

// BY-LAWS FOR COUNCIL OF UNIT OWNERS
 ASPEN MILL PROFESSIONAL CONDOMINIUMS, INC.

ARTICLE I
 Name and Location

Section 1. The name of the Council of Unit Owners is Aspen Mill Professional Condominiums, Inc. Its principal office and mailing address is 300 Five Farms Road, Timonium, MD 21093.

ARTICLE II
 Definitions

Section 1. "Declaration" as used herein means that certain Declaration made the 15th day of APRIL, 1983, by Warren Land Co., Inc., a body corporate of the State of Maryland, pursuant to §§11-101 through 11-143, inclusive, of the Real Property Article of the Annotated Code of Maryland, 1974 Edition, as amended, by which the property therein described is submitted to a Condominium Regime and which Declaration is recorded among the Land Records of Baltimore County, immediately prior hereto and to which these By-Laws are appended.

Section 2. "Mortgagee" as used herein means the holder of any recorded mortgage, or the party secured or beneficiary of any recorded deed of trust encumbering one or more of the Condominium Units in the condominium. "Mortgage" as used herein means a mortgage with priority over other mortgages. As used in these By-Laws, the term "mortgagee" shall mean any mortgagee and shall not be limited to institutional mortgagees. As used in these By-Laws, the term "institutional mortgagee" or "institutional holder" shall include banks, trust companies, insurance companies, mortgage insurance companies, savings and loan associations, trusts, mutual savings banks, credit unions, pension funds, mortgage companies, Federal National Mortgage Association (FNMA), Government National Mortgage Association (GNMA), Federal Home Loan Mortgage Corporation (FHLMC), all corporations and any agency or department of the United States Government or of any State or Municipal government.

Section 3. Other Definitions. Unless it is plainly evident from the context that a different meaning is intended, all other terms used herein shall have the same meaning as they are defined to have in the Declaration or in §§11-101 of the Real Property Article of the Annotated Code of Maryland, 1974 Edition, as amended.

ARTICLE III
 Ownership

Section 1. Membership. Every person, group of persons, corporation, trust or other legal entity, or any combination thereof, which owns a Condominium Unit within the condominium as the same is constituted from time to time shall be a member of the Council of Unit Owners, hereinafter called the "Council", provided, however, that any person, group of persons, corporation, trust or other legal entity, or any combination thereof which hold such interest solely as security for the performance of an obligation shall not be an owner.

Section 2. By-Laws Applicability. The provisions of these By-Laws are applicable to the Condominium. The term "Condominium" as used herein shall include the land, as well as the improvements thereon. In construing these By-Laws, and the government of the condominium pursuant thereto, the provisions of the Corporations and Associations Article of the Annotated Code of Maryland, 1975 Edition, as amended, pertaining to the government of non-stock business corporations, shall be considered as governing to the extent not inconsistent with the provisions of the Real Property Article, §§11-101, et seq., of the Annotated Code of Maryland, the Declaration and these By-Laws, and condominium being considered the corporation and the owners being considered the members. Council shall be incorporated.

ARTICLE IV
 Meeting of Council of Unit Owners

Section 1. Place of Meetings. Meetings of the Council shall be held at the principal Office located at 300 Five Farms Road, Timonium, MD 21093, or place of business of the Council at such other suitable place convenient to the Council as may be

Section 2. Annual Meetings. The Organizational and First Meeting of the Council of the Condominium shall be held within sixty (60) days after fifty percent (50%) of the units in the Condominium Regime as then constituted have been sold and title to the same has been conveyed, or on the first Saturday, whichever shall first occur. Thereafter, annual meetings of the Council of the condominium shall be held on the first Saturday of each succeeding year. At such meeting there shall be elected by ballot of the Unit Owners, a Board of Directors in accordance with the requirements of §5 of Article V of these By-Laws. The Council may also transact such other business of the condominium as may properly come before them.

Section 3. Special Meetings. It shall be the duty of the President to call a special meeting of the Council as directed by resolution of the Board of Directors or upon a petition signed by Unit Owners representing at least twenty percent (20%) of the total votes of the Condominium Regime, as then constituted, having been presented to the Secretary. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

Section 4. Notice of Meetings. It shall be the duty of the Secretary to mail a notice of each annual or special meeting, stating the purpose thereof as well as the time and place where it is to be held, to each Unit Owner of record, at his or her address as it appears on the Ownership Book of the Condominium, or if no such address appears, at his or her last known place of residence, at least fifteen (15) days but not more than ninety (90) days prior to such meeting. Service may also be accomplished by the delivery of any such notice to the Unit Owner at his or her Condominium Unit or last known address. Notice by either such method shall be considered as notice served. Attendance by a Unit Owner at any meeting of the Council shall be waiver of notice by him or her of the time, place and purpose thereof.

