors on February 27, 1992].

Section 1.2. Captions. The captions in these Bylaws are inserted only as a matter of convenience and for reference, and in no way limit or otherwise affect the scope, meaning or effect of any provision of these Bylaws.

Section 1.3. Pronouns. Masculine singular pronouns are used in these Bylaws only for convenience and shall be construed to include Persons of any gender or number.

Section 1.4. Severability. Each provision of these Bylaws is severable from every other provision hereof, and the invalidity of any one or more provisions of these Bylaws shall not change the meaning of or otherwise affect any other provision hereof.

ARTICLE 2

The Corporation

Section 2.1. Annual Meetings of the Shareholders. The first annual meeting of the Shareholders shall be held, not later than the first anniversary of the incorporation of the Corporation, at such time and place as may be fixed by a resolution of the Board of Directors. Thereafter, the Shareholders shall meet during the second month preceding the beginning of each fiscal year at such time and place as may be fixed from time to time by resolutions of the Board of Directors. No such resolution shall fix as a meeting date a Saturday, Sunday, or legal holiday observed in Virginia.

Section 2.2. Special Meetings of the Shareholders. Special meetings of the Shareholders shall be held if sought (i) by resolution of the Board of Directors (ii) by request of the President of the Corporation or the Chairman of the Board of Directors, or (iii) by a petition signed by the Shareholders of record of at least one-tenth (1/10) of the outstanding shares; provided, that such resolution, request or petition must (i) specify a time at which the meeting is to be held which will permit the Secretary to comply with Section 2.3 of these Bylaws or else specify that the Secretary shall designate the time of the meeting, (ii) specify the purpose(s) for which the meeting is to be held, and (iii) be delivered to the Secretary. No business other than that stated in such resolution, request or petition shall be transacted at such special meeting.

Section 2.3. Notice of Shareholders' Meetings. (a) Written notice stating the place, day and hour of each meeting of the Shareholders, and, in case of a special meeting, the purpose(s) for which the meeting is called, shall be given not less than ten (10) nor more than fifty (50) days before the date of the meeting, either personally or by mail, by the Secretary or an Assistant Secretary to each Shareholder of record entitled to vote at such meeting.

(b) Notice of a Shareholders' meeting to act on a proposed amendment to the Articles of Incorporation, or on a reduction of stated capital, or on a plan of merger, consolidation or exchange, shall be given in the manner provided above not less than twenty-five (25) nor more than fifty (50) days before the date of the meeting. Any such notice shall be accompanied by a copy of the proposed amendment or plan of reduction, merger, consolidation or exchange.

Section 2.4. Waiver of Notice of Meetings. (a) Whenever any notice is required to be given of any Shareholders' meeting, a waiver thereof in writing signed by a Person entitled to such notice, whether before or after the time stated therein, shall be equivalent to the giving of such notice to that Person.

(b) A Shareholder who attends a Shareholders' meeting shall be conclusively presumed to have had timely and proper notice of the meeting or to have duly waived notice thereof, unless he attends for the express purpose of objecting to the transaction of any business on the grounds that the meeting was not lawfully called or convened.

Section 2.5. Action by Shareholders Without a Meeting. Any action required or permitted to be taken at a meeting of the Shareholders may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by all of the Shareholders entitled to vote with respect to the subject matter thereof. Such consent shall have the same force and effect as a unanimous vote of the Shareholders and shall be filed with the minutes of the proceedings of the Shareholders.

Section 2.6. Closing of Transfer Books and Fixing Record Date. For the purpose of determining Shareholders entitled to notice of or to vote at any meeting of the Shareholders or adjournment thereof, or in order to make a determination of the Shareholders for any other purpose, the Board of Directors may provide that the stock transfer books shall be closed for a stated period not to exceed fifty (50) days prior to the date of the proposed meeting or other action. In lieu of closing the stock transfer books, the Board of Directors may fix in advance a date as the record date for any such determination of the Shareholders, such date in any case to be not more than fifty (50) days prior to the date of the proposed meeting or other action. If the stock transfer books are not closed and no record date is fixed for the determination of the Shareholders entitled to notice of or to vote at a meeting of the Shareholders, the date on which notice of the meeting is mailed shall be the record date for such determination of Shareholders. When a determination of the Shareholders entitled to vote at any meeting of the Shareholders has been made as provided in this Section, such determination shall apply to any adjournment thereof.

Section 2.7. Voting List. The officer or agent having charge of the stock transfer books shall make, at least ten (10) days before each meeting of the

Shareholders, a complete list, in alphabetical order, of the Shareholder entitled to vote at such meeting or any adjournment thereof, with the address of and the number of shares held by each. Such list, for a period of ten (10) days prior to such meeting, shall be kept on file at the registered office of the Corporation or at its principal place of business or at the office of its transfer agent or registrar and shall be subject to inspection by any Shareholder at any time during usual business hours. Such list shall also be produced and subject to inspection by any Shareholder at all times throughout the meeting. The original stock transfer books shall be prima facie evidence as to whom are the Shareholders entitled to examine such list or transfer books or to vote at any meeting of the Shareholders. If the requirements of this Section have not been substantially complied with, the meeting shall, on the demand of any Shareholder in person or by proxy, be adjourned until the said requirements are complied with. Failure to comply with the requirements of this Section shall not affect the validity or any action taken at such meeting prior to the making of any such demand.

Section 2.8. Quorum of Shareholders. One-third (1/3) of the shares entitled to vote, represented in person or by proxy, shall constitute a quorum at any meeting of the Shareholders. If a quorum is present, a Majority Vote on any matter shall be the act of the Shareholders unless the vote of a greater number is required by the Virginia Stock Corporation Act or by the Articles of Incorporation, and except that in elections of Directors those receiving the greatest numbers of votes shall be deemed elected even though not receiving a majority. Less than a quorum may adjourn.

Section 2.9. Absence of Quorum. In the absence of a quorum at any meeting of the Shareholders, the Shareholders present in person or by proxy and entitled to vote thereat, or, if no Shareholders entitled to vote are present in person or by proxy, any Officer authorized to preside at or act as Secretary of such meeting, may adjourn the meeting from time to time, for periods not exceeding twenty (20) days at any one time, until a quorum shall be present. At any such adjourned meeting at which a quorum is present, any business may be transacted which might have been transacted at the meeting as originally called if a quorum had been present.

Section 2.10. Voting of Shares. Each outstanding share shall be entitled to one vote on each matter submitted to a vote at a meeting of the Shareholders. Treasury shares shall not be voted at any meeting or counted in determining the total number of outstanding shares at any given time entitled to vote. If the Corporation holds shares of its own stock in a fiduciary capacity, they may be counted to establish a quorum, but may not be voted unless the Corporation is a fiduciary jointly with another, in which case the other may vote the shares. Except as provided in this Section and Section 2.11 and 2.12 of these Bylaws, shares may be voted as provided in Section 13.1-662 of the Code of Virginia, as the same may be amended from time to time.

In determining eligibility to vote, any Shareholder who is delinquent in paying his or her assessment shall not be entitled to vote his or her shares. If a Shareholder has contested an assessment or portion thereof and has not paid that assessment or portion thereof, that Shareholder may nonetheless be entitled to vote his or her shares provided: (i) that written notice has been given contesting the assessment, (ii) that the notice has given detailed reasons for contesting the assessment and (iii) that the Shareholder has placed in an interest bearing escrow account all contested assessments or portions thereof with an escrow agent approved by the Board of Directors, with the further provision that the contested sums held in escrow shall be paid to the party prevailing in any such matter involving the contesting of the assessment. A Shareholder who is deemed to be ineligible herein shall not have his or her shares included in the determining whether or not a quorum is present for any action coming before the meeting of the Shareholders. Those said shares shall be deemed not to be outstanding for purposes of a quorum. [Amended by Board of Directors on January 27, 1992.]

Section 2.11. Manner of Voting. Voting by Shareholders shall be by voice vote unless any Shareholder present at the meeting, in person or by proxy, demands a vote by written ballots indicating the name of the Shareholder voting, the number of shares owned by him, and the name of the proxy of such ballot if cast by a proxy. Shares held by two or more Persons as joint tenants, tenants in common, or tenants by the entirety may be voted in person or by proxy by any of such Persons. If more than one of such tenants shall vote such shares, the vote shall be divided among them in proportion to the number of such tenants voting in person or by proxy. At each election for Directors, every Shareholder entitled to vote at such election shall have the right to cumulate his votes, in person or by proxy, by giving one candidate as many votes as the number of Directors to be elected at the time multiplied by the number of his votes shall produce, or by distributing such votes on the same principle among any number of such candidates.

Section 2.12. Proxy Voting. A Shareholder may vote either in person or by proxy executed by writing by the Shareholder or by his duly authorized attorney-in-fact. No proxy shall be valid after eleven (11) months from its date unless otherwise provided in the proxy. No authorization of an attorney-in-fact to execute a proxy shall be valid after ten (10) years from its date, but such proxies may be accepted as valid in the absence of notice to the contrary.

