

CONDOMINIUM DECLARATION

for

\ GATEWAY CENTRE CONDOMINIUM

THIS DECLARATION, is made this 23 day of may, 2006, by, **PARCEL U-9, LLC**, a Maryland limited liability company, hereafter and in the Exhibits referred to as the "Declarant" and is based on the following facts:

A. The Declarant is the owner in fee simple of the land and improvements located in, Howard County, Maryland, and more particularly described on Exhibit A attached hereto (the "Property").

B. The Declarant has constructed two office buildings on the Property to be constituted as a "condominium" pursuant to Title 11, Real Property Article, Section 11-101, et seq., of the Annotated Code of Maryland and its amendments. It is the intention of the Declarant to divide the Property and its improvements into Condominium Units and to sell and convey them subject to the covenants hereafter set forth, each of which is for the benefit of the Property and the subsequent owners thereof.

21
75
60
14
C. Before recording this Declaration, the Declarant recorded in the Office of the Clerk of Circuit Court for Howard County, Maryland, a "Condominium Plat," consisting of four sheets, recorded in Condominium Plat Book 18293 at plats _____ through 18296

D. The Declarant intends by recording the Condominium Plat and this Declaration to submit the Property, together with the improvements now or later constructed on it, to the provisions of Title 11, Real Property Article, Section 11-101, et seq., of the Annotated Code of Maryland as a Condominium;

NOW, THEREFORE, the Declarant declares that the Property, with all improvements now or later constructed on it, will be held and conveyed subject to these covenants and the accompanying By Laws, all of which are declared and agreed to be in aid of a plan for improvement of the Property, and its division into Condominium Units, common elements and limited common elements, and will run with and bind the land, and inure to the benefit of and be enforceable by the Declarant, its successors and assigns.

ARTICLE I

Section 1. Name. The name by which the Condominium is to be identified is as follows:

GATEWAY CENTRE CONDOMINIUM

Miller, Miller & Canby © 2006

Section 2. Definitions. Capitalized terms used in this Declaration will have the meanings given to them in the "Definitions" section on pages 8 and 9.

ARTICLE II

Section 1. Property Subject to Declaration. The property which will be held and conveyed, subject to this Declaration and the provisions of the Condominium Act, is located in Howard County, Maryland, and is shown on attached Exhibit A described above as the "Property."

Section 2. Condominium Plat. The Condominium Plat is incorporated herein and by this reference made a part of this Declaration.

ARTICLE III

Section 1. The Condominium Units; Declarant's Reservation of Right to Construct.

a) Two buildings, "Building A," and Building "B," have been constructed on the Property and each is a part of the condominium regime hereby declared. Buildings A and B are depicted on the Condominium Plat, including their dimensions, area, identifying number or letter, location and such other data as may be sufficient to locate and identify it with reasonable certainty, including the condominium units within Building A and Building B, and are set forth and dimensioned on the Condominium Plat

The condominium units, "Building A" (identified as 7230 Lee DeForest Drive, Columbia Maryland 21045) and "Building B" (identified as 7226 Lee DeForest Drive, Columbia Maryland 21045); the condominium units are each a three dimensional space having as perimetrical boundaries the lines drawn on the Condominium Plat and designated as the bounds of each condominium unit depicted, with the exterior weather surface of each unit being the exterior boundary of each unit; the lines of title of each unit not bounded by an exterior wall will be a line, as depicted on the Condominium Plat, coincident with the unexposed drywall surface of the wall designated as the boundary of a unit. The upper boundary of each unit is a plane coincident with the level of the unfinished ceiling above the unit, as depicted on the Condominium Plat; the lower boundary of each unit is a plane which is coincident with the lowest level of the unfinished structural floor of each unit, as depicted on the Condominium Plat. The perimetrical boundaries of each unit are vertical planes coincident with the lines depicted as bounding them on the Condominium Plat, extended vertically from the lower boundary to the upper boundary, as described above. Each unit includes all bays and projections which may extend into and beyond the above-noted perimetrical boundaries. All structural members, exterior walls, roofs, electrical systems, hallways, elevators and shafts, heating and ventilating systems, plumbing systems, structural floors and ceilings are to be limited common elements with respect to the unit to which they are appurtenant and a part.

The elevation above sea level of the floor surface of each Unit is shown on the Plats, together with reference to the datum plane upon which such measurement is based.

ARTICLE IV

Section 1. Limited Common Elements. The limited common elements of the Condominium are those common elements designated as such on the Condominium Plat and in this Declaration and such other common elements as are agreed upon by all of the Unit Owners to be reserved for the exclusive use of one or more, but less than all of the Unit Owners. Any areas designated on the Condominium Plat as a limited common element, are reserved for the exclusive use of the owners of the Units to which they are adjacent or to which they are declared to be appurtenant by appropriate designation on the Condominium Plat. Limited common elements are subject to an easement to the owners of all other Condominium Units and to the Council of Unit Owners for reasonable access and unobstructed and uninterrupted use of all pipes, ducts, flues, chutes, conduits, cables, utility lines and the like, if any, which may traverse a limited common element in order to serve one or more Condominium Units. The structural components of each Unit are, unless agreed to the contrary by the owners thereof, to be treated, as noted in the description of the units, as limited common elements appurtenant to each unit, to the end that the maintenance, repair, replacement and reserve deposits therefore will be allocated to each unit.

Section 2. General Common Elements. The general common elements are the real property described above as the "Property" and all of the Condominium except the Units and the limited common elements.

Section 3. Covenant Against Partition. The common elements, both general and limited, must remain undivided. No owner of any Condominium Unit or any other person may bring any action for partition or division thereof except as may be provided for in the Condominium Act. This covenant may not be deemed to prevent or inhibit subdivision of any condominium unit as permitted by the Act.

Section 4. Easements. The common elements of the Condominium, but not the limited common elements, are subject to mutual rights of support, access, use and enjoyment by all of the Unit Owners; provided, however, that any portion of the common elements designated as limited common elements are reserved for the exclusive use of the owner or owners of the Condominium Unit or Units to which they are adjacent or to which they are declared to be appurtenant by appropriate designation on the Condominium Plat, subject, however, to the easement provided in Section 1 of this Article IV.

ARTICLE V

Section 1. Status of the Condominium Units. Each Condominium Unit in the Condominium will have all of the incidents of real property.

Section 2. Percentage Interests in Common Elements. Each Condominium Unit has a percentage interest in the common elements of the Condominium which is equivalent to a fraction,

the numerator of which is the area of the Unit and the denominator of which is the total area of all Units then in the Condominium ("Percentage Interest") A schedule of the allocated Percentages of Interest is attached as "Exhibit B" The Percentage Interests in the common elements may not be separated from the Condominium Units to which they appertain. Any instrument or action affecting a Condominium Unit will also affect, in like manner, the Percentage Interest in the common elements appertaining to that Unit, whether or not that Percentage Interest is expressly described or mentioned. The Percentage Interest of a Unit may be subdivided, provided that the subdivision is done in accordance with the Act and does not change the Percentage Interest of any other Unit.

Section 3. Percentage Interests in Common Expenses and Common Profits. Each Unit Owner has a percentage interest in the common expenses and common profits of the Condominium equal to its Percentage Interest in the common elements, as assigned above.

Section 4. Voting Rights. At any meeting of the Council of Unit Owners, each Unit Owner is entitled to cast a vote equal to its Percentage Interest on each question.

Section 5. Subdivision of the Units. Pursuant to the provisions of §11-107(d)(1)(ii), the owner of each Unit "may subdivide his unit into 2 or more units if the original percentage interests and votes appurtenant to the original unit are allocated to the resulting units and the subdivision is evidenced by an amendment to the declaration describing the resulting units and the percentage interests and votes allocated to each unit." For the purposes of the amendment of the Declaration necessary to subdivide a Unit, anything herein to the contrary notwithstanding, there will not be required any vote or assent of any other unit owner; the filing of an amendatory declaration by the subdividing owner, in accordance with the provisions of the Act, above cited, and this subsection, will be in all regards sufficient, provided, however, that the subdivision as above provided of Units in Buildings A or B may be accomplished only with the written assent of the Board of Governors of Buildings A or B respectively, which assent may not be unreasonably withheld, delayed or conditioned.