Section 5. Quorum. The presence, either in person or by proxy of owners representing at least thirty-three percent (33%) of the total votes of the Condominium Regime, as then constituted, shall be requisite for and constitute a quorum for the transaction of business at all meetings of the Council. If the number of votes at a meeting drops below the quorum and the question of a lack of a quorum is raised, no business may thereafter be transacted.

Section 6. Adjourned Meetings. If any meeting of Unit Owners cannot be organized because a quorum has not attended, the unit owners who are present, either in person or by proxy, may, except as otherwise provided by law or in accordance with Title 5 of the Corporations and Associations Article of the Annotated Code of Maryland, or adjourn the meeting to a time not less than fifteen (15) days from the time the original meeting was called and additional notice given.

Section 7. Voting. At every meeting of the Council, each Unit shall have the right to cast the number of votes which shall be appurtenant to his or her Unit. The votes established in Article IX, Section 1 of the Declaration shall be applicable to voting rights. If there is a quorum present of the Unit Owners either in person or by proxy, then a majority of vote of said Unit Owners shall decide any question brought before such meeting, unless the question is one upon which, by express provision of the statute, the Declaration or these By-Laws, a different vote is required, in which case such express provision shall govern and control. No Unit Owner shall be eligible to vote or to be elected to the Board of Directors or to an office in the Condominium if the Council of Unit Owners has recorded a statement of condominium lien on the Unit and the amount necessary to release the lien has not been paid at the time of the meeting.

Section 8. Proxies. A Unit Owner may appoint any other person as his or per proxy. Any proxy must be in writing and must be filed with the Secretary before the appointed time of each meeting. The proxy is effective only for a maximum period of 180 days following its issuance, unless granted to a lessee. It may be revoked sooner by a written notice of revocation filed with the Secretary or by the death of the Unit Owner.

Section 9. Rights of Mortgagees. Any institutional mortgagee of any Condominium Unit in the condominium who desires notice of the annual and special meetings of the Unit Owners shall notify the Secretary to that effect by Certified Mail, Return Receipt Requested. Any such notice shall contain the name and post office address of such

institutional mortgagee and the name of the person to whom notice of the annual and special meetings of the Unit Owners should be addressed. The secretary of the Council of Unit owners shall maintain a roster of all institutional mortgagees from whom such notices are received and it shall be the duty of the Secretary to mail or otherwise cause the delivery of a notice of each annual or special meeting of the Unit Owners to each such institutional mortgagee, in the same manner, and subject to the same requirements and limitations as are provided in this Article for notice to the members. Any such institutional mortgagee shall be entitled to designate a representative to attend any annual or special meeting of the Unit Owners and such representative may participate in the discussion at any such meeting of the Unit Owners and may, upon his request made to the chairman in advance of the meeting, address the Unit Owners present at any such meeting. Such representative shall have no voting rights at any such meeting. Such representative shall be entitled to copies of the minutes of all the meetings of the Unit Owners upon request made in writing to the Secretary.

Section 10. Order of business. The order of business at all annual meetings of the Unit Owners of the council of unit owners shall 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 preceeding meetings, i
- (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.

*Council of Owners
Spec. Mtg*

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

Section 11. Rules of Order and Procedure. The rules of order and all other matters of procedure at all annual and special meetings of the Unit Owners shall be determined by the Chairman of such meeting.

Section 12. Inspectors of Election. The Board of Directors may, in advance of any annual or special meeting of the Unit Owners, appoint an uneven number of one or more inspectors of election to act at the meeting and at any adjournment thereof. In the event inspectors are not so appointed, the Chairman of any annual or special meeting of Unit Owners shall appoint such inspectors of election. No officer or director of the Council of Unit Owners, and no candidate for Director of the Council of Unit Owners shall act as an inspector of election at any meeting of the Unit Owners if one of the purposes of such meeting is to elect Directors.