Section 2.13. Order of Business. The order of business at meetings of the Shareholders shall be as follows:

- (1) Call to order.
- (2) Roll call and ascertainment of a quorum.
- (3) Proof of notice of meeting.

- (4) Reading of minutes of preceding meeting.
- (5) Appointment of vote tellers (if any vote is to be taken) by the Officer presiding
- (6) Election of Directors (at annual meetings).
- (7) Reports of Officers.
- (8) Unfinished business.
- (9) New business.
- (10) Adjournment.

Section 2.14. Conduct of Meetings. The Officer presiding at a meeting of the Shareholders may appoint a person to serve a parliamentarian at that meeting. The current edition of Robert's Rules of Order shall govern the conduct of all meetings of the Shareholders when not in conflict with the Virginia Stock Corporation Act or these Bylaws. [Amended by Board of Directors in July 2001.]

ARTICLE 3

BOARD OF DIRECTORS

Section 3.1. Number and Selection of Directors.

(a) The business and affairs of the Corporation shall be managed by a Board of Directors selected in accordance with Article 6 of the Articles of Incorporation. The Board of Directors shall consist of seven (7) members, who shall be Shareholders and/or residents of the property owned or leased by the Corporation. Of those elected at the first annual meeting of the shareholders pursuant to Article 6 of the Articles of Incorporation, three (3) were elected to serve until the conclusion of the third succeeding annual meeting, two (2) were elected to serve until the conclusion of the second succeeding annual meeting, and two (2) were elected to serve until the conclusion of the succeeding annual meeting. All Directors elected at any annual meeting commencing with the annual meeting in 1991 shall be elected to serve until the conclusion of the third annual meeting following their election or until their successors are duly elected and qualified. The business affairs of the Corporation and, subject to the Declaration of Covenants, Easements and Liens for River Place and to the Articles of Incorporation and Bylaws for River Place South Housing Corporation, the Upkeep of all property owned or leased by the Corporation, shall be managed by the Board, which may exercise all such powers of the Corporation and do all such lawful acts and things as are not by law or by the certificate of incorporation or by these Bylaws directed or required to be exercised or done by the Shareholders.

(b) No person shall be eligible to be elected to the Board of Directors at an annual meeting unless that Person at least forty-five (45) days before that annual meeting, shall have delivered to the Secretary of the Corporation a petition nominating that Person signed by that Person and by at least ten (10) Shareholders. If the Person

being nominated is a Shareholder, that Person shall count as one of the ten (10) Shareholders whose signatures are required.

(c) Further, no Person shall be eligible to be elected to the Board of Directors at an annual meeting unless that Person is eligible to vote his or her shares at the said annual meeting as provided in Section 2.10 of the Bylaws as amended on January 27, 1992. [Amended by Board of Directors on February 27, 1992.]

Section 3.2. Vacancies in Board of Directors. Any vacancy occurring in the Board of Directors by reason of death, resignation, removal, increase in number of Directors or otherwise, may be filled by the vote of a majority of the remaining Director(s) even if the remaining Director(s) comprise less than a quorum of the Board. Any Shareholder or resident elected by the Board of Directors pursuant to this Section 3.2 to fill a vacancy resulting from the death, resignation or removal of a Director shall be elected to serve for the remaining term of that Person's predecessor on the Board of Directors. [Amended by Board of Directors on January 22, 1991.]

Section 3.3. Removal of Directors. A director may be removed in the following manner:

(a) At a meeting of the Shareholders called expressly for that purpose, any director may be removed, with or without cause, by a vote of the Shareholders holding a majority of the shares entitled to vote. No Director may be removed, however, if the votes of sufficient number of the shares are cast against his removal which, if then cumulatively voted at an election of all Directors, would be sufficient to elect him.

(b) At a meeting of the Board of Directors called expressly for that purpose, any Director may be removed by a majority of the Directors if that Person is delinquent in paying his or her assessment, has not escrowed a contested assessment consistent with the provisions set forth in Section 2.10 of the Bylaws as amended on January 27, 1992, or has failed to attend three (3) consecutive Board of Directors Meetings. [Amended by Board of Directors on February 27, 1992.]

Section 3.4. Resignation of Directors. Any Director may resign at any time by giving written notice to the Board of Directors or to the President or the Secretary of the Corporation. Unless otherwise specified in such written notice, such resignation shall take effect upon receipt thereof, and the acceptance of such resignation shall not be necessary to make it effective. If any Director was a Shareholder of the Corporation, or a resident of the property owned or leased by the Corporation, at the time he became such a Director, he shall be deemed to have resigned at such time as he ceases to be such a Shareholder or resident.

Section 3.5. Meetings of Directors. The first meeting of each newly-elected Board of Directors shall be held immediately after each annual meeting of the Shareholders and no notice of such meeting shall be necessary to the newly-elected

Directors in order legally to constitute the meeting, provided a quorum shall be present, or the Board may convene at such time and place as shall be fixed by the consent in writing of all the Directors. Thereafter, the Board shall meet regularly without notice at such intervals, times and places as may be fixed from time to time by resolutions of the Board. Special meetings of the Board shall be held when called by a majority of the Directors with at least three (3) days' notice to the remainder of the Board, or not less than twenty-four (24) hours after notice has been received by the remainder of the Board, whichever period is shorter. However, notice of a special meeting may be waived by any Director in writing or by attending the meeting, unless he attends for the express purpose of objecting to the transaction of any business on the grounds that the meeting was not lawfully called or convened.

Section 3.6. Action without Meeting. Any action required or permitted to be taken at a meeting of the Board of Directors may be taken without a meeting if a consent in writing, setting forth the action taken, shall be signed either before or after such action by all of the Directors. Such consent shall have the same force and effect as a unanimous vote and shall be filed with the minutes of the proceedings of the Board.

Section 3.7. Quorum of Directors. A majority of the Board of Directors constitute a quorum for the transaction of business. A Majority Vote of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

Section 3.8. Powers and Duties. (a) In addition to such other powers as are conferred on the Board of Directors by the Virginia Stock Corporation Act and the Articles of Incorporation, but subject to any limitations created by this or any other Governing Document, the Board shall have the power:

(1) to regulate, and adopt, amend and repeal Rules and Regulations governing, the use and operation of the Common Elements and any portions thereof and the use and occupancy of the Apartments, provided, however, that any such Rule or Regulation in conflict with the other Governing Documents or any applicable law, ordinance or other governmental regulation shall be void;

(2) to determine the budget of and the expenditures to be made by the Corporation and the purpose of each such expenditure;

(3) to borrow money on behalf of the Corporation, provided, however, that a two-thirds (2/3) Majority Vote at a meeting of the Shareholders shall be required to borrow any sum in excess of Forty Thousand Dollars (\$40,000.00);

(4) to grant exclusive or nonexclusive licenses for the use of designated Common Elements to the Proprietary Lessees of designated Apartments;

(5) to do or cause to be done any act or thing necessary or convenient for carrying out its duties under the Governing Documents; and

(6) to do or cause to be done any other act or thing not inconsistent with the Governing Documents or any applicable law, ordinance or governmental regulation, which may be authorized by a two-thirds (2/3) Majority Vote at a meeting of the Shareholders.

(b) The Board of Directors shall have the duty to:

(1) enforce or cause to be enforced the provisions of the Governing Documents and the Proprietary Leases;

(2) carry out or cause to be carried out the responsibilities of the Corporation under the Governing Documents and the Proprietary Leases;

(3) do or cause to be done by an appropriate Officer all acts and things required by the Virginia Stock Corporation Act or these Bylaws to be performed by an Officer;

(4) do or cause to be done any other act or thing not inconsistent with the Governing Documents or any applicable law, ordinance or governmental regulation, as may be directed by a two-thirds (2/3) Majority Vote at a meeting of the Corporation; and

(5) keep books with detailed accounts in chronological order of the receipts and expenditures affecting the Building and the administration of the Building. Such books and vouchers accrediting the entries therein shall be kept available for examination by the Shareholders, their attorneys, accountants and authorized agents during general business hours on business days at times and in the manner set and announced by the Board for the general knowledge of the Shareholders. All books and records shall be kept in accordance with generally accepted accounting principals. This duty may be delegated to a Managing Agent.

(c) Subject to the provisions of Article 6 of these Bylaws, the Board of Directors may, by resolution or pursuant to a contract authorized by a resolution of the Board or of the Shareholders, delegate (with or without conditions), to a Managing Agent and/or to specified Officer(s), any of the powers and duties specified in Sections 8.2(a), 8.3, 8.4, 8.6 and 9.1 of these Bylaws. Other powers and duties imposed on the Board or on any Officer may be so delegated only as contemplated by the Sections of these Bylaws setting forth those powers and duties. The Board may, however, in accordance with the requirements of Article 6 of these Bylaws, employ a Managing

Agent or any other Persons to assist in the exercise or discharge of these powers and duties conferred or imposed by these Bylaws on the Board or on any Officer.

