

RULES AND REGULATIONS
OF
POTOMAC CREST CONDOMINIUM

GENERAL

1. The Potomac Crest Condominium Unit Owners Association ("Association"), acting through its Board of Directors, has adopted the following Rules and Regulations ("Regulations"). These Regulations may be amended from time to time by resolution of the Board of Directors.

2. Wherever in these Regulations reference is made to "unit owners," such term shall apply to the owner of any unit, to such owner's tenants whether or not in residence, and such owner's (or such tenant's) household, servants, employees, agents, visitors, guests, invitees or licensees. Wherever in these Regulations reference is made to the Association, such reference shall include the Association and the managing agent when the managing agent is acting on behalf of the Association.

3. The unit owners shall comply with all the Regulations hereinafter set forth governing the buildings, building entrances, patios, balconies, drives, grounds, parking areas and any other appurtenances.

4. The Association reserves the right to alter, amend, modify, repeal or revoke these Regulations and any consent or approval given hereunder at any time by resolution of the Association or the Board of Directors.

RESTRICTIONS ON USE

5. No part of the Condominium shall be used for any purpose except housing purposes for which the Condominium was designed. Other than any unit designated by the Board of Directors for non-residential use, each unit shall be used as a private residence.

6. No unit owner shall obstruct any of the common elements nor shall any unit owner place or cause or permit anything to be placed on or in any of the common elements (except the areas designated for storage by the Condominium Instruments or the Board of Directors) without the approval of the Board. Nothing shall be altered or constructed in or removed from the common elements except with the prior written consent of the Board of Directors or the Covenants Committee, as appropriate.

7. 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 units. The sidewalks, building entrances, and stairwells shall be used for no purpose other than for normal transit.

8. Nothing shall be done or kept in any of the common elements which will increase the rate of insurance for the building or contents thereof applicable for residential use without the prior written consent of the Board of Directors. No unit owner shall permit anything to be done or kept in the unit or on the common elements which will result in the cancellation of insurance on the building or contents thereof or which would be in violation of any public law, ordinance or regulation. No gasoline or other explosive or inflammable material may be kept in any unit or storage area. No barbeque grill or other similar unvented cooking device, regardless of the type of fuel, may be used within the Condominium. A unit owner may use a barbecue grill on the patio or balcony if permitted by law. No waste shall be committed on the common elements.

9. All garbage and trash must be placed in the proper receptacles designated for refuse collection and no garbage or trash shall be placed elsewhere on any common element.

10. No playing or lounging shall be permitted, nor shall baby carriages, bicycles, playpens, wagons, toys, benches, chairs or other articles of personal property be left unattended in common areas of the building, stairwells, building entrances, parking areas, sidewalks or lawns or elsewhere on the common elements.

11. The toilets and other water and sewer apparatus shall be used only for the purposes for which designed, and no sweepings, matches, rags, ashes or other improper articles shall be thrown therein. The cost of repairing any damage resulting from misuse of any of such apparatus shall be borne by the unit owner causing such damage.

12. Each unit owner shall keep the unit in a good state of preservation, repair and cleanliness and shall not sweep or throw or permit to be swept or thrown therefrom, or from the doors, windows, patios or balconies thereof, any dirt or other substance.

13. Nothing shall be done in any unit or on the common elements which may impair the structural integrity of the building or which may structurally change the building nor shall anything be altered or constructed on or removed from the common elements, except upon the prior written consent of the Board of Directors.

14. No improper, offensive or unlawful use shall be made of the Property or any part thereof, and all valid laws, zoning ordinances and regulations of all governmental agencies having jurisdiction thereof shall be observed. All laws, orders, rules, regulations or requirements of any governmental agency having jurisdiction thereof relating to any portion of the Property shall be complied with, by and at the sole expense of the unit owner or the Board of Directors, whichever shall have the obligation to maintain or repair such portion of the Property, and, if the latter, then the cost of such compliance shall be a common expense. The Association and the Board of Directors must comply with all such laws and have the right but not the obligation to enforce civil or criminal laws; the Association and the Board of Directors have no liability to any owner or other person for any violation of such laws by others.