ARTICLE V Directors

Section 1. Number and Qualification. The affairs of the Condominium shall be governed by the Board of Directors composed of an uneven number of at least three (3) natural persons and not more than seven (7) natural persons, all of whom, after the Organizational and First Meeting of the Council shall be Unit Owners. To be eligible for membership on the Board of Directors, a representative of a corporate Condominium Unit Owner must be either the President or Executive Vice President of said corporate Condominium Unit Owner.

Section 2. Initial Directors. The initial Directors shall be selected by the Declarant and need not be Unit Owners. The names of the Directors who shall act as such from the date upon which the Declaration is recorded among the Land Records of Baltimore County, Maryland until the Organizational and First Meeting of the Council, such time as their successors are duly chosen and qualified are as follows:

George F. Strutt
300 Five Farms Road
Timonium, MD 21093

Kimberly B. Strutt
300 Five Farms Road
Timonium, MD 21093

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Section 3. Powers and Duties. The Board of Directors shall have all the powers and duties necessary for the administration of the affairs of the condominium and may do all such acts and things as are not by law or by these By-Laws directed to be exercised and done by the Council. The powers and duties of the Board of Directors shall include but not be limited to the following:

(a) To provide for the care, upkeep and surveillance of the Condominium Regime, as it is constituted from time to time and its general and limited common elements and services in a manner consistent with law and the provisions of the By-Laws and the Declaration.

(b) To establish and provide for the collection of assessments from the Unit Owners and for the assessment and/or enforcement of liens therefore in a manner consistent with law and the provisions of these By-Laws and the Declaration.

(c) Designation, hiring and/or dismissal of the personnel necessary for the good working order of the Condominium Regime and for the proper care of the general and limited common elements and to provide services for the project in a manner consistent with law and the provisions of these By-Laws and the Declaration.

(d) To promulgate and enforce such rules and regulations, and such restrictions on, or requirements, as may be deemed proper respecting the use, occupancy and maintenance of the project, and the use of the general and limited common elements, as they 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, all of which shall be consistent with the laws and the provisions of these By-Laws and the Declaration.

(e) to lease, grant licenses, easements, right-of-ways and other rights of use on all or any part of the common elements of the Condominium.

(f) To purchase Condominium Units in the Condominium and to lease, mortgage or convey the same subject to the provisions of these By-Laws and the Declaration.

Section 4. Management Agent. The Board of Directors shall employ for the Council of Unit Owners a management agent or manager (the "Management Agent") at a rate of compensation established by the Board of Directors to perform such duties and services as the Board of Directors shall from time to time authorize in writing. Any management agreement entered into by the Association shall provide, inter alia, that such agreement may be terminated for cause by either party upon thirty (30) days written notice thereof. The term of any such management agreement shall not exceed one (1) year; provided, however, that the term of any such management agreement may be renewable by mutual agreement of the parties for successive one-year periods. Any management agreement entered into by the Declarant or his or her representatives binding the Council is void unless the Council shall have the right to terminate said contract without penalty at any time after transfer of control upon giving not more than ninety (90) days notice to the other party thereto.

Section 5. Elections and Terms of Office. The term of the Directors named herein shall expire when their successors have been elected at the Organizational and First Annual Meeting of the Council and are duly qualified. At the First Annual Meeting of the Council the members shall elect one Director for the term of one year, one Director for the term of two years, and one Director for the term of three years; and at each annual meeting thereafter the members shall elect one Director for the term of three years.

Section 6. Vacancies Vacancies in the Board of Directors caused by any reason other than removal of a Director by a vote of the Council shall be filled by vote of the majority of the remaining Directors, even though they may constitute less than a quorum; and each person so elected shall be a Director until a successor is elected by the Council at the next annual meeting to serve out the unexpired portion of the term.

Section 7. Removal of Director. At a regular or special meeting duly called, any Director may be removed with cause by the affirmative vote of the majority of the entire Council and a successor may then and there be elected to fill the vacancy thus created. Any Director whose removal has been proposed by the Council shall be given an opportunity to be heard at the meeting. The term of any Director who has an unexpired

Statement of Lien recorded against him shall be automatically terminated and the remaining Directors shall appoint his successor as provided in Section 6 of this Article.