(d) Notwithstanding any other provision of these Bylaws, as long as the Sponsor owns at least twenty-five percent (25%) of the outstanding shares of the Corporation, the Board of Directors shall not, without the prior written consent of the Sponsor:

(1) convey or encumber any estate or interest in the Building, except that no such consent shall be required for the issuance of Proprietary Leases as contemplated by these Bylaws; or

(2) incur any costs for capital improvements to the Building or incur any other Common Expenses, in any category, in amounts that exceed the projections set forth in the projected budget in the Public Offering Statement for the Corporation, except that no such consent shall be required for increases in any category that do not exceed any increase that shall have occurred in the "Consumer Price Index for Urban Wage Earners and Clerical Workers: U.S. City Average, All Items, 1967 = 100" between the fourth month preceding the first fiscal year of the Corporation and the fourth month preceding the fiscal year of the Corporation in which such increase is incurred.

ARTICLE 4

Officers

Section 4.1. Meaning. For the purposes of this Article only, the term "Officer" does not include any member of the Board of Directors in his capacity as a Director.

Section 4.2. Designation, Appointment, Term and Resignation. The Officers of the Corporation shall include a President, a Vice-President, a Secretary, a Treasurer, the members of any committees created by the Board of Directors, and such other Officers having such titles and duties as the Board may from time to time determine by resolution. All Officers shall be appointed by the Board to serve at the pleasure of the Board, except that the Board may give to the chairman of a committee the power to appoint and/or remove other members of his committee. The offices of President, Vice-President and Secretary shall be held by three (3) different individuals, but those individuals or any other individuals may hold any number of other offices. The President, Vice-President and Secretary must be members of the Board of Directors and shall cease to hold their offices when they cease to be Directors.

Section 4.3. Duties of Officers.

(a) President. It shall be the duty of the President to preside at the meetings of the Shareholders and of the Board of Directors; to see to the execution of the resolutions of the Shareholders and of the Board and to report on any failure of any such resolutions to be executed; to appoint a Secretary pro tem at any meeting at which the Secretary is absent; and, subject to resolutions of the Board of Directors, to manage and control the affairs of the Corporation as its chief executive officer.

(b) Vice President. It shall be the duty of the Vice President to act in the place and stead of the President in the event of the President's absence or failure or inability to act.

(c) Secretary. It shall be the duty of the Secretary to keep the minutes and record the resolutions at all meetings of the Shareholders and of the Board of Directors; to give all notices required by these Bylaws to be given to Shareholders and Directors; to give to each Shareholder notice of each assessment against his shares as soon as practicable after the assessment is made; to give notice and a copy of the Rules and Regulations and any amendment thereof to each Shareholder as soon as practicable after the adoption thereof; to make it possible for any Shareholder to inspect and copy, at reasonable times and by appointment, the records of the Corporation (other than records in the custody of the Treasurer) and of the Board; and to keep the stock transfer books of the Corporation; provided, however, that the Board may delegate any of the Secretary's duties to the Managing Agent.

(d) Treasurer. It shall be the duty of the Treasurer to collect all assessments and other sums due the Corporation from each Shareholder; to open insured accounts with financial institutions designated by the Board and to deposit therein all income of the Corporation; to disburse the funds of the Corporation only in accordance with resolutions of the Board of Directors; to keep orderly books showing the income and expenditures of the Corporation; to make those books available for inspection and copying by any Shareholder at reasonable times and by appointment; and to provide the accounting required by Section 7.2(c) of these Bylaws; provided, however, that the Board may delegate any of the Treasurer's duties to the Managing Agent.

(e) All Officers. It shall be the duty of each Officer (including the foregoing Officers), to perform such duties as are normally associated with his office in parliamentary organizations, except to the extent (if any) inconsistent with law, the Articles of Incorporation, or other provisions of these Bylaws; and each Officer shall perform such other duties as are assigned to his office by law or resolution of the Shareholders or of the Board of Directors.

Section 4.4. Committees. The Board of Directors may create and abolish from time to time such committees as the Board may deem appropriate to aid in the administration of the affairs of the Corporation. Such committees shall have the powers and duties fixed by resolution of the Board from time to time. The Board shall appoint the chairman of each committee, and may either appoint the other members thereof or leave such appointment to the chairman thereof.

Section 4.5. Actions by Committee Without Meeting. Any action required or permitted to be taken at a meeting of a committee may be taken without a meeting if a consent in writing, setting forth the action taken, shall be signed either before or after such action by all of the members of the committee. Such consent shall have the same force and effect as a unanimous vote.

ARTICLE 5

Liabilities, Responsibilities and Compensation of the Corporation and its Officers

Section 5.1. Indemnification of Officers; Insurance. (a) The Corporation shall indemnify any Person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, arbitrative or investigative (other than an action by or in the right of the Corporation by reason of the fact that he is or was an Officer of the Corporation, or is or was serving at the request of the Corporation as a director or officer of another corporation or other entity, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful.

(b) The Corporation shall indemnify any Person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that he is or was an Officer of the Corporation, or is or was serving at the request of the Corporation as a director or officer of another corporation or other entity against expenses (including attorneys' fees) actually and reasonably incurred by him in connection with defense or settlement of such action or suit if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interest of the Corporation, except that no indemnification shall be made in respect of any claim, issue or matter as to which such Person shall have been adjudged to be liable for gross negligence or willful misconduct in the performance of his duty to the Corporation unless and only to the extent that the court in which such action or suit was brought

shall determine upon application that, despite the adjudication of liability but in view of all circumstances of the case, such Person is fairly and reasonably entitled to indemnity for such expenses which such court shall deem proper.

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

(d) Any indemnification under subsections (a) and (b) (unless ordered by a court) shall be made by the Corporation only as authorized in specific case upon a determination that indemnification of the Officer, employee or agent is proper in the circumstances because he has met the applicable standard of conduct set forth in subsections (a) and (b). Such determination shall be made (1) by the Board of Directors by a majority vote of a quorum consisting of Directors who were not parties to such action, suit or proceeding, or (2) if such a quorum is not obtainable, or, even if obtainable a quorum of disinterested Directors so directs, by independent legal counsel in a written opinion, or (3) by the Shareholders.

(e) Expenses (including attorneys' fees) incurred in defending an action, suit or proceeding, whether civil, criminal, administrative, arbitative or investigative, may be paid by the Corporation in advance of the final disposition of such action, suit or proceeding as authorized in the manner provided in subsection (d) upon receipt of an undertaking by or on behalf of the Officer, employee or agent to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the Corporation as authorized in this Section.

(f) The Corporation shall have power to make any other or further indemnity, including criminal proceedings, to any Person referred to in this Section that may be authorized by any Bylaw made by the Shareholders or any resolution adopted, before or after the event, by the Shareholders, except an indemnity against any such Person's gross negligence or willful misconduct. Each such indemnity may continue as to a Person who has ceased to have the capacity referred to above and may inure to the benefit of the heirs, executors and administrators of such a Person.

(g) The Corporation shall have power to purchase and maintain insurance on behalf of any Person who is or was an Officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation or other entity, against any liability asserted against him and incurred by him in any such capacity or arising out of his status as such, whether or not the Corporation would have the power to indemnify him against such liability under the provisions of this Section.

(h) For the purposes of this Section, references to the “Corporation” include all constituent corporations absorbed in a consolidation or merger as well as the resulting or surviving corporation, so that any Person who is or was a director, officer, employee or agent of such a constituent corporation or is or was serving at the request of such constituent corporation as a director, officer, employee or agent of another corporation, partnership or other entity shall stand in the same position under the provisions of this Section with respect to the resulting or surviving corporation as he would if he had served the resulting or surviving corporation in the same capacity.

Section 5.2. Conflicts of Interest. (See also “Code of Ethics” for conflicts not related to contracts or financial matters (section 5.2c)) (a) No contract or other transaction between the Corporation and one or more of its Officers, or in which one or more of its Officers are interested, and no contract or other transaction between the Corporation and any other corporation or other entity in which one or more of its Officers are directors or officers or are interested, shall be either void or voidable because of such relationship or interest or because such Officers are present at the meeting of the Board of Directors which authorizes, approves or ratifies such contract or transaction or because his or their votes are counted for such purpose, provided that the material facts as to his or their relationship or interest are disclosed or known (i) to the Board of Directors which authorizes, approves or ratifies the contract or transaction by a vote sufficient for the purpose without counting the votes of such interested Officers, or (ii) to the Shareholders entitled to vote and they authorize, approve or ratify such contract or transaction by vote or written consent.

(b) No contract or other transaction described in subsection (a) of this Section shall be void or voidable despite failure to comply with clauses (i) or (ii) of subsection (a), provided that such contract or transaction was fair and reasonable to the Corporation in view of all the facts known to any Officer at the time such contract or transaction was entered into by or on behalf of the Corporation.

(c) The Board shall be governed in its actions by a Code of Conduct, which may be amended and revised from time to time.