Section 6. Condominium Fees; General Common Elements and Limited Common Elements. As directed by the provisions of Section 9 of Article VIII of the attached By Laws, those budgeted items to be included within the scope of "Condominium Fees" are only the expenses attributable to the operation, management, legal service, maintenance, repair, replacement and related reserve contributions, landscaping, paving and striping, general public liability insurance and other operational and administrative costs necessary for the operation and maintenance of the general common elements of the Condominium. All expenses attributable to the Units, are the responsibility of the individual Unit owner. In addition, the Unit owner is responsible for all expenses attributable to the operation, management, legal service, maintenance, repair, replacement and related reserve contributions, including applicable insurance expenses and other administrative expenses for the limited common elements appurtenant to the Unit. In the event of subdivision of the Unit, the expenses attributable to the limited common elements shall be ratably reallocated to the units resulting from the subdivision. Notwithstanding the Unit owner's responsibility for the expenses attributable to the limited common elements, the Unit owners must contract with the Council of Unit Owners to manage and maintain the limited common elements on behalf of the

Unit owners. The Council of Unit Owners will collect those costs associated with the limited common elements and will manage and expend such funds for the operation, maintenance, repair and replacement of such limited common elements. For purposes of billing, collection and applicability of the Contract Lien Act, the charges described as Condominium Fees will be managed and expended by the Council of Unit Owners. The costs and charges of the unit owner attributable to the limited common elements will be collectible by the Council of Unit Owners in the same manner as Condominium Fees and such amounts will be expended by the Council of Unit Owners for the operation, maintenance, repair, replacement of the limited common elements. Unless thus contracted, the cost of maintenance of limited common elements will be the exclusive responsibility of each unit owner.

In sum, it is Declarant's intention that all of the costs and expenses attributable to each Building will comprise a discrete universe of expenses, to be funded and shared by the owners of the Units in each Building, if the same has been subdivided, otherwise by the owner of the entire Building as a Unit. Expenses attributable to the maintenance, insuring, management, reserve funding and security for the Property which comprises the "general common elements," which is to say all of the Property excepting the Units and the limited common elements will be "common" and charged and collected as condominium fees.

ARTICLE VI

Section 1. Encroachments. If a portion of the common elements encroaches upon any Condominium Unit, or if any Condominium Unit encroaches upon any other Condominium Unit or any common element, as a result of settlement, shifting, or the authorized construction or repair of any building, a valid easement for the encroachment and for the maintenance of the same will exist so long as the building stands.

If a portion of the Condominium is partially or totally damaged or destroyed by fire or other casualty, or as a result of condemnation or eminent domain proceedings, and then repaired or reconstructed as authorized in the By-Laws of the Council of Unit Owners and the Condominium Act, the encroachment of a portion of the common elements upon a Condominium Unit or a portion of the common elements due to such repair or reconstruction will be permitted, and valid easements for such encroachments and the maintenance of the same will exist so long as the building stands.

For all purposes incident to the interpretation of deeds, the Condominium Plat and all other instruments of title relating to any Condominium Unit in the Condominium project, the existing physical boundaries of any Condominium Unit constructed or reconstructed in substantial conformity with the Declaration and the Condominium Plat will be conclusively presumed to be its boundaries, regardless of the shifting, settling or lateral movement of any building and regardless of minor variations between the physical boundaries shown on the Condominium Plat and those of any Condominium Unit.

Section 2. Easement to and Rights of Declarant. There is hereby reserved to the Declarant, and to those successors and assigns of the Declarant to whom such rights are granted by the

Declarant, a non-exclusive easement and right-of-way over all of the common elements of the Condominium, but not upon the limited common elements, for purposes of ingress and egress to and from public streets, for vehicular parking, for the storage of building supplies and materials and equipment incident to necessary additional construction, the maintenance of a sales or rental office, the installation, maintenance, repair and replacement of utilities, provided that the use of that easement will not materially interfere with the use of common elements by other Unit owners. In addition, the Declarant has the right to grant easements and rights-of-way over all of the common elements to public utilities and other public agencies for the installation of utilities as needed for the development and construction of the buildings and for such other purposes as may be necessary for the development and construction of the Condominium. Further, there is reserved to the use and benefit of Howard County Department of Public Works, and any provider of utility services to the Property, their successors and assigns a non-exclusive easement over the Property for the installation and maintenance of any and all pipes, wires, meters and the like necessary to such utility.

ARTICLE VII

Section 1. Duty to Maintain. The Council of Unit Owners will maintain the general common elements, and the limited common elements, as provided in Article V above. The Council of Unit Owners, to the extent billed directly to it, and the Board of Governors of each Building, must see to the payment of all public utilities provided. Each Unit Owner must, at each Owner's expense, maintain, insure against fire, windstorm and all forms of damage, as well as repair or replace any component of the Unit, including the plumbing and electrical fixtures, water heaters, heating and air conditioning equipment, lighting fixtures and every sort of equipment appurtenant to each Unit. In addition, each Owner is responsible for the maintenance, repair and replacement of the limited common elements appurtenant to its Unit, which amount will be ratably shared in the event of subdivision of the Unit as provided in Article V above.

Section 2. Termination and Waiver. The Condominium regime established by this Declaration and the Condominium Plat may be terminated by agreement of the Owners of Units. A termination will be effective only on the recording of a Deed of Termination among the Land Records for Howard County, Maryland.

ARTICLE VIII

Section 1. Construction and Enforcement. This Declaration and the accompanying By-Laws are to be liberally construed to facilitate the purpose of creating a uniform plan for the creation and operation of a condominium. Enforcement of these covenants and of the By-Laws will be by any proceeding at law against anyone violating any covenant either to enjoin the violation or to recover damages, or both, and against any Condominium Unit to enforce any lien; and the failure or forbearance of enforcement of any covenant will not be deemed a waiver of the right to do so thereafter.

Section 2. Amendments of Declaration. This Declaration may be amended, except with respect to the recording of Amendatory Declarations for the subdivision of units and the attendant

Supplemental Plats, only with the consent of all Unit owners.

Section 3. Deadlock Resolution; Arbitration. The Declarant recognizes the possibility that there may be occasions in the management of the affairs of the Condominium when an equal division of votes upon an issue of governance arises. If that circumstance arises, the deadlock will be resolved by the arbitration procedure described hereafter. Further, no Unit Owner will have recourse to any court without first having made a good faith effort at mediation, engaging a mediator of generally recognized skill at such endeavors, and, if mediation does not produce agreement, the arbitration procedure set out in this section will be the sole recourse of the parties.

Disputing parties or proponents of the countervailing positions will initiate arbitration by selecting arbitrators. Either side of the deadlocked vote or disputant ("party") may invoke the arbitration procedure by delivering to the other party a written statement of the controversy and copies of all documentary or graphic evidence supporting the position of the party invoking. Within ten (10) days of the receipt of the submission of the invoking party, the recipient must prepare and deliver a written response, accompanied by copies of all documentary or graphic evidence supporting the respondent's position.

If within five (5) days after the exchange of submissions the parties are still in disagreement, the invoking party must select an arbitrator and notify the other party of the identity of that arbitrator immediately upon selection; within five (5) days of receiving notice of the identity of the arbitrator, the other party must select its arbitrator and communicate notice of that election to the other party and his selected arbitrator.

Each party will, when selecting an arbitrator, deliver to that arbitrator both written submissions and the accompanying evidence, as above described. Within five (5) days of the selection of the second arbitrator, the two arbitrators will convene and consider the evidence submitted.

If the parties or any of them wish to make a presentation to the arbitrators of testimony and evidence, they will give notice of that fact when naming their arbitrator. The arbitrators must, unless otherwise agreed by the parties after the initiation of arbitration, proceed as directed by the Maryland Uniform Arbitration Act. Courts & Judicial Proceedings Article, §§ 3-201 through 204 (the "Act.")

If they are able to reach a decision, that decision shall be immediately communicated in writing to the parties and will be finally binding and enforceable in a court having jurisdiction, subject to the Act.

If the arbitrators are unable to reach a conclusion within five (5) days, they shall together forthwith select a third arbitrator with whom they will convene as promptly as possible, but in all events within five (5) days following their attempted conclusion. They will proceed as above provided and may adjust the time periods provided in this Paragraph to the extent necessary to comply with the Maryland Arbitration Act.

The parties will select as arbitrators members of the Maryland Bar who are generally knowledgeable of the subject matter and are disinterested in the outcome of the dispute.

The majority vote of the three arbitrators thus selected will be final and binding, as above described. The arbitrators, to the extent requested to do so by the parties, will follow the rules of procedure and discovery set out in the Act or in the Maryland Rules. The parties will not engage the American Arbitration Association.

The costs incurred in an arbitration proceeding will be a common expense.