Section 8. Compensation. Except for those Directors named as such in Section 2 of Article V of these By-Laws, and any of their successors elected prior to the First Annual Meeting of the Council, no remuneration shall be paid to any Director who is also a Unit Owner for services performed by him or her for the Condominium in any other capacity unless a resolution authorizing such remuneration shall be adopted by the Board of Directors before the services are undertaken, according to §2-419 of the Corporation and Association Article of the Annotated Code of

Section 9. Organizational Meeting. The first meeting of a newly elected Board of Directors shall be held within ten (10) days of election at such place as is fixed by the Directors at the meeting at which such Directors were elected, notice shall be necessary to the newly elected Directors in order legally to such meeting, provided a majority of the whole Board of Directors shall be *BoD's reg mtg*

Section 10. Regular Meetings. Regular meetings of the Board of Directors shall be held at such time and place as shall be determined, from time to time by a majority of the Directors, but at least two (2) such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each Director and Owner, personally or by mail, telephone, or telegraph, at least three (3) days prior to the day named for such meeting. *BoD reg mtg*

Section 11. 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, or telegraph, which notice shall state the time, place (as hereinabove provided) and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of at least three Directors.

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

Section 13. Quorum. At all meetings of the Board of Directors a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at a meeting at which the quorum is present shall be the acts of the Directors. If at any meeting of the Board of Directors there be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

Section 14. Action Without Meeting. Any action by the Board of Directors required or permitted to be taken at any meeting may be taken without a meeting if all of the members of the Board of Directors shall individually or collectively consent in writing to such action. Such written consent or consents shall be filed with the minutes of the proceedings of the Board of Directors.

Section 15. Fidelity Bonds. The Board of Directors shall require that all officers, directors, and employees of the condominium handling or responsible for Council or trust funds shall furnish adequate fidelity bonds in accordance with Article XII of these By-Laws. The premiums on such bonds shall be paid by the Condominium.

ARTICLE VI Officers

Section 1. Designation. The principal officers of the Council shall be a President, a Vice President, a Secretary and a Treasurer, all of whom shall be elected by the Board of Directors. The officers, except for officers elected by the initial directors, other than the President of the Council 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. The offices of Secretary and Treasurer may be filled by the same person.

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

Section 3. Removal of Officers. Upon an affirmative vote of a majority of the members of the Board of Directors, any officer may be removed, either with cause, and his or her 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 shall be the chief executive officer of the Council and a member of the Board of Directors. He shall preside at all meetings of the Council and the Board of Directors. He shall have all of the general powers and duties which are usually vested in the office of President of a corporation including but not limited to the power to appoint committees from among the Unit Owners from time to time as he may, in his discretion, decide is appropriate to assist in the conduct of the affairs of the Council.

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

Section 6. Secretary. The Secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of the Council of Unit Owners, he shall have charge of the "Ownership", "Mortgages", and such other books and papers as the Board of Directors may direct, and he shall in general perform all the duties incidental to the office of Secretary including the votes at meetings of the Council.

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

Section 8. Compensation. The officers of the Council will serve without compensation. They may however, be reimbursed for "out-of-pocket" expenses in connection with official duties upon approval of 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 may indemnify every officer and director of the Council against any and all expenses, including counsel fees, reasonably incurred by or imposed upon any officer or director in connection with any action, suit, or other proceeding, including the settlement of any such suit or proceeding if approved by the then Board of Directors of the Council to which he or she may be made a party by reason of being or having been an officer or director of the Council, whether or not such person is an officer or director at the time such expenses are incurred according to §2-418 of the Corporations and Associations Article of the Annotated Code of Maryland. The officers and directors of the Council shall be liable to the Unit Owners for any negligence, including their own individual willful misconduct or bad faith, but shall not be liable for mistakes of judgments or otherwise if made in good faith. The officers and directors of the Council shall have no personal liability with respect to any contract or other commitment made by them in good faith on behalf of the Council except to the extent that such officers or directors may also be Unit Owners, and the Council shall indemnify and forever hold each such officer and director free and harmless against any and all liability to others on account of any such contract or commitment. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any officer or director of the Council, or former officer or director of the Council may be entitled.