15. No unit owner shall make or permit any disturbing noises in any building or do or permit anything which will interfere with the rights, comforts or convenience of other unit owners. All units owners shall keep the volume of any radio, television, musical instrument or

other sound producing device in their units sufficiently reduced at all times so as not to disturb other unit owners. Despite such reduced volume, no unit owner shall operate or permit to be operated any such sound producing devices in a unit between the hours of eleven o'clock p.m. and the following eight o'clock a.m. if such operation shall disturb or annoy other occupants.

16. Except for limited home office use (no customers, employees or regular business pick-ups or deliveries coming to the unit), no industry, business, trade, paid childcare, occupation or profession of any kind, commercial, religious, educational or otherwise, designed for profit, altruism, exploitation or otherwise, shall be conducted, maintained or permitted on any part of the Condominium. No "For Sale," "For Rent" or "For Lease" signs or other window displays or advertising may be maintained or permitted on any part of the Condominium or in any unit. No unit shall be used or rented for transient, hotel or motel purposes. The right is reserved by the Declarant and the Board of Directors or the managing agent, to place "For Sale," "For Rent" or "For Lease" signs on any unsold or unoccupied units, and the right is hereby given to any Mortgagee who may become the owner of any unit to place such signs on any unit owned by such Mortgagee, but in no event will any sign be larger than one foot by two feet.

17. Draperies, curtains or venetian blinds must be installed by each unit owner on all windows of the unit and must be so maintained thereon at all.

18. No unit owner shall cause or permit anything to be hung, displayed or exposed on the exterior of a unit or common elements appurtenant thereto, whether through or upon the windows, doors, masonry, patio or balcony of such unit. This prohibition includes without limitation laundry, clothing, rugs, signs, awnings, canopies, shutters, radio or television antennas or any other items. Under no circumstances shall any exhaust fan, air conditioning apparatus or other items be installed by the unit owner beyond the boundaries of the unit or the patio or balcony without the prior written consent of the Covenants Committee. A unit owner may, however, use a central television antenna provided as a part of the unit and install an antenna permitted by Section 207 of the Telecommunications Act of 1996 in accordance with the guidelines established by the Covenants Committee. No clothesline, clothes rack or any other device may be used to hang any items on any window, patio or balcony, nor may such devices be used anywhere on the common elements except in such areas as may be specifically designated for such use by the Board of Directors. Patios and balconies shall not be used as storage areas. No patio or balcony shall be enclosed or covered by a unit owner without the prior written consent of the Board of Directors.

PET RULES

19. No animals, livestock, poultry or reptiles of any kind, regardless of number, may be maintained, kept, boarded or raised, in any unit or upon the common elements, except that the keeping of orderly domestic pets (e.g., dogs, cats or caged birds) not to exceed one per unit without the approval of the Board of Directors, aquarium fish and other limited species of animals which do not normally leave the unit and which do not make noise is permitted, subject to the Rules and Regulations adopted by the Board of Directors and provided that such animals are not kept for breeding purposes.

20. A pet may be maintained in a unit only for so long as it is not a nuisance. Any such pet causing or creating a nuisance or any unreasonable disturbance or noise may be permanently removed from the Condominium upon ten days written notice from the Board of Directors. Actions which will constitute a nuisance include but are not limited to abnormal or unreasonable crying, barking and scratching.

21. Except in designated pet exercise areas, pets must be leashed or carried; leashes may not exceed a length which will permit close control of the pet.

22. Pet owners are fully responsible for personal injuries and/or property damage caused by their pets and shall indemnify and hold the Association, each unit owner and the Declarant free and harmless from any loss, claim or liability of any kind or character whatever arising by reason of keeping or maintaining such pet within the Condominium.

23. All pets which may leave the unit must be registered and inoculated as required by law and registered with the Association office and the Board of Directors may establish reasonable fees for registration, not to exceed the additional costs incurred by the Association resulting from the presence of the pets.