Section 5.3. Nonliability of the Corporation. The Corporation shall not be liable for any failure of water supply or other utilities or services of any nature to be obtained or paid for by the Corporation, or for injury or damage to any Person or property caused by natural elements or by any Shareholder or other Person, or resulting from electricity, water, snow or ice which may leak or flow from any portion of the Common Elements or from any pipe, drain, conduit, structure or other apparatus. No diminution or abatement of any assessment for Common Expenses shall be claimed or allowed for any reason whatsoever, including (without limitation) inconvenience or

discomfort arising from improper Upkeep or lack of Upkeep, of the Common Elements or from any action taken by the Corporation, any Officer(s), the Managing Agent or any Shareholder(s) to comply with any law; ordinance or other governmental regulation or order.

Section 5.4. Disclaimer of Bailee Liability. Neither the Corporation, the Board of Directors, or other Officer(s), the Managing Agent, nor any Shareholder(s) shall be considered as a bailee of any personal property placed anywhere within the Cooperative and shall not be responsible for the security of such personal property or for any loss thereof or damage thereto from any cause, whether or not attributable to negligence, except to the extent covered by insurance in excess of any applicable deductible.

Section 5.5. Compensation of Officers. No salary or other compensation (other than reimbursement of properly documented authorized expenses) shall be paid to any Officer of the Corporation for serving or acting as such, but this shall not preclude the payment of salary or other compensation for the performance by such Officer of other services to the Corporation.

ARTICLE 6

Managing Agent

Section 6.1. Selection. The Board of Directors may, but shall not be obligated to, employ on behalf of the Corporation a Managing Agent. If, at any given time, no such Managing Agent is so employed or employed pursuant to Section 6.1 of the Bylaws of River Place Owners' Association, then any fiscal agent or in-house accounting staff shall comply with the standards prescribed in Section 6.4 hereof, except as otherwise prescribed by the Board of Directors.

Section 6.2. Requirements. Any Managing Agent employed pursuant to Section 6.1 of these Bylaws shall be a bona fide business enterprise which manages common interest residential communities. The contract with the Managing Agent must have a term not in excess of one (1) year and must provide that it may be terminated, without payment of a termination fee or cancellation charge, without cause on no more than ninety (90) days' written notice and with cause on no more than thirty (30) days' written notice.

Section 6.3. Powers and Duties. Subject to Section 3.8(c) of these Bylaws, any Managing Agent shall have such powers and duties as may be delegated to it or imposed upon it by the Board of Directors pursuant to the Managing Agent's Contract.

Section 6.4. Standards. The Board of Directors may impose appropriate standards of performance upon a Managing Agent employed pursuant to Section 6.1 of these Bylaws and, unless instructed otherwise by the Board, the Managing Agent shall:

- (1) employ the accrual method of accounting;
- (2) designate two or more individuals to be responsible for handling cash to maintain adequate financial control procedures;
- (3) not commingle cash accounts of the Corporation with any other accounts;
- (4) not accept any remuneration from any third Persons providing goods or services to the Corporation, whether in the form of commissions, finder's fees, service fees or otherwise, and shall credit to the benefit of the Corporation any discounts obtained;
- (5) disclose in advance to the Board of Directors any financial or other interest which the Managing Agent may have in any Person providing goods or services to the Corporation;
- (6) prepare an annual budget for each fiscal year of the Corporation on an accrual basis with a twelve-month cash flow projection;
- (7) prepare monthly financial reports for the Board of Directors containing:
 - (i) an Income Statement reflecting all income and expense activity for the preceding month on an accrual basis, and separately accounting for the capital contributions of each Shareholder to the Corporation;
 - (ii) an Account Activity Statement reflecting all receipts and disbursements for the preceding month on a cash basis;
 - (iii) an Account Status Report reflecting the status of all accounts in an "actual" (versus "projected") budget format;
 - (iv) a Balance Sheet reflecting the financial condition of the Corporation on an unaudited basis;
 - (v) a Budget Report reflecting any actual or pending obligations which are in excess of budgeted amounts by an amount exceeding the

operating reserves or ten percent (10%) of a major budget category (as distinct from a specific line item in an expanded chart of accounts); and

(vi) a Delinquency Report listing all Shareholders who are delinquent in paying assessments made by the Corporation and describing the status of any actions to collect such assessments.

ARTICLE 7

Operation of the Property

Section 7.1. Fiscal Year. The first fiscal year of the Corporation shall begin on the date of its incorporation and end on the last day of December. Each subsequent fiscal year shall coincide with the fiscal year of River Place Owners' Association, its successors and assigns.

Section 7.2. Determination of Common Expenses and Assessments Against Shareholders.

(a) Preparation and Approval of Budget. Before each annual meeting of the Shareholders, the Board of Directors shall adopt a budget for the Corporation containing an estimate of the total amount considered necessary for the next fiscal year to pay the Common Expenses, including (without limitation) reasonable amounts necessary to provide working capital, a general operating reserve, and reserves for contingencies and replacements. The budget shall be presented and may be modified at the annual meeting of the Shareholders. Within ten (10) days after each annual meeting, the Secretary shall send to each Shareholder a copy of the budget in a reasonably itemized form setting forth the amount of the Common Expenses and the amounts and due dates of the assessments (and installments thereof) payable by that Shareholder for the shares owned by him. The determination of such Common Expense assessments and the amounts of the assessments payable as aforesaid shall constitute the determination for all purposes under the Governing Documents of the annual cash requirements and rent payable pursuant to Article 1 of the Proprietary Lease.

(b) Reallocation of Assessments. Within thirty (30) days after any change in the number of Apartments in the Cooperative, the Board of Directors shall adjust the budget, allocating assessments against all the outstanding shares, and the Secretary shall send to each Shareholder a copy of the adjusted budget reflecting the liability of all Shareholders for Common Expenses for the remainder of the fiscal year; provided, however, that if the assessments necessary to fund the budget will not be modified as to any particular Shareholders, such attributable to each

Shareholder shall thereafter be the amount specified in the adjusted budget until a new budget shall have been adopted by the Board of Directors.

(c) Assessment and Payment of Common Expenses. Subject to the provisions of Section 12.1(a) of these Bylaws, the total amount of the estimated funds required from assessments to pay the Common Expenses as set forth in any budget or adjusted budget adopted by the Board of Directors shall be assessed against each Shareholder in proportion to the number of his shares. On or before the first day of each fiscal year, and the first day of each of the succeeding eleven (11) months in such fiscal year, each Shareholder shall remit to the Treasurer or the Managing Agent (as determined by the Board of Directors) one-twelfth (1/12) of such assessment. Within thirty (30) days after the end of each fiscal year, the Person who served as Treasurer during that fiscal year shall supply all Shareholders an itemized accounting of the Common Expenses for such fiscal year actually paid, together with a tabulation of the amounts collected for such fiscal year, and showing the net amount over or short of the actual expenditures plus reserves. Any amount accumulated in excess of the amount required for actual expenses and reserves shall be credited to the Shareholders, in proportion to the number of shares owned by each, against the next monthly installments due from each. Any net shortage shall promptly be assessed against the Shareholders in proportion to the number of shares owned by each, and shall be due either in full with the next monthly assessment due or, if the Board of Directors so determines, in a number of equal monthly installments sufficient to make up the shortage within a period ending not later than the end of the then current fiscal year.

(d) Reserves. The Corporation shall accumulate and maintain reasonable reserves for working capital, operations, contingencies and replacements. Extraordinary expenditures not originally included in the annual budget, which may become necessary during the year shall be charged first against such reserves. If the reserves are inadequate for any reason, including (without limitation) the nonpayment of any assessments, the Board of Directors may at any time levy a further assessment, which shall be assessed against the Shareholders in proportion to the number of shares owned by each, and which shall be payable in a lump sum or in installments as the board may determine. The Secretary shall give notice of any such further assessment to each Shareholder, giving the reason(s) therefore. All Shareholders shall be obligated to pay such further assessment either in full with the next monthly installment due or, if the Board of Directors so determines, in a number of equal monthly installments sufficient to make up the shortage within a period ending not later than the end of the then current fiscal year.

(e) Initial Assessments and Capital Contributions. (1) Upon taking office, the first Board of Directors designated pursuant to these Bylaws shall determine the budget of the Corporation for the remainder of the fiscal year in which such designation occurs. Assessments made against the Shareholders pursuant to this

subsection shall become due during such period as provided in subsection (c) of this Section, except that the assessments made as provided in this paragraph shall be due and payable in equal monthly installments on the first day of each month remaining in that fiscal year.

(2) The Sponsor, as the agent of the Corporation, shall collect from the first Proprietary Lessee (other than the Sponsor) of each Apartment at the time of settlement an "initial capital contribution" equivalent to twice the monthly installment payment for the annual Common Expenses assessment against such Proprietary Lessee's shares, based either on the assessments for the then current fiscal year or, if the Sponsor's contract of sale with the Purchaser so provided, on the assessments for the fiscal year in which the contract was made. The Sponsor shall deliver the funds so collected to the Board to provide working capital for the Corporation. Such funds may be allocated to reserves or used for such other Common Expenses as the Board may determine.

(f) Effect of Failure to Prepare or Adopt Budget.