Section 4. Assignment by Declarant. Any of the easements, rights-of-way, reservations, powers, rights and the like reserved or granted in this Declaration to the Declarant may be assigned or transferred by the Declarant, either exclusively or non-exclusively, by an instrument or instruments in writing, executed and acknowledged by the Declarant, and recorded among the Land Records for Howard County, Maryland, provided that the assignee has acquired title to the Unit or Units described on the Plat of Condominium Subdivision.

Section 5. Severability. Invalidation of any one of these covenants or restrictions by judgment, decree or order will not affect any other provisions hereof, each of which will remain in full force and effect.

Section 6. Captions. The section captions in this Declaration are for convenience only and are not intended in any way to limit or enlarge the provisions of this Declaration.

Section 7. Definitions.

(a) "The Act" or "the Condominium Act" means Title 11, Section 11-101 through and including Section 11-142 of the Real Property Article, Annotated Code of Maryland (1981 Repl. Vol.) and includes any revisions and supplements which are enacted after this Declaration and which are not inconsistent with its provisions.

(b) "Condominium" or "the condominium project" means the property subject to this Declaration.

(c) "Condominium Unit" or "Unit" means a three dimensional area, as above and on the Condominium Plat more particularly described and identified, and includes all improvements and equipment contained within that area except those excluded in this Declaration.

(d) "Common elements" means both general common elements and limited common elements, as above and on the Condominium Plat described and identified, and includes all of the Condominium except the Condominium Units.

(e) "Common expenses and common profits" means, respectively, the expenses and profits of the Council of Unit Owners.

(f) "Council of Unit Owners" means all of the Unit Owners in association.

LIBER 10024 FOLIO 623

(g) "Limited Common Elements" are portions of the common elements depicted on the plat or provided herein as limited common elements are designated thus by agreement of the council of unit owners; the designation indicates that the designated area is restricted to the use of one or more but not all unit owners.

(h) "Unit Owner" or "owner" means any person, group of persons, corporation, partnership, trust or other legal entity, or a combination thereof, holding fee simple title to a Unit provided, however, that an interest held solely as security for the performance of an obligation will not make of the holder a "Unit Owner" by reason only of that security interest.

Section 8. Other Definitions. Unless it is evident from the context that a different meaning is intended, all other terms used herein have the same meaning as they are defined to have in the By-Laws of the Council of Unit Owners or in Title 11, Section 11-101, et seq., Real Property Article, Annotated Code of Maryland.

IN WITNESS WHEREOF, the Declarant has caused this Declaration to be executed by a member authorized and empowered so to do.

PARCEL US, LLC

By: [Signature] Manager

STATE OF MARYLAND, COUNTY OF HOWARD:

I HEREBY CERTIFY that on this 23RD day of MAY, 2006, before me, the subscriber, a Notary Public in and for the State and County aforesaid, personally appeared in said jurisdiction GARY B. BAXLEY, personally well known to me (or satisfactorily proven) to be the person who executed the foregoing Declaration and individually and as the authorized member of the Declarant acknowledged it to be his act and deed.

IN WITNESS WHEREOF, I have here unto set my hand and Notarial Seal the day and year first above written. My Commission expires: 2/24/2010

[Signature]
Notary Public

The undersigned, a member in good standing of the Bar of the Court of Appeals of Maryland, hereby certifies that the foregoing document was prepared by him or under his supervision.

Patrick C. McKeever by [Signature]
Patrick C. McKeever

EXHIBIT A**DESCRIPTION OF PROPERTY**

**Description of the Lands Conveyed to
Parcel U-9, LLC
Liber 9146 at Folio 365**

BEING known and designated as Parcel U-9, as shown on the Plat entitled, "Columbia Gateway, Parcels 'U-9' and U-10', a Resubdivision of Columbia Gateway, Parcel 'U-8', P.N. 17099, Sheet 1 of 1" which Plat is recorded among the Land Records of Howard County, Maryland ("Land Records"), as Plat No. 17357.



A. Botterill 5/19/06

EXHIBIT B**GATEWAY CENTRE CONDOMINIUM**

<u>Unit Number</u>	<u>Square Footage</u>	<u>Percent Share</u>
Building A		
100	72514	59.87%
Building B		
101	5549	4.58%
102	5493	4.54%
103	3312	2.73%
104	5111	4.22%
105	5549	4.58%
200	2919	2.41%
201	2032	1.68%
202	1454	1.20%
203	1722	1.42%
204	2222	1.83%
205	2730	2.25%
206	2222	1.83%
207	1722	1.42%
208	1454	1.20%
209	2444	2.02%
210	2675	2.21%

a copy of the By-laws is attached

FIRST AMENDMENT TO DECLARATION
OF
GATEWAY CENTRE CONDOMINIUM

THIS FIRST AMENDMENT OF DECLARATION (hereinafter sometimes referred to as the Amendment) made this 26 day of October, 2006, by PARCEL U-9, LLC, a Maryland Limited Liability Company (hereinafter called Grantor),

WHEREAS, pursuant to the provisions of Title 11 of the Real Property Article of the Annotated Code of Maryland, and by a Condominium Declaration for Gateway Center Condominium, dated May 23, 2006 and recorded among the Land Records of Howard County, Maryland at Liber 10024 Folio 615 (hereinafter sometimes referred to as "Declaration"), the Grantor has subjected to a condominium regime (hereinafter referred to as "the Condominium Regime") all of that land situate and lying in the said county, which is described in Exhibit A-1 to the Declaration, together with the improvements thereon and the appurtenances thereto, all as is more particularly set forth in the Declaration, and

WHEREAS, the Grantor has, pursuant to Maryland law and the terms of the Declaration, the right, power and authority to amend the terms and conditions of the The Condominium Regime and usages of limited common elements and other areas, and

WHEREAS the respective unit holders or others with a property interest in Units 200 and 201 in that portion of the Condominium Regime known as Building B 7226 Lee DeForest Drive, Columbia, MD 21045, have determined that it would enhance the usage of Units 200 and 201 and that it is otherwise in the best interest of the Condominium Regime, to redesignate the balcony currently serving Unit 201 and reallocate it to the usage of Unit 200, and by their respective signatures below join in this Amendment, and

WHEREAS, the new allocation or alignment of said balcony is set forth in detail on the "Amended Condominium Plat, Gateway Centre Condominium Building 'B'", dated 9-27-06, by Patton Harris Rust & Associates, PC of Columbia, Maryland,

NOW THEREFORE, the Grantor hereby amends those provisions of the original Declaration relating to usage of balconies and limited common elements as follows.

1. As set forth in the aforementioned Plat dated 9/27/06, the balcony previously designated for Unit 200 which was physically in front of Unit 201 be, and is hereby, relabelled as a limited common element (LCE) for Unit 201.
2. All other LCE designations, as shown on the original plats filed with the original Declaration and on the 9/27/06 Amended Condominium Plat shall remain in full force and effect.

IN WITNESS WHEREOF, the undersigned has hereunto set its hand and seal
this 26 day of October, 2006.

PARCEL U-9, LLC
A Maryland Limited Liability Company,
In its capacity as Grantor

By: [Signature], Manager

STATE OF MARYLAND, COUNTY OF HOWARD:

I HEREBY CERTIFY that on this 26TH day of October, 2006, before me,
the subscriber, a Notary Public in and for the State and County aforesaid, personally
appeared in said jurisdiction GARY B. BAXLEY, personally well known to me or
satisfactorily proven to be the person who executed the foregoing First Amendment to
Declaration, and, individually and as the authorized member of the Grantor/Declarant,,
acknowledged it to be his act and deed.

In WITNESSS WHEREOF, I have hereunto set my hand and Notarial Seal the
day and year first above written.

[Signature]
Notary Public

My Commission Expires: 2/24/2010

PARCEL U-9, LLC
A Maryland Limited Liability Company,
In its capacity as Unit Owner of Unit 200

By: [Signature], Manager

STATE OF MARYLAND, COUNTY OF HOWARD:

I HEREBY CERTIFY that on this 26th day of October, 2006, before me, the
subscriber, a Notary Public in and for the State and County aforesaid, personally
appeared in said jurisdiction GARY B. BAXLEY, personally well known to me or
satisfactorily proven to be the person who executed the foregoing First Amendment to
Declaration, and acknowledged it to be his act and deed.

In WITNESSS WHEREOF, I have hereunto set my hand and Notarial Seal the

day and year first above written.