24. Owners of pets walked upon the common elements must promptly clean up their pet's droppings in all areas outside any authorized pet exercise areas.

PARKING AND STORAGE

25. No personal property may be stored on the common elements except in storage areas designated as such by the Condominium Instruments or by the Board of Directors. All personal property placed in any portion of the building or any place appurtenant thereto, including without limitation the storage areas, shall be at the sole risk of the unit owner and the Association shall in no event be liable for the loss, destruction, theft or damage to such property.

26. Should an employee of the Association at the request of a unit owner move, handle or store any articles in storage rooms or remove any articles therefrom or handle, move, park or drive any automobile placed in the parking areas, then, and in every such case, such employee shall be deemed the agent of the unit owner. The Association shall not be liable for any loss, damage or expense that may be suffered or sustained in connection therewith.

27. Trailers, campers, recreational vehicles, boats and other large vehicles may be parked on the Property only if expressly permitted by the Rules and Regulations and only in such parking areas, if any, as may be designated for such purpose by the Board of Directors. All vehicles shall be parked wholly within parking space lines; provided, however, that any unit owner having the right to use one or more limited common element parking spaces may use any adjacent area not within another unit owner's parking space if such space is not otherwise necessary for the use of the Unit Owners Association. No junk or derelict vehicle or other vehicle on which current registration plates are not displayed shall be kept upon any of the common elements. Except in areas designated by the Board of Directors, vehicle repairs other than: (i) emergency maintenance, (ii) ordinary light maintenance (excluding fluid changes and

other operations which might soil the common elements) and (iii) normal cleaning (in areas designated by the Board, if any) are not permitted on the common elements.

28. No vehicle shall be parked on the Condominium with conspicuous "For Sale" signs attached.

29. All unit owners shall observe and abide by all parking and traffic regulations posted by the Association or by municipal authorities. Vehicles parked in violation of any such regulations may be towed away at the unit owner's sole risk and expense.

30. Parking so as to block sidewalks or driveways shall not be permitted. If any vehicle owned or operated by a unit owner shall be illegally parked or abandoned on the Condominium, such unit owner shall hold the Association harmless from any and all damages or losses that may ensue, and any and all rights in connection therewith that the owner or driver may have under the provisions of state or local laws and ordinances are hereby expressly waived. The unit owner shall indemnify the Association against any liability which may be imposed on the Association as a result of such illegal parking or abandonment and any consequences thereof.

ENTRY INTO UNITS

31. The Association or managing agent shall not cause a master key system to be used for units in the Condominium; however, each unit owner shall provide to the Association or the managing agent, and the Association or managing agent shall have the right to keep, a working copy of any key(s) required to gain entry to any unit. These key(s) ("emergency keys") shall be coded in such a way as to prevent identification by unauthorized persons and secured by the Association or managing agent in a locked box for use only if entry to such unit is necessitated by the fact or threat of fire, flood, or any other condition which may adversely affect the common elements or other units. The Association or managing agent shall establish and implement, subject to prior approval of the Board of Directors, procedures and controls to ensure the proper use of such emergency keys. In no event shall such keys be removed from the locked box and used to facilitate entry to a unit for purposes other than those noted above. Unit owners may provide to the Association or managing agent an additional working copy of any key(s) to a unit for non-emergency entry ("convenience keys"). Such keys shall be similarly coded and secured and released only upon written authorization of the unit owner. No unit owner shall alter any lock or install additional locks, or a knocker, or a bell or any other fixture on any doors of a unit without the prior written consent of the Board of Directors.

32. The agents of the Board of Directors or the managing agent, and any contractor or workman authorized by the Board of Directors or the managing agent, may enter any room or unit in any building upon reasonable notice to the unit owner at any reasonable hour of the day (except in case of emergency in which case entry may be immediate and without such notice) for the purpose of exercising and discharging their respective powers and responsibilities, including without limitation pest control.