(i) Failure or delay in preparing or adopting a budget for any fiscal year shall not constitute a waiver or release in any manner of a Shareholders' obligation to pay his share of the Common Expenses whenever the same shall be determined and, in absence of any budget or financial plan for the then current fiscal year, each Shareholder shall continue to pay monthly installments at the rate established for the previous fiscal year until delivery of the new monthly installments schedule, or other schedule as provided below.

(ii) When any Shareholder has contested the preparation or adoption of a budget for any fiscal year, and/or the validity of any assessment made under such budget and the property has been managed under that said budget which otherwise could be considered a financial plan, the Board of Directors may upon a decision by a Court holding that such budget or assessment was not properly prepared and adopted or that said assessments were not proper; or upon receipt of a notice or other communication from a Shareholder that the budget was not properly prepared and adopted or that assessments were not properly made; or upon motion by any Director of the Board of Directors, call a special meeting of the Board of Directors to take any and all action which the Board of Directors deems appropriate to correct any and all irregularities in the preparation and adoption of a budget for that fiscal year, and/or make any corrected assessments the Board of Directors deems appropriate. The Board of Directors shall have the further authority when making such corrected assessments to make the assessment payable either in a lump sum amount or in installments. The Board of Directors shall have the further authority to give credit to any Shareholder who made full payments on any assessment that was otherwise determined to be inappropriate, but in no event shall the Board of Directors have the authority to give cash reimbursements to Shareholders. Within ten (10) days after the meeting of the Board of Directors at which time the contested budget or financial plan was adopted as a budget for the fiscal year, the Secretary shall send to each Shareholder

a copy of the budget in reasonably itemized form setting forth the amount of the common expenses and the amounts and due dates of the corrected assessments either in lump sum form or installments and if appropriate any credits extended to a Shareholder for payments previously made under the financial plan or contested budget. [Amended by Board of Directors on February 27, 1992.]

(g) Assessments to Constitute a Lien. All amounts assessed against or otherwise due from a Shareholder shall constitute a lien against that Shareholder's shares as provided in Section 12.2 of these Bylaws.

Section 7.3. Liability for Assessments. Each Shareholder shall be personally liable for all assessments against him or his shares. No Shareholder may avoid liability for any assessment by waiver, non-use or abandonment of any right or real estate. The new Proprietary Lessee of an Apartment shall be jointly and severally liable with the former Proprietary Lessee thereof for all unpaid assessments against that Proprietary Lessee or his shares which became due before the new Proprietary Lessee acquired ownership thereof, without prejudice to any right of a successor in ownership to recover from any of his predecessors in ownership any amount for which any of the latter was liable.

Section 7.4. Non-Liability for Assessments. No Person shall have any liability with respect to assessments or installments thereof becoming due as to any shares after he has ceased to be the Shareholder thereof.

Section 7.5. Certificate as to Status of Payment. Upon written request of any Shareholder, the Treasurer shall furnish or make available within five (5) business days to such Shareholder a dated certificate setting forth the amount of any unpaid assessments or installments thereof that have become due as to the shares owned by him as of the date of that certificate. A charge may be fixed from time to time by resolution of the Board of Directors for the issuance of such certificates. Notwithstanding any other provision of these Bylaws, a bona fide purchaser of shares who has relied upon such a certificate shall not be liable for any assessments or installments thereof which became due before the date of that certificate and which are not reflected thereon.

Section 7.6. Collection of Assessments. The Board of Directors, or the Managing Agent or any Officer(s) at the request of the Board, shall take prompt action to collect any assessments for Common Expenses due from any Shareholder which remain unpaid for more than thirty (30) days from the due date thereof.

Section 7.7. Upkeep of the Building.

(a) Upkeep by the Corporation. Subject to paragraph (2) of subsection (b) of this Section, the Corporation (acting through the Board of Directors and/or the Managing Agent) shall be responsible for the Upkeep of all Common Elements, and the cost of such Upkeep shall be a Common Expense.

(b) Upkeep of the Shareholder.

(1) Each Shareholder shall be responsible for the Upkeep of his Apartment, including keeping it and its equipment, appliances and appurtenances in good order, condition and repair and in a clean and sanitary condition, and shall do all redecorating, painting and varnishing which may at any time be necessary to maintain the good appearance and condition of his Apartment. In addition, each Shareholder shall be responsible for all damage to any other Apartment or to any Common Element resulting from his failure to perform any of the Upkeep required by this Section. Each Shareholder shall perform his responsibility in such manner as shall not unreasonably disturb or interfere with the other Shareholders. Each Shareholder shall promptly report to a Director or the Managing Agent any defect or need for Upkeep for which the Corporation is responsible.

(2) Any Shareholder who has been granted an exclusive license for the use of a designated Common Element shall be responsible for keeping it in a clean and sanitary condition and for abiding by the Rules and Regulations applicable thereto.

(c) Chart of Upkeep Responsibilities. Notwithstanding the provisions of subsections (a) and (b), specific Upkeep responsibilities shall, to the extent set forth thereon, be governed by the Chart of Upkeep Responsibilities set forth as Schedule A hereto.

(d) Manner of Repair and Replacement. All repairs and replacements shall be substantially similar to the original construction and installment and shall be of the same or better quality.

Section 7.8. Personnel and Equipment. The Board of Directors, and the Managing Agent and any Officer(s) to the extent authorized by the Board, may, on behalf of the Corporation in connection with the operation and Upkeep of the Common Elements and the operation of the Corporation, employ and dismiss any Persons and purchase any equipment, supplies or material. Such equipment, supplies and material, shall be the property of the Corporation.

Section 7.9. Additions, Alterations or Improvements by Board of Directors. Whenever in the judgment of the Board of Directors it is desirable to make additions, alterations or improvements to the Common Elements costing in the aggregate more than Forty Thousand Dollars (\$40,000.00) during any period of twelve consecutive months, the making of such additions, alterations or improvements shall be approved by a Majority Vote at a meeting of the Shareholders. The dollar limitation fixed by this Section shall increase annually by a percentage equal to the percentage increase in the annual budget of the Association. Notwithstanding the foregoing, if the Board determines that additions, alterations or improvements to the Common Elements are exclusively or substantially exclusively for the benefit of the Shareholders requesting the same, the cost thereof shall be assessed exclusively such requesting Shareholders in such proportions as they jointly approve or, if they are unable to agree thereon, in such proportions as may be determined by the Board.

Section 7.10. Additions, Alterations or Improvements by the Shareholders. No Shareholder shall make any structural addition, alteration or improvement in or to his Apartment, or any addition, alteration or improvement in or to any mechanical, electrical, plumbing or other system, without the prior written consent of the Board of Directors. No Shareholder shall paint or alter the exterior of his Apartment, including (without limitation) the doors and windows thereof, nor shall any Shareholder paint or alter any Common Element, without the prior written consent of the Board. The Board shall answer any written request by a Shareholder for approval of a proposed structural addition, alteration or improvement to such Shareholder's Apartment within sixty (60) days after receipt of such request. If any application to any governmental authority for a permit to make any such addition, alteration or improvement in or to any Apartment requires execution by or on behalf of the Corporation, and provided consent has been given by the Board, then the application shall be executed on behalf of the Corporation only by the President or such other Officer as the Board may by resolution designate, without, however, incurring any liability on the part of the Corporation or any Officer(s) to any contractor, subcontractor or materialman on account of such addition, alteration or improvement, or to any Person having claim for personal injury or property damage arising therefrom. Subject to the approval of the Board and the Proprietary Lessee(s) of the affected Apartment(s), any Apartment may be subdivided or the boundaries between adjoining Apartments may be relocated, in either of which cases the Corporation and the Proprietary Lessee(s) involved shall execute (a) new Proprietary Lease(s) for the resulting Apartment(s).

Section 7.11. Execution of Documents. All agreements, contracts, deeds, leases, checks and other instruments of the Association for expenditures or obligations shall be executed by the President, the Treasurer, or by any other Officer(s) designated from time to time by resolutions of the Board of Directors. The Board may require that instruments involving more than a specified amount of money be signed by two

different Officers. The Board may authorize instruments involving less than a specified amount of money to be signed by Persons designated by the Managing Agent.

Section 7.12. Restrictions on Use of Apartments and Common Elements.

(a) Each Apartment and each Common Element shall be used for residential purposes only, except that (i) the Board of Directors may permit reasonable, temporary, non-residential uses in designated Apartments and/or Common Elements from time to time, and (ii) the Sponsor shall have the right to use any Apartments for which no Proprietary Leases have been issued or for which it holds the Proprietary Leases as sales offices or model units, and to use the Common Elements for sales purposes, including (without limitation) the posting of signs.

(b) Nothing shall be done or kept in any Apartment or in the Common Elements which will increase the rate of insurance for the Building except pursuant to a prior resolution of the Board of Directors. No Shareholder shall permit anything to be done or kept in his Apartment or in the Common Elements which could result in the cancellation of insurance on the Building or any part thereof, or which would be in violation of any applicable law, ordinance, or other governmental regulation. No waste shall be committed in any Apartment or in the Common Elements.