Richard E. Hildner
Notary Public

My Commission Expires: 2/24/2010

MONTANA SKY PROPERTIES, LLC,
A Maryland Limited Liability Company,
As Unit Owner of Unit 201

By: Michael J. Nelson

STATE OF MARYLAND, COUNTY OF HOWARD:

I HEREBY CERTIFY that on this 26th day of October, 2006, before me, the subscriber, a Notary Public in and for the State and County aforesaid, personally appeared in said jurisdiction Michael Nelson, personally well known to me or satisfactorily proven to be the person who executed the foregoing First Amendment to Declaration, and acknowledged it to be his act and deed.

In WITNESSS WHEREOF, I have hereunto set my hand and Notarial Seal the day and year first above written.

Sherry A. Payson
Notary Public

My Commission Expires: 7/1/10

The undersigned, a member in good standing of the Bar of the Court of Appeals of Maryland, hereby certifies that the foregoing document was prepared by him or under his supervision.

Edwin E. Tillman, Jr.

BY-LAWS
of
THE COUNCIL OF UNIT OWNERS
of
GATEWAY CENTRE CONDOMINIUM

ARTICLE I

Name and Location

Section 1. Name and Location. The name of the Council of Unit Owners is as follows:

GATEWAY CENTRE COUNCIL OF UNIT OWNERS

Its principal office and mailing address is as follows:

8600 Snowden River Parkway
Suite 200
Columbia, MD 21045

Section 2. Definitions. Capitalized terms used in these By Laws will be understood to have the meanings given to them in the "Definitions" Section of the Declaration.

ARTICLE II

Membership

Section 1. Members. A person or legal entity holding fee simple title to a unit in the Condominium is a member of the Council of Unit Owners; provided, however, that interest held solely as security for the performance of an obligation does not make the holder a member of the Council of Unit Owners.

ARTICLE III

Meetings of Unit Owners

Section 1. Place of Meeting. Meetings of the Unit Owners will be held at the principal office of the Council of Unit Owners or another suitable place within the State of Maryland reasonably convenient to the Unit Owners as may be designated by the Board of Directors.

Section 2. Annual Meetings. The first annual meeting of the Unit Owners will be held when the Board of Directors determines but, in any event, within sixty (60) days from the date that ninety per cent (90%) of the votes attributable to Units are conveyed to third-party purchasers, but in no event later than eighteen months following the first conveyance of a Unit to a third-party purchaser.

Thereafter an annual meeting of the Unit Owners will be held once in each calendar year, during the same calendar month as the first annual meeting. At each annual meeting there will be elected by ballot of the Unit Owners a Board of Directors in accordance with the requirements of Article V of these By-Laws. The Unit Owners may transact any other business within the powers of the Council of Unit Owners as may properly come before them.

Section 3. Special Meetings. It is the duty of the President to call a special meeting of the Unit Owners as directed by resolution of the Board of Directors or upon a petition signed by Unit Owners representing at least sixty five percent (65%) of the total votes of the Unit Owners having been presented to the Secretary. The Secretary will notify each Unit Owner entitled to notice of the meeting, stating the time and place of the meeting and its purpose. No business may be transacted at a special meeting except as stated in the notice.

Section 4. Notice of Meetings. It is the duty of the Secretary to mail or otherwise deliver a notice of each annual and special meeting of the Council of Unit Owners, stating the time and place where it is to be held, to each Unit Owner at his address as it appears on the roster of Unit Owners maintained by the Council of Unit Owners, at least ten (10) but not more than thirty (30) days prior to the meeting. Notice by either method will be considered as notice served and proof of notice will be made by affidavit of the person giving notice. The purpose of the meeting will be stated if the meeting is a special meeting or if notice of the purpose is required by any provision of law. Attendance by a Unit Owner at an annual or special meeting in person or by proxy will be a waiver of notice by him of the time, place and purpose thereof. Notice of an annual or special meeting of the Unit Owners may also be waived by any Unit Owner before or after the meeting.

Section 5. Quorum. A quorum is deemed present throughout any meeting of the Unit Owners if Units Owners entitled to cast twenty five percent (25%) of the total votes of the Unit Owners are present, either in person or by proxy.

Section 6. Adjourned Meetings. If a meeting of Unit Owners cannot be organized because a quorum is not present, the Unit Owners who are present, either in person or by proxy, may adjourn and reconvene the meeting in accordance with the provisions and requirements of Section 5-206 of the Corporations and Associations Article, Annotated Code of Maryland, as from time to time amended.

Section 7. Action without Meeting. Any action required or permitted to be taken at an annual or special meeting of the Unit Owners may be taken without a meeting if all of the Unit Owners individually or collectively consent in writing to that action and if such written consent or consents is filed with the minutes of the proceedings of the Unit Owners.

Section 8. Voting. At every meeting of the Unit Owners, on each question presented to the Owners, each of them has the right to cast a vote equal to its Percentage Interest. The votes of all Unit Owners listed on the current roster of Unit Owners maintained by the Council of Unit Owners present and voting, in person or by proxy, will decide any question brought before such meeting.

Section 9. Proxies. A Unit Owner may appoint an adult natural person as his proxy. A proxy must be in writing and must be filed with the Secretary in a form approved by the Board of

Directors at or before the appointed time of each meeting. Unless limited by its terms, a proxy will continue until revoked by a written notice of revocation filed with the Secretary or by the death of the proxy or of the Unit Owner appointing the proxy; provided, however, that no proxy is effective for a period in excess of one hundred eighty (180) days unless granted to a lessee or mortgagee of the Condominium Unit to which the vote are appurtenant. A proxy who is not appointed to vote as directed by a Unit Owner may only be appointed for purposes of meeting quorums and to vote for matters of business before the Council of Unit Owners, other than an election of officers and members of the Board of Directors. In order for a proxy to vote for officers and members of the Board of Directors, the Unit Owner must direct the proxy to vote for certain officers and members of the Board of Directors.

Section 10. Order of Business. The order of business at all annual meetings of the Unit Owners of the Council of Unit Owners will be as follows:

- (a) Roll call and certification of proxies.
- (b) Proof of notice of meeting or waiver of notice.
- (c) Reading and disposal of minutes of preceding meetings, if any.
- (d) Reports of officers, if any.
- (e) Reports of committees, if any.
- (f) Election or appointment of inspectors of election.
- (g) Election of directors.
- (h) Unfinished business.
- (i) New Business.
- (j) Adjournment.

In the case of special meetings, items (a) through (d) will be applicable and thereafter the agenda will consist of the items specified in the notice of the meeting.

ARTICLE V

Directors

Section 1. Number and Qualification. The affairs of the Council of Unit Owners will be governed by a Board of Directors composed of an uneven number of not fewer than three nor more than five Unit owners in the Condominium, together with the representative of the Management Agent, and they will act as directors from the recording of the Declaration until the first annual meeting of the Unit Owners.

Section 2. Initial Directors. The initial Directors will be the following: three representatives of the Declarant: Gary B. Baxley, Robert Hauck and Darrell Nevin, which Directors will serve until the first annual meeting of the Unit Owners. Following the service of the Initial Directors, ending as of the first annual meeting of the Council of Unit Owners, these Directors will resign and their successors will be selected to serve terms as follows: one director for one year, two directors for two years and three directors for three years. The Directors must be persons designated as "Representatives" by the Condominium Unit Owners of the Units Comprising Building A and

Building B.

Section 3. Internal Governance of Building A and Building B.

(a) The "Board of Governors." The Unit Owners in each Building will, commencing as of the conveyance of a majority of the Units in each Building, elect (3) three persons to serve as the Board of Governors for each Building and the Condominium Units therein, casting votes weighted to the square footage of each unit relative to the total square footage in each Building. The Board of Governors will have and exercise with respect to the Limited Common Elements comprising each Building, all of the duties and powers described herein as delegated to the Board of Directors. The Board of Governors will, accordingly, have the responsibility of budgeting and collecting the funds required for the maintenance, operation and restoration of the Limited Common Elements. The Board of Governors will contract with the Board of Directors for the collection and distribution of the funds required by the Board of Governors, which funds will be included as a part of the budget of the Board of Directors.

(b) The Representatives From the six (6) persons elected to serve on the two Boards of Governors, one Board from Building A and one Board from Building B; the Governors thus elected must designate two (2) Governors from each Building as "Representatives" and the four (4) Representatives, together with the person designated by the Management Agent, will constitute the Board of Directors of the Council of Unit Owners, as provided above.