33. Employees and agents of the Association are not authorized to accept packages, keys, money or articles of any description from or for the benefit of a unit owner. If packages,

keys (whether for a unit or an automobile), money or articles of any description are left with the employees or agents of the Association, the unit owner assumes the sole risk therefor and the unit owner, not the Association, shall be liable for injury, loss or damage of any nature whatsoever directly or indirectly resulting therefrom or connected therewith. The Association does not assume any responsibility for loss or damage in such cases. Deliveries requiring entrance to a unit owner's unit will not be accepted.

RECREATIONAL AND COMMON FACILITIES

34. All persons using any of the common facilities do so at their own risk and sole responsibility. The Association does not assume responsibility for any occurrence, accident or injury in connection with such use. No unit owner shall make any claim against the Association, its servants, agents, or employees, for or on account of any loss or damage to life, limb or property sustained as a result of or in connection with any such use of any of the common facilities. Each unit owner shall hold the Association harmless from any and all liabilities and any action of whatsoever nature by any tenants, guests, invitees or licensees of such unit owner growing out of the use of the common facilities, except where such loss, injury or damage can be clearly proved to have resulted from and been proximately caused by the direct negligence of the Association or its agents, servants or employees in the operation, care or maintenance of such facilities.

35. Any damage to the building, recreational facilities, or other common elements or equipment caused by a unit owner or such unit owner's pets shall be repaired at the expense of the unit owner.

SUSPENSION OF RIGHT TO USE RECREATIONAL FACILITIES

356. In addition to all other rights which the Board of Directors has for nonpayment of assessments, the Board of Directors of the Association shall have the right to bar the use by a unit owner of any of the recreational facilities for failure to make payment of any assessments or fees due as provided for in the Bylaws of the Condominium.

MOVING

37. Move-ins and move-outs are restricted to the hours between 9:00 a.m. and 5:00 p.m., Monday through Saturday, excluding holidays. Each unit owner is responsible for the proper removal of trash, debris, crating or boxes relating to that unit owner's move-in or move-out.

ASSOCIATION

38. All charges and assessments imposed by the Association are due and payable on the first day of each month, unless otherwise specified. Payment shall be made at the managing agent's office by check or money order, payable to the Condominium. Cash will not be accepted.

39. Complaints regarding the management of the Condominium or regarding actions of other unit owners shall be made in writing to the managing agent or the Board of Directors.

40. No unit owner shall direct, supervise or in any manner attempt to assert control over or request favors of any employee of the managing agent or the Unit Owners Association.

CONSIDERATION IN USE OF UNITS

41. All persons shall be properly attired when appearing in any common area of the Property including stairwells, community buildings and any other public spaces of the Condominium.

42. No electrical equipment, other than normal business equipment such as copy machines, computers or word processing equipment, may be installed in any unit without the prior written consent of the Board of Directors. No electrical equipment shall be installed in a unit which causes interference with the normal operation of electrical equipment in other units. All electrical equipment of any kind or nature installed or used in each unit shall fully comply with all rules, regulations, requirements or recommendation of the Board of Fire Underwriters and the public authorities having jurisdiction, and the unit owner alone shall be liable for any damage or injury caused by any electrical equipment in such unit owner's unit. No facilities or equipment of any nature which will or may necessitate any changes, replacements or additions to, or otherwise burden the portion of the common elements providing for water, electricity, heat, or air- conditioning shall be installed without the prior written consent of the Board of Directors. If the Board of Directors so determine that such facilities or equipment causes an additional expense to the Unit Owners Association, then such increase shall be assessed against the unit owner installing the facilities or equipment as a Limited Common Expense.

43. Sufficient carpeting or rugs and padding shall be maintained on a minimum of eighty percent of the floor surfaces (excluding kitchens, closets and bathrooms) in units located over other units to adequately reduce transmission of sound between units.

GENERAL

44. The planting of plants, flowers, trees, shrubbery and crops of any type is prohibited anywhere on the common elements without the prior written consent of the Board of Directors. No fences may be erected around or on the common elements.

45. Solicitors are not permitted. If any unit owner is contacted by a solicitor on the Property, the managing agent must be notified immediately.