(c) No improper, offensive or unlawful use shall be made of any Apartment or other part of the Building, and all applicable laws, ordinances and other governmental regulations shall be complied with by and at the sole expense of the Shareholder(s) and/or the Corporation having responsibility for Upkeep of the affected portion(s) of the Building.

(d) The Common Elements shall be used only for the furnishing of the services and facilities for which the same are reasonably suited and which are incident to the use and occupancy of the Apartments.

(e) No Person shall obstruct any of the Common Elements, nor shall any Person store anything upon any of the Common Elements except within any areas designated for such storage by resolution of the Board of Directors. Nothing shall be constructed or altered in, or removed from, the Common Elements except in accordance with the Rules and Regulations or other resolutions of the Board of Directors.

(f) No Apartment shall be rented or leased by a Shareholder for any period less than 3 months. No portion of any Apartment (other than the entire Apartment) shall be rented or leased for any period. No Shareholder shall rent or lease an Apartment other than on a written form of lease providing that failure of the lessee

to comply with the Governing Documents shall constitute a default under the lease and that, in the event of such default, the Board of Directors or any Officer designed by the Board shall have the power as attorney-in-fact for the Shareholder to terminate the lease and bring summary eviction proceedings against the tenant of such default is not cured within seven (7) days of sending a written notice of the default to the Shareholder. The Board of Directors may provide a suggested standard form lease for use by Shareholders. Each Shareholder shall, promptly following the execution of any lease of an Apartment, forward a conformed copy thereof to the Secretary. The provisions of this subsection, except the restriction against renting or leasing a portion of an Apartment, shall not apply to the Sponsor or to a Mortgagee in possession of an Apartment as a result of foreclosure or deed or assignment in lieu of foreclosure. [Amended by Board of Directors on June 6, 1984.]

(g) Except for such signs as may be posted by the Sponsor while the Sponsor is a Shareholder, no signs shall be posted in any place within the Building visible from any interior or exterior portion of the Common Elements except pursuant to a prior resolution of the Board of Directors.

Section 7.13. Right of Access. There is hereby reserved the right of access through each Apartment for the benefit of the Board of Directors, the Managing Agent, any Person(s) authorized by the Board or the Managing Agent, and any group of the foregoing, for the purpose of enabling the exercise and discharge of their and the Corporation's powers and duties, including (without limitation) making inspections, correcting any condition originating in an Apartment and threatening another Apartment or any Common Element, Upkeep of the Common Elements within an Apartment or elsewhere in the Building, and correcting any condition which violates any provision of the Governing Documents or of any mortgage or deed of trust encumbering all of the Apartments. Requests for entry shall be made in advance, and any such entry shall be made at a time reasonably convenient to the Shareholder, provided, however, that in case of an emergency such right of entry shall be immediate, whether the Shareholder is present at the time or not, and no notice or permission shall be necessary.

ARTICLE 8

Insurance

Section 8.1. Authority to Purchase. (a) Except as otherwise provided in the Bylaws of River Place Owners' Association or in Section 8.5 of these Bylaws, all insurance policies relating to the Building shall be purchased by or on behalf of the Corporation. Neither the Corporation, any Officer(s), the Managing Agent, nor the Sponsor shall be liable for failure to obtain any coverages required by this Article if such failure is due to the unavailability of such coverages from reputable insurance

companies, or if such coverages are so available only at demonstrably unreasonable cost. The Secretary shall promptly furnish to each Shareholder written notice of the procurement, subsequent changes in, and the termination of all insurance coverage obtained on behalf of the Corporation.

(b) Each such policy shall provide, to the extent reasonably available at reasonable rates, that:

(1) the insurer waives any right to claim by way of subrogation against the Sponsor, the Corporation, the Officers, the Managing Agent, the Shareholders, and their respective agents, employees and invitees, and, in the case of the Shareholders, the members of their households;

(2) such policy shall not be cancelled, invalidated or suspended due to the conduct of any Officer(s), Shareholder(s), Managing Agent, or any invitee, agent, officer, or employee of any of the foregoing without a prior demand in writing to the Board of Directors or the Managing Agent (whichever is applicable) that the defect be cured, followed by failure to so cure the defect within sixty (60) days after such demand;

(3) such policy shall not be cancelled or substantially modified for any reason (including nonpayment of premium) without at least sixty (60) days prior written notice to the Board of Directors and the Managing Agent; and

(4) such policy covers the interests of the Corporation, the Board of Directors, and all Shareholders and Mortgagees, as their interests may appear. For the purposes of this Article 8, "Mortgagee" has the meaning set forth in Section 1.1(13) of the Bylaws of River Place Owners' Association.

(c) All policies of insurance shall be written by reputable companies licensed to do business in the Commonwealth of Virginia.

Section 8.2. Physical Damage Insurance. (a) The Board of Directors shall obtain and maintain a blanket, "all-risk" form policy of fire insurance with extended coverage, vandalism, malicious mischief, windstorm, debris removal, cost of demolition and water damage endorsements, insuring all of the Apartments and the bathroom and kitchen fixtures, service machinery, and other appliances and apparatuses installed therein by the Sponsor, and all of the Common Element improvements (other than improvements and other items not normally insured). Such insurance shall cover the interests of the Corporation, the Board of Directors and all Shareholders, as their interests may appear (subject, however, to the loss payment and adjustment provisions in favor of the Board of Directors as Insurance Trustee contained in Sections 8.6 and 8.7 of these Bylaws), and shall be in an amount equal to one hundred

percent (100%) of the then current replacement cost of the Building (exclusive of foundations and other items normally excluded from such coverage), without deduction for depreciation, such amount to be determined annually by the Board of Directors with the assistance of the Managing Agent, the insurance company affording such coverage, and (if the Board so resolves) a qualified appraiser of real estate.

(b) Such policy shall also provide:

(1) a waiver of any right of the insurer to repair, rebuild or replace any damage or destruction if a decision is made pursuant to Section 9.5 of these Bylaws not to do so and, in such event, that the insurer shall pay on the basis of the agreed amount endorsement;

(2) the following endorsements (or equivalent): (i) "no control" (to the effect that coverage shall not be prejudiced by any act or neglect of any Shareholder, occupant, or other Person if such act or neglect is not within the control of the insured, nor by any failure of the insured or any other Person to comply with any warranty or condition concerning any portion of the Building not controlled by the insured); (ii) "contingent liability from operation of building laws or codes"; (iii) "increased cost of construction" or "cooperative replacement cost"; and (iv) "agreed amount" or elimination of co-insurance clause;

(3) that any "no other insurance" clause excludes individual Shareholders' policies from its operation so that the physical damage policy purchased on behalf of the Corporation shall be deemed primary coverage and any individual Shareholders' policies shall be deemed excess coverage, and in no event shall the insurance coverage obtained and maintained on behalf of the Corporation hereunder be brought into contribution with insurance purchased by individual Shareholders or their Mortgagees unless otherwise required by law; and

(4) that a duplicate original of such policy, all renewals thereof, and any subpolicies or certificates and endorsements issued thereunder, together with proof of payment of premiums, shall be delivered by the insurer to any Mortgagee whose request therefore is received by the insurer at least thirty (30) days prior to expiration of the then current policy.

Section 8.3. Liability Insurance. The Board of Directors shall obtain and maintain comprehensive general liability insurance (including without limitation coverage of all Officers against libel, slander, false arrest, invasion of privacy, and errors and omissions) and property damage insurance in such limits as the Board may from time to time determine, insuring the Corporation, each Officer, the Managing Agent, each Shareholder and the Sponsor against any liability to the public or to the Shareholders (and their invitees, agents, employees and members of their households)

arising out of or incident to the ownership and/or use of the Building. 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 shall not be prejudiced with respect to his action against another named insured; (ii) hired and non-owned vehicle coverage; (iii) host liquor liability coverage with respect to events sponsored by the Corporation; (iv) deletion of the normal products exclusion with respect to events sponsored by the Corporation; and (v) a "severability of interest" endorsement which shall preclude the insurer from denying liability to a Shareholder because of negligent acts or omissions of the Corporation, any Officer(s), or any other Shareholder(s). The Board shall review such limits once a year, but in no event shall such insurance be less than One Million Dollars (\$1,000,000.00) covering all claims for bodily injury or property damage arising out of one occurrence. Reasonable amounts of "umbrella" liability insurance in excess of the primary limits shall also be obtained in an amount not less than Three Million Dollars (\$3,000,000.00).

Section 8.4. Other Insurance. The Board of Directors shall obtain and maintain:

(a) adequate fidelity coverage to protect against dishonest acts on the part of Officers, agents and employees of the Corporation and all others who handle or are responsible for handling funds of the Corporation. Such fidelity bonds shall: (i) name the Corporation as an obligee; (ii) be written in an amount not less than one-half (1/2) of the total annual assessments for Common Expenses for the then current fiscal year; and (iii) contain waivers of any defense based upon the exclusion of Persons who serve without compensation from any definition of "employee" or similar expression;

(b) if required by any governmental or quasi-governmental agency, flood insurance in accordance with the then applicable regulations of such agency;

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

(d) such other insurance as the Board of Directors may determine or as may be required from time to time by resolutions of the Corporation.