Section 4. Powers and Duties. The Board of Directors has all the powers and duties necessary for the administration of the affairs of the Council of Unit Owners and the Condominium and may do all things not by law or these By-Laws directed to be exercised and done by the Unit Owners. The powers and duties of the Board of Directors (which will not include or encompass the limited common elements appurtenant to any Unit, except to the extent to which the Council of Unit Owners has been contractually engaged to do so as provided in the Declaration) will execute a contract designed:

(a) to provide for the maintenance of the Condominium and to provide services in a manner consistent with law and the provisions of these By-Laws and the Declaration; and

(b) to provide for the establishment, collection and expenditure of assessments from the Unit Owners and for the assessment, filing and enforcement of contract liens in a manner consistent with law and the provisions of these By-Laws and the Declaration; and

(c) to provide for the designation, hiring and dismissal of the personnel necessary for the good working order of the Condominium and for the proper care of the common elements; and

(d) to provide for the promulgation and enforcement of reasonable rules and regulations and reasonable restrictions or requirements as may be deemed proper respecting the use of the general common elements and as are designated to prevent unreasonable interference with the use and occupancy of the Condominium and of the general and limited common elements by the Unit Owners and others, all of which will be consistent with law and the provisions of these By-Laws and the Declaration; and

(e) to enter into agreements to acquire leaseholds, memberships and other possessory or use interests in real or personal property for the purpose of promoting the welfare of the Unit Owners and to declare expenses thus incurred to be common expenses of the Council of Unit Owners; and

(f) to purchase insurance for the Condominium in the manner required by law and provided in these By-Laws; and

(g) to repair, restore or reconstruct the Condominium after a casualty loss in a manner consistent with law and the provisions of these By-Laws and to otherwise improve the Condominium; this power will be deemed to include the power of restoring a Unit structurally if its owner fails to do so following a casualty which the Board of Directors deems to be of such aesthetic or structural significance to the Condominium as to require correction; and

(h) to lease, grant licenses, easements, rights-of-way and other rights of use in all or any part of the common elements of the Condominium, to include the grant of licenses to Unit Owners to make exclusive use of portions of the common elements, from time to time; and

(i) to purchase Condominium Units in the Condominium and to lease, mortgage or convey the subject to the provisions of these By-Laws and the Declaration; and

(j) to assure that any contract undertaken by the Board in execution of the foregoing powers or any others herein reserved or granted, will be an arms-length agreement with a person or entity unrelated to any member of the Board or any Unit Owner unless the undertaking is approved by all Unit Owners.

(k) to convey portions of the common elements to authorities having the power of eminent domain when that power is threatened to be used to acquire a portion of the common elements, provided that such threatened taking is within the limits described in Article XII, Section 3, below. For this purpose, the Board of Directors will be deemed the attorney in fact of every Unit Owner.

Section 5. Management Agent. The Board of Directors must employ a management agent or manager (the "Management Agent") for the Council of Unit Owners at a rate of compensation established by the Board of Directors to perform such duties and services as the Board of Directors authorizes in writing. The Council of Unit Owners will not undertake "self-management" or fail to employ a management agent or manager without the written approval of all Unit Owners. Any management agreement entered by the Council of Unit Owners will provide, inter alia, that such agreement may be terminated, without the payment of any termination fee, without cause upon thirty (30) days written notice or with cause upon ten (10) days written notice. The term of management agreement will not exceed one (1) year; provided, however, that the term of management agreement may be renewable by mutual agreement of the parties for successive one year periods.

Section 6. Designation of Directors. The term of the Directors named by the Declarant will expire when their successors are designated at the first annual meeting of Unit Owners. The election of Directors will thereafter be by the designation of Representatives from the Board of Governors of each of the Buildings. The Board of Governors of each Building will give written

notice to all Unit Owners of its designation of Directors, which notice will include the telephone number, address and brief biography of the designees.

Section 7. Compensation. No compensation is to be paid to Directors, Governors or Officers for their services.

Section 8. First Meeting of Board of Directors. The first meeting of the Board of Directors will be held within ten (10) days of their designation at a place determined by the Directors at the meeting at which they were designated, and no notice need be given to the newly elected Directors in order legally to constitute that meeting, provided a majority of the whole Board of Directors is present at such first meeting.

Section 9. Regular Meetings. Regular meetings of the Board of Directors may be held at a time and place determined by a majority of the Directors, but at least two (2) meetings will be held during each fiscal year. Notice of the time and place of regular meetings of the Board of Directors will be given to each Director, personally or by mail, telephone or telecopy or facsimile transmission, at least three (3) days prior to the day named for the meeting. Notice of the time and place of regular meetings of the Board of Directors will also be given to each Unit Owner in the manner required by applicable law.

Section 10. Special Meetings. Special meetings of the Board of Directors may be called by the President on three (3) days' notice to each Director, given personally or by mail, telephone, telecopy or facsimile transmission, which notice must state the time and place of the meeting. Special meetings of the Board of Directors will be called by the President or Secretary in like manner and on like notice on the written request of at least two (2) Directors.

Section 11. Meetings Open - Closed Session. Except as otherwise provided for in these By-Laws or in Section 11-109.1, Real Property Article, Annotated Code of Maryland (1988 Repl. Vol.), all meetings of the Board of Directors will be open to all Unit Owners. A meeting of the Board of Directors may be held in closed session only for the following purposes:

- (a) discussion of matters pertaining to employees and personnel; or
- (b) protection of the privacy or reputation of individuals in matters not related to the business of the Council of Unit Owners; or
- (c) consultations with legal counsel; or
- (d) consultations with staff personnel, consultants, attorneys or other persons in connection with pending or potential litigation; or
- (e) compliance with a specific constitutional, statutory or judicially imposed requirement protecting particular proceedings or matters from public disclosure; or
- (f) on an individually recorded affirmative vote of at least two-thirds (2/3rds) of the Directors present at the meeting, for some other exceptional reason so compelling as to override

the general public policy in favor of open meetings.

If a meeting of the Board of Directors is held in closed session, then no action may be taken nor matter discussed if it is not permitted by the provisions of Section 11-109.1, Real Property Article, Annotated Code of Maryland (1988 Repl. Vol.). A statement of the time, place and purpose of a meeting of the Board of Directors held in closed session, the record of the vote of each Director by which such meeting was closed, and the authority for holding the meeting in closed session will be included in the minutes of the next meeting of the Board of Directors.

Section 12. Waiver of Notice. Before, at or after a meeting of the Board of Directors, any Director may, in writing, waive notice of that meeting and the waiver will be deemed equivalent to the giving of notice. Attendance by a Director at a meeting of the Board of Directors is a waiver of notice by him of the time, place and purpose thereof. If all the Directors are present at any meeting of the Board of Directors, no notice is required and any business may be transacted at such meeting.

Section 13. Quorum. At all meetings of the Board of Directors a majority of the Directors will constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at a meeting at which a quorum is present will be the acts of the Board of Directors. If at a meeting of the Board of Directors not all Directors are present, the majority present may adjourn the meeting to another time. At an adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice. Notwithstanding these requirements, any Director may request the rescheduling of a meeting at least once in order to better assure the presence of all Directors at all meetings.

Section 14. Vacancy. In the event of the death, disability or refusal to serve of a Director, the other Directors will designate a person to serve the unexpired term of that Director, provided, however, that the person thus named is to be a member of the Board of Governors of the Building from which the retiring Director was a Representative

Section 15. Removal of Director for Cause. If the conduct or failure to act of a Director is consistently found to be deleterious to the best interests of the Council of Unit Owners by three (3) of the other Directors, the offending Director may be removed from office upon that vote of three Directors and his or her successor selected to serve the remaining term of that Director as provided in Section 14, above.

ARTICLE VI

Officers

Section 1. Designation. The principal officers of the Council of Unit Owners will be a President, one or more Vice Presidents, a Secretary, and a Treasurer, all of whom are to be elected by the Board of Directors. Except for the President, the officers of the Council of Unit Owners need not be Directors. Prior to the first annual meeting of Unit Owners, the officers of the Council of Unit Owners need not be Unit Owners. Thereafter, except for the President, the officers of the Council of Unit Owners need not be Unit Owners. The Directors may appoint an assistant secretary and an

assistant treasurer and such other officers as in their judgment may be necessary. A person may hold more than one office but may not serve concurrently as both President and Vice President or as President and Secretary. Officers will not be entitled to compensation for their services as officers.

Section 2. Election of Officers. The officers of the Council of Unit owners will be elected annually by the Board of Directors at the organization meeting of each new Board and hold office at the pleasure of the Board of Directors.

Section 3. Removal of Officers. Upon the affirmative vote of a majority of the members of the Board of Directors, any officer may be removed, with or without cause, and his successor elected at any regular meeting of the Board of Directors or at any special meeting of the Board of Directors called for such purpose.

Section 4. President. The President is a Director of the Council of Unit Owners and its chief executive officer. He will preside at all meetings of the Unit Owners and of the Board of Directors and will have all of the general powers and duties which are usually vested in the office of president of a corporation.

Section 5. Vice President. The Vice President will take the place of the President and perform his duties whenever the President is absent or unable to act. If neither the President nor the Vice President is able to act, the Board must appoint some other member of the Board to do so on an interim basis. The Vice President will also assist the President generally and will perform such other duties as will from time to time be delegated to him by the Board of Directors.

Section 6. Secretary. The Secretary will keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of the Unit Owners and will maintain accurate and complete books for the recording of the resolutions of the Council of Unit Owners. The Secretary will count all votes at meetings of the Board of Directors and meetings of the Council of Unit Owners. The Secretary will give notice of all annual and special meetings of the Unit Owners in conformity with the requirements of these By-Laws. The Secretary will have charge of the membership roster and of such other books and papers as the Board of Directors directs and he will, in general, perform all of the duties incident to the office of Secretary.

Section 7. Treasurer. The Treasurer has responsibility for funds and securities of the Council of Unit Owners and will be responsible for keeping, or causing to be kept, full and accurate accounts of all receipts and disbursements in books belonging to the Council of Unit Owners. He will be responsible for causing the deposit of all funds and other valuable effects in the name, and to the credit, of the Council of Unit Owners in such depositories as may from time to time be designated by the Board of Directors.

ARTICLE VII

Liability and Indemnification of Officers and Directors

Section 1. Liability and Indemnification of Officers and Directors. The Council of Unit Owners must indemnify every officer or Director of the Council of Unit Owners who is threatened to be

made a named defendant in an action by reason of service in that capacity, if that person (i) acted in good faith; and (ii) reasonably believed (a) in the case of conduct in that person's official capacity, that the conduct was in the best interests of the Council of Unit Owners; and (b) in all other cases, that the conduct was at least not opposed to the best interests of the Council of Unit Owners; and (iii) in the case of any criminal proceeding, had no reasonable cause to believe that the conduct was unlawful.

This indemnification is against judgments, fines, settlements and reasonable expenses actually incurred in connection with any threatened, pending or completed action; provided, however, that if an action, suit or proceeding was one by or in the name of the Council of Unit Owners, indemnification will be only against reasonable expenses and will not be made in respect of any proceeding in which the person otherwise entitled to indemnity has been adjudged liable to the Council of Unit Owners. The termination of an action by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent, creates a rebuttable presumption that the person otherwise entitled to indemnity did not meet the required standard of conduct.

A person who is or was an officer or Director of the Council of Unit Owners is not indemnified under the provisions of this Section 1 in respect of any threatened, pending or completed action, suit or proceeding charging improper personal benefit to that person, whether or not involving action in that person's official capacity, in which the person was adjudged to be liable on the basis that personal benefit was improperly received.

The provisions of this Section are intended to provide every person who is or was an officer or Director of the Council of Unit Owners and who was, is or is threatened to be made a named defendant or respondent in any threatened, pending or completed action, suit or proceeding by reason of service in that capacity with indemnification to the extent permitted in Section 2-418(b) of Title 2, Corporations and Associations Article, Annotated Code of Maryland as from time to time amended or superseded.

Section 2. Determination that Indemnification is Proper. Indemnification under Section 1 of this Article may not be made by the Council of Unit Owners unless authorized in the specific case after a determination has been made that indemnification is permissible because the person who is or was an officer or Director of the Council of Unit Owners has met the standard of conduct set forth in Section 1 of this Article. This determination will be made in the manner provided in Section 2-418 (e) of Title 2, Corporations and Associations Article, Annotated Code of Maryland as from time to time amended or superseded.

Section 3. Payment of Expenses in Advance of Final Disposition of Action. Reasonable expenses incurred by any person who is or was an officer or Director of the Council of Unit Owners and who is a party to any threatened, pending or completed action, suit or proceeding by reason of service in that capacity may be paid or reimbursed by the Council of Unit Owners in advance of the final disposition of that proceeding, after a determination that the facts then known to those making the determination would not preclude indemnification under Section 1 of this Article, upon receipt by the Council of Unit Owners of:

- (a) a written affirmation by that person of his good-faith belief that the standard of conduct

necessary for indemnification by the Council of Unit Owners has been met; and

(b) a written undertaking by that person to repay the amount if it is ultimately determined that the standard of conduct necessary for indemnification by the Council of Unit Owners has not been met. This undertaking is an unlimited general obligation of the person making it but need not be secured and may be accepted without reference to financial ability to make the repayment.

Determinations and authorizations of payments under this Section 3 of Article VII will be in the manner specified in Section 2-418 (e), Title 2, Corporations and Associations Article, Annotated Code of Maryland as from time to time amended or superseded.

Section 4. General Provisions. The officers and Directors of the Council of Unit Owners will not be liable to the Council of Unit Owners for any mistake of judgment or negligence, except for their own individual willful misconduct or bad faith. The officers and Directors of the Council of Unit Owners have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Council of Unit Owners except to the extent that such officers or Directors may also be Unit Owners, and the Council of Unit Owners indemnify and forever hold each such officer and Director free and harmless against all liability to others on account of any contract or commitment.

Section 5. Provisions of this Article Not Exclusive. The provisions of this Article do not limit the power of the Council of Unit Owners to pay expenses incurred by a person who was or is an officer or Director of the Council of Unit Owners in connection with an appearance as a witness by reason of service in that capacity, when that person has not been made a named party in the proceeding. Any right to indemnification provided in this Article is in addition to, and not exclusive of, other rights which a person who is or was an officer or Director of the Council of Unit Owners may be entitled, by law.

ARTICLE VIII

Assessments and Carrying Charges for Common Expenses "Condominium Fees"

Section 1. General Common Annual Assessments and Carrying Charges. On the first day of each month, each Unit Owner will pay to the Council of Unit Owners, in advance, a monthly sum (sometimes referred to as "assessments" and generally spoken of as "Condominium Fees") when assessed equal to one-twelfth (1/12) of the Unit Owner's proportionate share (determined in accordance with the percentage interests in common expenses and common profits of the Condominium) of the sum required by the Council of Unit Owners, as estimated by its Board of Directors, to meet its annual expenses, (which expenses **will include all costs attributable to limited common elements from each Building** as determined and reported by the Board of Governors of each Building) Those Assessments will include, the following:

(a) the cost of all operating expenses of the Condominium and services furnished to the Condominium, approved by the Unit Owners, including, without limitation, charges by the Council of Unit Owners for facilities and services furnished by it; and

(b) the cost of necessary management and administration of the Condominium, including fees paid to a Management Agent; and

(c) the cost of liability insurance on the Condominium and the cost of such other insurance as the Council of Unit Owners may purchase; and

(d) the cost of funding reasonable reserves established by the Council of Unit Owners, including, a general operating or working capital reserve and a reserve for replacements; and

(e) the estimated cost of repairs, maintenance and replacements of the common elements of the Condominium to be made by the Council of Unit Owners.

The Board of Directors will assist and cooperate with the Boards of Governors to determine the amount of the assessments, including the Limited Common Element expenses of each Building at least annually, but may do so more frequently if circumstances require. Upon resolution of the Board of Directors, installments of annual assessments may be levied and collected on a quarterly, semiannual or annual basis rather than on the monthly basis above provided.

The Board of Directors will prepare and submit to the Unit Owners, with the collaboration and assistance of the Boards of Governors and the Managing Agent, an annual proposed budget at least thirty (30) days before its adoption. The budget is subject to the provisions of Section 4, following. Written notice of the assessments to be derived from the proposed budget will thereupon be sent to the Unit Owners. The failure before the expiration of any annual assessment period, to fix assessments for that or the next such period will not be deemed a waiver or modification in any respect of the provisions of this Article, or a release of any Unit Owner from the obligation to pay the assessment, for that or any later assessment period; and, in that event, the assessment fixed for the preceding period will continue until a new assessment is fixed. No Unit Owner may exempt himself from liability for assessments by a waiver of the use of any of the common elements or by abandonment of a Condominium Unit.

Section 2. Budget. The Board of Directors, with the assistance of the Management Agent and the Boards of Governors, will prepare and adopt a budget for each annual assessment period, including estimates of the funds required to meet annual expenses for that period. The budget will be in a format consistent with the classification of the accounts of the Council of Unit Owners, as hereafter in provided, and will provide for sufficient estimates on a monthly basis, to permit comparison and analysis of deviations from the various periodic reports of the actual results of operations and the actual financial condition of the Council of Unit Owners, on both a current basis and for prior corresponding periods, all in accordance with generally accepted accounting practices, consistently applied. Copies of the budget will be available for review by the Unit Owners and by their authorized agents and to the holder of any first mortgage on any Unit and by their authorized agents during normal business hours.