Section 8.5. Separate Insurance. Each Shareholder shall have the right, at his own expense, to obtain insurance for his own Apartment and for his own benefit, including insurance coverage on his personal property, for his personal liability, and on any improvements made by him to his Apartment under coverage normally called "tenant's improvements and betterments coverage"; provided, however, that no Shareholder shall acquire or maintain insurance coverage so as to decrease the amount

which the Corporation may realize under any insurance policy, or to cause any insurance coverage in favor of the Corporation to be brought into contribution with insurance coverage obtained by a Shareholder. All policies obtained by Shareholders individually shall contain waivers of subrogation. No Shareholder shall obtain separate insurance on the Building except as provided in this Section.

Section 8.6. Insurance Trustee. All physical damage insurance policies purchased by or on behalf of the Corporation shall be for the benefit of the Corporation and the Shareholders, as their respective interests may appear, and shall provide that all proceeds of such policies shall be paid in trust to the Board of Directors as Insurance Trustee to be applied pursuant to the terms of Article 9 of these Bylaws. The sole duty of the Board of Directors as Insurance Trustee shall be to receive such proceeds as are paid to it and to hold the same in trust for the purposes stated in Article 9 of these Bylaws, for the benefit of the insureds and their beneficiaries thereunder.

Section 8.7. Board of Directors as Agent. The Board of Directors as Insurance Trustee is hereby irrevocably constituted as agent for the Corporation, each Shareholder, other named insureds and their beneficiaries, and any other holder of a lien or other interest in the Building, to adjust and settle all claims arising under insurance policies purchased by the Board and to execute and deliver releases upon the payment of claims.

ARTICLE 9

Repair and Reconstruction After Fire or Other Casualty

Section 9.1. When Repair and Reconstruction are Required. Except as otherwise provided in Section 9.5 of these Bylaws, in the event of damage to the Building as a result of fire or other casualty, the Board of Directors shall arrange for and supervise the prompt repair and restoration thereof, including any damaged Apartments and everything installed therein by the Sponsor but not including anything installed in any Apartment by any Shareholder other than the Sponsor. Any such repair and restoration shall be substantially in accordance with the original construction and installation, subject to any modifications required by changes in applicable laws, ordinances, and other governmental regulations, and using to the extent feasible such contemporary materials and technology as may then be available. Notwithstanding the foregoing, each Shareholder shall have the right to supervise the redecorating of his own Apartment.

Section 9.2. Cost Estimates. Immediately after a fire or other casualty causing damage to the Building, the Board of Directors shall obtain reliable and detailed estimates of the costs of the repair and restoration contemplated by Section 9.1 of these Bylaws to a condition as good as that existing before such casualty. Such

costs shall include professional fees and premiums for such bonds as the Board of Directors as Insurance Trustee may determine to be necessary.

Section 9.3. Insufficiency of Insurance Proceeds. If the proceeds of insurance are not sufficient to defray such estimated costs of reconstruction and repair, or if upon completion or reconstruction and repair the insurance proceeds are insufficient for the payment of the costs thereof, the amount necessary to complete such reconstruction and repair may be obtained from the appropriate reserve for replacements and/or a special assessment therefore may be levied, as the Board of Directors shall decide.

Section 9.4. Disbursements of Construction Funds.

(a) Construction Fund and Disbursement Thereof. Any proceeds of insurance collected on account of any casualty, any sums appropriated by the Board of Directors from reserves, and any sums received from collections of special assessments on account of such casualty, shall constitute a construction fund which shall be disbursed in payment of the costs of repair and reconstruction in the following manner:

(1) If the estimated cost of reconstruction and repair is less than Forty Thousand Dollars (\$40,000.00), the construction fund shall be disbursed in payment of such costs upon resolutions of the Board of Directors.

(2) If the estimated cost of reconstruction and repair is Forty Thousand Dollars (\$40,000.00) or more, then the construction fund shall be disbursed in payment of such costs upon resolutions of the Board following or contingent upon approval of an architect qualified to practice in Virginia and employed by the Board to supervise such work, payment to be made from time and time as the work progresses. The architect shall be required to furnish a certificate giving a brief description of the services and materials furnished by various contractors, subcontractors, materialmen, the architect and other Persons who have rendered services or furnished materials in connection with the work, and stating that: (i) the sums requested in payment are justly due and owing to the Persons requesting them, and such sums do not exceed the value of the services and materials furnished; (ii) there is no other outstanding indebtedness known to such architect for the services and materials described; and (iii) the cost as estimated by such architect for the work remaining to be done subsequent to the date of such certificate does not exceed the amount of the construction fund remaining after payment of the requested sums.

(b) Surplus. If there is a balance in the construction fund after the payment of all of the costs of the repair and reconstruction for which the construction fund is established, such balance shall be credited to all Shareholders in

proportion to the number of shares owned by each against their respective liabilities for assessments then due or thereafter becoming due.

(c) Priority of Common Elements Over Apartments. If the damage is to both Common Elements and Apartments, the construction fund shall be applied first to the cost of repairing those portions of the Common Elements which enclose and service the Apartments, then to the cost of repairing the other Common Elements, and thereafter to the cost of repairing the Apartments.

(d) Certificate. The Board of Directors as Insurance Trustee shall be entitled to rely upon a certificate executed by the President or Vice President, and the Secretary, certifying: (i) whether the damaged property is required to be repaired or reconstructed; (2) the name of the payee and the amount to be paid with respect to each disbursement from the construction fund; and (3) all other matters concerning the holding and disbursing of any construction fund. Any such certificate shall be delivered to the Board of Directors as Insurance Trustee promptly upon request.

Section 9.5. When Repair or Reconstruction is Not Required. If the Board of Directors resolves not to repair insubstantial damage to the Common Elements, the Board of Directors shall cause to be removed all debris, with the site of the damage restored to a condition compatible to the extent feasible with the remainder of the Building, the balance of any insurance proceeds received on account of such damage shall be credited to all Shareholders in proportion to the number of shares owned by each against their respective liabilities for assessments then due or thereafter becoming due.

ARTICLE 10

Proprietary Leases

Section 10.1. Form of Lease. The Board of Directors shall adopt a form of Proprietary Lease to be used by the Corporation for the leasing to Shareholders of all Apartments. Subject to the other provisions of these Bylaws, such Proprietary Leases shall be on such terms and shall contain such conditions, covenants, restrictions and other provisions as the Board may determine. After a Proprietary Lease in the form so adopted by the Board shall have been executed and delivered by the Corporation, all Proprietary Leases subsequently executed and delivered shall be the same (except with respect to the statement as to the number of shares owned by the lessee), unless variations for subsequent use are approved by the holders of a majority of the outstanding shares of stock of the Corporation.

Section 10.2. Allocation of Shares. The Board of Directors shall allocate to each Apartment to be leased to Shareholders under Proprietary Leases the number of shares of the Corporation that must be owned by the Proprietary Lessee of such Apartment.

Section 10.3. Regrouping of Space. The Board of Directors, upon the written request of the owner or owners of one or more Proprietary Leases covering one or more Apartments and of the shares issued in connection with the same, may in its discretion, at any time, permit such owner or owners, at his or their own expense, to subdivide or combine all or any portions of any such Apartment or Apartments into one or any desired number of Apartments and to reallocate the shares issued to accompany the Proprietary Leases, in such proportions as such owners request and the Board approves, provided only that (a) the total number of the shares so reallocated is not less than the shares previously reallocated, and (b) the Proprietary Leases so affected and the accompanying share certificates are surrendered, and that there are executed and delivered in place thereof, respectively, a new Proprietary Lease for each Apartment so created and a new share certificate for the number of shares so reallocated to each such new Proprietary Lease. The reallocation of shares shall be based on the fair market value of the equity in the Building attributable to the subdivided or combined Apartment(s), but in any event, the total number of shares so reallocated shall remain the same. Notwithstanding any other provision of this Section, the consent of the Managing Agent rather than the Board of Directors shall alone be required for any such subdivision or combination and reallocation in the case of Apartments as to which the Sponsor owns the allocable shares.

Section 10.4. Lost Proprietary Leases. In the event that any Proprietary Lease is lost, stole, destroyed or mutilated, the Board of Directors may authorize the issuance of a new Proprietary Lease in lieu thereof, in the same for and with the same conditions, covenants, restrictions and other provisions. The Board may, in its discretion, before the issuance of such new Proprietary Lease, require the owner of the lost, stolen, destroyed, or mutilated Proprietary Lease, or the legal representative of the owner, to make an affidavit or affirmation setting forth such facts as to the loss, destruction, or mutilation as it deems necessary, and to give the Corporation a bond in such reasonable sum as it directs, to indemnify the Corporation.