Section 3. Special Assessments. In addition to the assessments authorized by this Article, the Council of Unit Owners may levy in any assessment year a special assessment applicable to that year only, for the purpose of defraying the cost of construction or reconstruction or unexpected

repair or replacement of a general common element. Any special assessment will have the assent of the Board of Directors and Unit Owners representing seventy five percent (75%) of the total votes of the Unit Owners either at an annual meeting of the Unit Owners or at a special meeting of the Unit Owners called for that purpose.

Section 4. Reserve for Replacements The Council of Unit Owners must establish and maintain a reserve fund for replacements by the allocation and payment monthly to the reserve fund of an amount to be designated by the Board of Directors. This fund will be deemed to be a common expense, except to the extent that it relates to the reserving allocated to the limited common elements described above, which will be the expense of the unit to which the reserved expenses are appurtenant. The fund will be deposited in a special account with a lending institution the accounts of which are insured by an agency of the United States of America or may, in the discretion of the Board of Directors, be invested in obligations of, or fully guaranteed as to principal by, any state or the United States of America. The reserve for replacements may be expended only for the purpose of replacing common elements and equipment of the Condominium and for start-up costs and operating contingencies of a nonrecurring nature. The proportionate interest of a Unit Owner in the reserves established by the Council of Unit Owners will be considered an appurtenance to the Unit and may not be separately withdrawn, assigned or transferred or separated from the Unit and will be deemed transferred with the Unit.

Section 5. Non-Payment of Assessments - Statement of Condominium Lien. An assessment levied pursuant to the Declaration or these By-Laws, which is not paid when due will be delinquent and will entitle the Council of Unit Owners to claim the amount of that assessment, together with interest thereon, late charges and the actual costs of collection and reasonable attorney's fees, as a lien in accordance with the Maryland Contract Lien Act, Section 14-201, Real Property Article, Annotated Code of Maryland (1988 Repl. Vol.) et seq. The personal obligation of the Unit Owner to pay the assessment will, however, remain his personal obligation for the statutory period and a suit to recover a money judgment for non-payment of an assessment may be maintained without foreclosing or waiving the lien established pursuant to the Maryland Contract Lien Act.

An assessment levied pursuant to the Declaration or these By-Laws, which is not paid when due will subject the Unit Owner to the payment of a penalty or "late charge" not exceeding the greater of \$15.00 or ten percent (10%) of the defaulted payment of the assessment as the Board of Directors may fix and the Council of Unit Owners may bring an action at law against the Unit Owner or may include the charge in the processing initiated under the Contract Lien Act.

A penalty or "late charge" which the Board of Directors assesses may not violate any of the directives of applicable law and may only be imposed if the default has continued for more than ten (10) days. The Board will also be entitled to assess all reasonable attorney's fees incurred in pursuit of such remedies.

Section 6. Acceleration of Installments. Upon default in the payment of monthly installment of a annual assessment levied, the entire balance of the annual assessment may be accelerated at the option of the Board of Directors and declared due and payable in full. A demand by the Council of Unit Owners for payment of the entire balance of annual assessment is not enforceable unless the Council of Unit Owners, within ten (10) days following default in payment of the monthly or other

installment, notifies the Unit Owner in writing that if the Unit Owner fails to pay the defaulted installment within ten (10) days following the date of the notice, the entire balance of the annual assessment may be accelerated and declared due and payable in full.

Section 7. Assessment Certificates. The Council of Unit Owners will, within twenty (20) days following a written demand, furnish to a Unit Owner liable for a assessment a certificate in writing signed by an officer or agent of the Council of Unit Owners, setting forth the status of the assessment, i.e., whether it is paid or unpaid. The certificate will be conclusive evidence of the payment. A charge not to exceed Thirty Dollars (\$30.00) may be required for a certificate except that no charge will be made to an institutional mortgagee of a Condominium Unit who requests a certificate.

Section 8. Liability for Assessments - Mortgagee. A mortgagee who obtains title to a Unit, by foreclosure or a deed in lieu of foreclosure, will not be liable for any assessments or carrying charges for such Unit, which accrued or became due prior to the date that the mortgagee takes title to the Unit.

Section 9. Limited Common Element Expenses; Accountancy Directives. The Unit Owners will contract with the Council of Unit Owners to operate and maintain the limited common elements appurtenant to the Units. Each of the several buildings in which the Units are located constitutes a separate accounting universe because many of the physical components of each building are limited common elements with respect to the Units therein. Accordingly, each of the foregoing Sections, 1 through 8, must be deemed as applying to the expenses of each building, to be shared by the Unit Owners in each building. The Declarant will initially establish and the Council of Unit Owners must maintain and apply, so long as applicable, a system of accounting whereby the books and records of each building, as respects the limited common elements comprising it, are maintained in a manner determining the pro rata share of each Unit Owner in maintaining, insuring, reserving capital for and administering the costs attributable to each building. The Council of Unit Owners is hereby authorized and empowered, with all of the powers, authorities and lien rights herein established for the assessment and collection of Condominium Fees, to bill for, collect and expend the Limited Common Element Expenses.

Section 10. Assessment of Declarant. The Declarant will not be liable for the payment of any assessment for an unsold Condominium Unit in exchange for the promise of the Declarant to pay the budgeted Reserve Fund contribution for any unsold unit and to pay any operating expense of the Council of Unit Owners not funded by the Assessments levied upon the Units conveyed.

ARTICLE IX

Use Restrictions

The following restriction and conditions will bear on all Unit Owners:

- (a) no offensive trade or activity will be carried on within the Condominium or any Condominium Unit, which may become an annoyance to the neighborhood or the other Unit

Owners, provided, however, that so long as it is carried out in compliance with all applicable laws, ordinances, regulations and customary standards of the community, no use made of a Unit in conformity with the zoning ordinance will be considered an "offensive trade or activity" nor may it be considered an "annoyance to the neighborhood."

(b) there will be no obstruction of any of the common elements. Nothing will be stored upon any of the general common elements except in accordance with a license granted by the Board of Directors.

(c) except for signs posted by the Declarant or the Council of Unit Owners, for traffic control or the like, no signs will be posted in the limited common elements or upon the exterior of a Condominium Unit or the common elements without the prior consent in writing of the Board of Directors. The provisions of this subsection will not be applicable to the institutional holder of a first mortgage who comes into possession of a Condominium Unit by a foreclosure or deed in lieu of foreclosure.

(d) no unsightly accumulation of trash will be permitted within a Condominium Unit or upon the common elements. Trash and garbage containers will not be permitted to remain in public view. All refuse will be deposited with care in containers designated for such purpose.

(e) no alteration of, addition to or any structural change may be made to a Condominium Unit without the written consent of the Board of Directors.

(f) no unlawful use will be made of a Condominium Unit or of the common elements and all laws, zoning and other ordinances, regulations of governmental and other municipal bodies will be observed at all times.

The foregoing limitations may not be applied or construed to prevent the Declarant from constructing improvements within any Unit, or using the general common elements for purposes of achieving that construction, provided a building permit is issued for that construction. The Declarant has promulgated House Rules and Regulations for the assistance of Unit Owners and the Managing Agent to assure a measure of use and conduct of and around the Condominium Units and common elements which will promote the safety of Owners and their visitors and tend to preserve and enhance values of the property. Each Unit Owner, by accepting the conveyance of a Condominium Unit will be deemed to acknowledge having received the House Rules and Regulations.

ARTICLE X

Insurance

Section 1. Insurance. The Council of Unit Owners, acting through its Board of Directors and with the cooperation of the Boards of Governors, will obtain and maintain all insurance required by law, and to the extent reasonably available, at least the following:

(a) comprehensive public liability insurance (including medical payments insurance) with a "Severability of Interest Endorsement" or its equivalent in such amounts and in such forms as may be considered appropriate by the Council of Unit Owners, but not less than Two Million and * * * No/100 Dollars (\$2,000,000.00) covering all claims for bodily injuries and property damage arising out of a single occurrence, including, but not limited to, legal liability, hired automobile liability, non-owned automobile liability, liability for property of others, and such other risks as will customarily be covered with respect to projects similar in construction, location and use, including any and all other liability incident to the ownership and use of the Condominium or any portion thereof.

(b) workmen's compensation insurance to the extent necessary to comply with any applicable law; and

(c) a "Legal Expense Indemnity Endorsement", or its equivalent, protecting the officers and Directors of the Council of Unit Owners for expenses and fees incurred by any of them in defending any suit or settling any claim, judgment or cause of action to which any such officer or Director will have been made a party by reason of his or her services; and

Section 2. Casualty or Physical Damage Insurance for Each Unit. Each Unit Owner must maintain for his Unit and its limited common elements, casualty or physical damage insurance in an amount equal to the full replacement value, that is, one hundred percent (100%) of "replacement costs," exclusive of land, foundation and excavation, without a deduction or allowance for depreciation, with an "agreed amount endorsement" or its equivalent, a "demolition endorsement," or its equivalent and "increase cost of construction endorsement," or its equivalent, and a contingent liability from operation of building laws endorsement. Each Unit Owner must maintain a policy of insurance for all loss or damage to personal property, understanding that the Council of Unit Owners neither assumes nor bears any responsibility for loss or damage to personal property, irrespective of the causation of such loss. Each Unit Owner must obtain and file with the Council of Unit Owners appropriate evidence of the existence of such a policy and acknowledging the payment of the premium therefor.

Section 3. Notice to Unit Owners. If a policy of insurance obtained by the Council of Unit Owners is terminated, then, within ten (10) days following the date of termination, the Council of Unit Owners will give written notice of that fact to each Unit Owner at his address as it appears on the roster of Unit Owners maintained by the Council of Unit Owners, or if no such address appears, at his last known place of address or at his Unit.

Section 4. Failure of Unit Owner's to Insure. If the Owner of a Unit fails to obtain and keep in effect the insurance required by this Article, the Council of Unit Owners will, after reasonable notice and opportunity to cure is given to the defaulting Unit Owner, at common expense, obtain the insurance coverage and be entitled to immediate reimbursement for the premium and failing reimbursement, be entitled to assert a lien on the defaulting Owner's Condominium Unit pursuant to the provisions of the Maryland Contract Lien Act.

Section 5. Endorsements, etc. The Council of Unit Owners, at the request of a Unit Owner or a mortgagee will promptly obtain and forward to such owner or mortgagee (a) an endorsement to the

policies above mentioned showing the interest of the Unit Owner or mortgagee as it may appear; and (b) certificates of insurance relating to those policies; and (c) copies of the policies, certified by the insurer or its agent.

ARTICLE XI

Eminent Domain - Condemnation Awards

Section 1. Common Element Takings. Condemnation awards or settlement proceeds of negotiated takings of Common Elements or Limited Common Elements by an authority having the power of eminent domain will be shared among the Unit Owners in accordance with their effected percentage interest in General Common Elements and divided among Unit Owners with respect to the value of their respective Limited Common Elements.

Section 2. Taking of Unit. Condemnation awards or a settlement for the taking of a Unit is the sole property of the Unit Owner.

Section 3. Minor Common Element Takings. Notwithstanding the foregoing, if a proposed taking is of general common elements only and threatens no structural disturbance or material taking, and the value of the proposed taking is not more than the most recent annual operating budget of the Council of Unit Owners, the Board of Directors is hereby constituted the attorney in fact for all Unit Owners and is empowered to grant and convey that portion of the common elements sought by the governmental authority. The condemnation award or settlement proceeds will be received by the Board of Directors and applied to the restoration of common elements or to such other common purpose as the Board may determine to be appropriate.

ARTICLE XII

Fiscal Management

Section 1. Fiscal Year. The fiscal year of the Council of Unit Owners will begin on the first day of January every year, except the first year will begin at the date of recording of the Declaration. The fiscal year will be subject to change by the Board of Directors.

Section 2. Principal Office. The principal office of the Council of Unit Owners will be as set forth in Article I of these By-Laws. The Board of Directors may change the location of the principal office provided, however, that no change is effective until a certificate evidencing the change is made by the Secretary or Assistant Secretary of the Council of Unit Owners and recorded, in the name of the Council of Unit Owners, among the Land Records for Montgomery County, Maryland.

Section 3. Books and Accounts. Books and accounts of the Council of Unit Owners will be kept under the direction of the Treasurer in accordance with generally accepted accounting practices, consistently applied. They will include books with detailed accounts, in chronological order, of

receipts and expenditures and other transactions of the Council of Unit Owners and will specify the maintenance and repair expenses of the Condominium, services provided with respect to the same and any other expenses incurred by the Council of Unit Owners. The amount of any assessment required for payment of any capital expenditures or reserves of the Council of Unit Owners may be credited upon the books of the Council of Unit Owners to the "Paid-in-Surplus" account as a capital contribution by the members. The receipts and expenditures of the Council of Unit Owners will be credited and charged to other accounts under at least the following classifications:

(a) "Current Operations" which involve the control of actual expenses of the Council of Unit Owners, including reasonable allowances for necessary contingencies and working capital funds in relation to the assessments and expenses herein elsewhere provided for; and

(b) "Reserves" which involve the control of the reserves provided in these By-Laws and any other reserve funds which may be approved by the Board of Directors; and

(c) "Investments" which involve the control over investment of reserve funds and such other funds deemed suitable for investment on a temporary basis by the Board of Directors.

All records must be kept in the State of Maryland.

Section 4. Auditing. At the close of each fiscal year, the books and records of the Council of Unit Owners may be audited by an independent Certified Public Accountant, if requested by the Board of Directors. Whether audited or not, an annual report will be prepared in accordance with generally accepted accounting principles, consistently applied. Based upon such report, the Council of Unit Owners will furnish the Unit Owners and any mortgagee requesting it by notice in writing with an annual financial statement, including the income and disbursements of the Council of Unit Owners for that annual period, within ninety (90) days following the end of each fiscal year.

Section 5. Inspection of Books. The books and accounts of the Council of Unit Owners, vouchers accrediting the entries made thereupon and all other records maintained by the Council of Unit Owners will be available for examination by the Unit Owners and by their duly authorized agents or attorneys, and by the institutional holder of any first mortgage on any Condominium Unit and its duly authorized agents or attorneys, at some place designated by the Board of Directors, during normal business hours and for purposes reasonably related to their respective interests and after reasonable notice.

Section 6. Execution of Documents. With the prior authorization of the Board of Directors, all notes and contracts will be executed on behalf of the Council of Unit Owners by either the President or a Vice President, and all checks will be executed on behalf of the Council of Unit Owners by such officers, agents or other persons as are from time to time so authorized by the Board of Directors.

ARTICLE XIII

Compliance - Interpretation - Miscellaneous

Section 1. Compliance. These By-Laws are set forth in compliance with the requirements of Title 11, Real Property Article, Annotated Code of Maryland, as amended.

Section 2. Conflict. These By-Laws are subordinate and subject to all provisions of the Declaration and to the provisions of Title 11, Real Property Article, Annotated Code of Maryland as amended. All of the terms hereof, except where clearly repugnant to the context, will have the same meaning as in the Declaration or the aforesaid statute. In the event of any conflict between these By-Laws and the Declaration, the provisions of the Declaration will control; and in the event of any conflict between the aforesaid Declaration and Title 11, Real Property Article, Annotated Code of Maryland as amended, the provisions of the statute will control.

Section 3. Notices. Unless another type of notice is elsewhere specifically required, any notices called for in the Declaration and in these By-Laws will be given in writing.

Section 4. Severability. In the event any provision or provisions of these By-Laws is determined to be invalid, void or unenforceable, that determination will not render invalid, void or unenforceable any other provisions hereof which can be given effect.

Section 5. Waiver. No restriction, condition, obligation or provision of these By-Laws will be deemed to have been abrogated or waived by reason of any failure or failures to enforce the same.

Section 6. Captions. The captions contained in these By-Laws are for convenience only and are not a part of these By-Laws and are not intended in any way to limit or enlarge the terms and provisions of these By-Laws.

Section 7. Gender, etc. Whenever in these By-Laws the context requires it, the singular number includes the plural and the converse; and the use of any gender is deemed to include all genders.

Section 8. Amendments. These By-Laws may be amended in the same manner as is provided for the amendment of the Declaration.

[The foregoing By Laws are annexed to and recorded with the Declaration establishing
[Gateway Centre Condominium.]

IMP FD SURE \$	20.00
RECORDING FEE	75.00
PHOTOCOPY-A	14.50
TOTAL	109.50
Rest NONE	Rcpt # 15024
NDR FJR	BLK # 3756
May 24, 2006	02:27 PM