ARTICLE 11

Corporate Shares

Section 11.1. Share Certificates. Certificates for the shares of the Corporation shall be in the form prescribed by the Board of Directors, and shall be signed by the President or Vice President and by the Secretary or an Assistant Secretary and shall be numbered in the order in which issued. Certificates shall be bound in a

book and issued in consecutive order therefrom, and in the margin or stub thereof shall be entered the name of the Person owning the shares therein represented, the number of shares, and the date of issue. Each certificate exchanged or returned to the Corporation shall be cancelled, and the date of cancellation shall be indicated thereon by the Secretary and such certificate shall be immediately pasted in the certificate book opposite the memorandum of its issue.

Section 11.2. Transfer of Shares. Transfer of shares shall be made only upon the books of the Corporation by the Shareholder in person or by power of attorney, duly executed and witnessed and filed with the Secretary, and only on the surrender of the certificate of such shares; except that shares sold by the Corporation to satisfy any lien which it holds therein may be transferred without the surrender of such certificate. No transfer of shares shall be valid as against the Corporation, its Shareholders or its creditors for any purpose until it shall have been entered in the stock transfer books by an entry showing from whom and to whom transferred. Any valid transfer of shares shall entitle the transferee thereof to a Proprietary Lease of the Apartment to which such shares are allocated.

Section 11.3. Restriction on Transfer of Shares. Each Shareholder shall be entitled to assign, transfer or otherwise dispose of his interest as a Shareholder in the Corporation only in conformity with the following rules: (1) except as contemplated by Section 10.3 of these Bylaws, shares and the Proprietary Lease associated with such shares cannot be separated or otherwise divided and can be assigned, transferred or otherwise disposed of only as a single unit; and (2) except in instances where the requirement for such consent is obviated by the provisions of a Proprietary Lease, shares and a Proprietary Lease associated with such shares shall not be transferred, assigned or otherwise disposed of without the prior written consent of the Board of Directors (or its duly authorized representative), which consent shall be denied only if the Board of Directors (or its representative) determines that the proposed assignee, if not a natural person, would jeopardize the Corporation's status as a cooperative housing corporation under Section 216 of the Internal Revenue Code of 1954, as amended from time to time.

Section 11.4. Fees on Transfer or Reallocation of Shares. The Board of Directors shall have authority to fix by resolution and to collect, before any transfer of a Proprietary Lease or any reallocation of shares takes effect, the Corporation's expenses and attorneys' fees in connection with such proposed assignment or reallocation, or both, as the case may be.

ARTICLE 12

Compliance and Default

Section 12.1. Relief. Each Shareholder shall comply with all provisions of the Governing Documents as any of the same may be amended from time to time. In the event of any lack of such compliance, the Corporation, acting on its own behalf or through any of its Officers or the Managing Agent, shall be entitled to the following relief:

(a) Additional Liability. Each Shareholder shall be liable for the expense of all Upkeep by the Corporation rendered necessary by his act, neglect or carelessness or the act, neglect or carelessness of any member of his family or any of his employees, agents or licensees, but only to the extent that such expense is not covered by the proceeds of insurance maintained by or on behalf of the Corporation. Such liability shall include any increase in casualty insurance rates occasioned by use, misuse, occupancy or abandonment of any Apartment or its appurtenances. Nothing contained herein, however, shall be construed as modifying any waiver by any insurance company of its rights of subrogation. Each Shareholder shall also be liable for all expenses incurred by the Corporation in bringing eviction proceedings against such Shareholder's tenant(s) pursuant to Section 7.12(f) of these Bylaws.

(b) Costs and Attorney's Fees. In any proceeding arising out of any alleged default by a Shareholder, the prevailing party shall be entitled to recover the costs of such proceeding and such reasonable attorneys' fees as may be determined by the court.

(c) No Waiver of Rights. The failure of the Corporation, any Officer(s), or any Shareholder(s) to enforce any provision of the Governing Documents shall not constitute a waiver of the right of the Corporation, any Officer, or any Shareholder to enforce such provision in the future. All rights, remedies and privileges granted to the Corporation, any Officer(s), or any Shareholder(s) pursuant to any provision of the Governing Documents shall be deemed to be cumulative, and the exercise of any one or more thereof shall not be deemed to constitute an election of remedies, nor shall it preclude the Person(s) exercising the same from exercising the other rights, remedies and privileges as may be granted to the Person(s) by the Governing Documents or by law.

(d) Interest and Late Charges. If a Shareholder fails to pay in full any assessment for a period in excess of fifteen (15) days from the due date, the principal amount unpaid shall bear interest from the date due until paid at the rate of eighteen percent (18%) per annum or at such other lawful rate as may be fixed from time to time by resolutions of the Board of Directors. Except as otherwise determined

by resolution of the Board, any assessment or installment thereof not paid within five (5) days after becoming due shall accrue a late charge in the amount of Fifteen Dollars (\$15.00) or such other amount as may be established from time to time by resolution of the Board of Directors. Interest and late charges imposed pursuant to this subsection shall be treated as assessments for the purposes of this Article.

(e) Abating Violations Within Apartments. Any violation of any provision of the Governing Documents shall give the Corporation, the Board of Directors, the Managing Agent, any Person(s) authorized by the Board or the Managing Agent, and any group of the foregoing, the right, in accordance with Section 7.13 of these Bylaws, to enter the Apartment in which, or as to which, such violation exists and summarily to abate and remove, at the expense of the Proprietary Lessee thereof, any condition that may exist therein constituting such a violation.

(f) Legal Proceedings. Violation of any provision of the Governing Documents shall be grounds for relief, including (without limitation) an action or suit: (i) to recover any sums due, (ii) for damages, (iii) for injunctive relief, (iv) to foreclose the lien for assessments, (v) any other relief provided for by the Governing Documents, (vi) for any other remedy available at law or in equity, and (vii) for any combination of any of the foregoing; all of which relief may be sought by the Corporation, any Officer(s), the Managing Agent and in any appropriate case, by any aggrieved Shareholder(s), and shall not constitute an election of remedies.

Section 12.2. Lien for Assessments.

(a) Every assessment made against shares or the Shareholder thereof pursuant to these Bylaws is a lien against those shares, which lien shall be effective as of the date such assessment is made. Any Officer or the Managing Agent may file or record such other or further notice of such lien or such other document with respect thereto as may be required by law to confirm the establishment and priority of such lien. The lien created by this subsection shall be prior to all liens and encumbrances recorded after the effective date thereof except for any Mortgage as the term "Mortgage" is defined in Section 1.1(12) of the Declaration of Covenants, Easements and Liens for River Place.

(b) In any case where an assessment against a Shareholder is payable in installments, upon a default by such Shareholder in the timely payment of any two (2) installments, the maturity of the remaining total of the unpaid installments of such assessments may be accelerated at the option of the Board of Directors, and the entire balance of that assessment may thereupon be declared due and payable in full by the service of notice to that effect upon the defaulting Shareholder by any Officer or by the Managing Agent.

(c) The lien for assessments may be enforced and foreclosed in any manner provided by law by any proceeding in the name of the Corporation, or by any Officer(s) of the Managing Agent acting on behalf of the Corporation. During the pendency of such proceeding the Shareholder shall be charged by the Corporation with a reasonable rental for the Apartment for the period from the initiation of such proceeding until satisfaction of or sale pursuant to any judgment or order obtained in such proceeding. The plaintiff in such proceeding shall have the right to the appointment of a receiver if available under law.

ARTICLE 13

Miscellaneous

Section 13.1. Notices. All notices, demand, requests, bills, statements or other communications contemplated by these Bylaws shall be in writing and shall be deemed to have been duly given or served when delivered personally or deposited in the United States mail, postage prepaid, or, if notification is of a default or lien, sent by registered or certified United States mail, return receipt requested, postage prepaid (i) if to a Shareholder, at the address which appears on the stock transfer books of the Corporation, or (ii) if to the Corporation, the Board of Directors or to the Managing Agent, at the principal office of the Managing Agent or at such other address as shall be designated by notice in writing to the Shareholders pursuant to this Section.

Section 13.2. Method of Amendment. These Bylaws may be amended at any meeting of the Shareholders provided that the proposed amendment has been inserted in the notice of meeting or that all of the Shareholders are present in person or by proxy. These Bylaws may also be amended at any meeting of the Board of Directors provided that the proposed amendment has been inserted in the notice of the meeting and provided at least two-thirds (2/3) of the total number of Directors shall be present at such meeting. Any amendment adopted by the Board may, at any time, be rescinded, repealed, or amended by the Shareholders. Notwithstanding the foregoing, the real estate owned by the Corporation shall not be subjected to a mortgage or deed of trust without the consent of the holders of ninety percent (90%) of the issued and outstanding shares of the Corporation; nor may this Section be amended without such consent.

BYLAWS
OF
RIVER PLACE SOUTH HOUSING CORPORATION

Affirmed and Readopted this ____27____ day of July, 2010.

RIVER PLACE SOUTH HOUSING
CORPORATION

By: Richard Villegas, Secretary RPSHC

Secretary

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