Section 2. Common or Interested Directors. The Directors shall exercise their powers and duties in good faith and with a view to the interest of the condominium. For so long as the Board of Directors consists of more than three directors, the Board, on contract or other

transaction between the Council and one or more of its Directors or between the Council and any corporation, firm, or association, including the Declarant, in which one or more of the directors of the Council are directors or officers, or are pecuniarily or otherwise interested, is either void or voidable because such director or directors, or any committee thereof which authorizes or approves the contract or transaction, or because his or her votes are counted for such purpose, if any of the conditions specified in any of the following subparagraphs exists:

(1) The fact of the common directorate interest is disclosed or known to the Board of Directors or a majority thereof, or noted in the Minutes, and the Board authorizes, approves, or ratifies such contract or transaction in good faith by a vote of disinterested directors.

(2) The fact of the common directorate or interest is disclosed or known to the Unit Owners or a majority thereof, and they approve or ratify the contract or transaction in good faith by a vote sufficient for the purpose according to §2-419 of the Corporations and Associations Article of the Annotated Code of Maryland.

(3) The contract or transaction is commercially reasonable to the Council at the time it is authorized, ratified, approved, or executed. Common or interested directors may be counted in determining the presence of a quorum of any meeting of the Board of Directors, or committee thereof, which authorizes, approves, or ratifies any contract or transaction, but may not vote thereat to authorize any contract or transaction with like force and effect as if he or she were not such director or officer of such other corporation or not so interested.

ARTICLE VIII Management

Section 1. Management and Common Expenses. The Council acting through its Board of Directors shall manage, operate, and maintain the Condominium Regime, and for the benefit of the units and the Unit Owners thereof, shall enforce the provisions hereof and may pay out of the common expense fund, herein elsewhere provided for, the following, which itemization shall not act as a limitation on the Council:

(a) The cost of providing water, sewer, and other necessary utility services for the common elements, and to the extent that the same are not separately metered or billed to each unit, for the units.

(b) The cost of fire and extended liability insurance on the common elements and the cost of such other insurance as the Council may effect.

(c) The cost of providing such legal and accounting services as may be considered necessary to the operation of the Condominium Regime.

(d) The cost of painting, maintaining, replacing, repairing and landscaping the general and limited common elements and such furnishings and equipment for the general and limited common elements as the Board of Directors shall determine are necessary and proper, and the Board of Directors shall have the exclusive right and duty to acquire the same; provided, however, that nothing herein contained shall require the Council to paint, repair, or otherwise maintain the interior of any unit or any fixtures or equipment located therein.

(e) The cost of any and all other materials, supplies, labor, services, maintenance, repairs, taxes, assessments or the like which the Council is required to secure to pay for by law, or otherwise, or which in the discretion of the Board of Directors shall be necessary or proper for the operation of the general and limited common elements; provided, however, that if any of the aforementioned are provided or paid for the benefit of a particular unit or units, the cost thereof shall be specially assessed to the Unit Owner or Owners thereof in the manner provided in subsection (f) of Section 1 of this Article.

(f) The cost of the maintenance or repair of any unit in the event such maintenance or repair is reasonably necessary in the discretion of the Board of Directors to protect the general and limited common elements or to preserve the appearance or value of the Condominium or is otherwise in the interest of the general welfare of

all Unit Owners; provided, however, that no such maintenance or repair shall be undertaken without a resolution by the Board of Directors and not without reasonable written notice to the Unit Owner of the unit proposed to be maintained; and, provided further, that the cost thereof shall be assessed against the unit on which such maintenance or repair is performed, and when so assessed, a statement for the amount thereof shall be rendered promptly to the then Unit Owner of said unit at which time the assessment shall become due and payable and a continuing lien and obligation of said Unit Owner in all respects as provided in Article IX of these By-Laws.

(g) Any amount necessary to discharge any lien or encumbrance levied against the Condominium, or any portion thereof which may in the opinion of the Board of Directors constitute a lien against any of the general or limited common elements rather than the interest of the Unit Owner of any individual Condominium Unit.

Section 2. Duty to Maintain. Except for maintenance requirements herein imposed upon The Council, if any, the Unit Owner of any unit shall at his or her own expense maintain the unit and any and all equipment, appliances, or fixtures therein situate and its other appurtenances in good order, condition and repair, and in a clean and sanitary condition, and shall do all redecorating, painting and the like which may at any time be necessary to maintain the good appearance of the unit and such appurtenances. The owner of any Condominium Unit shall also at his or her own expense keep any limited common elements which may be appurtenant to such Condominium Unit and reserved for his or her exclusive use in a clean, orderly, and sanitary condition.

Section 3. Easements for Utilities and Related Purposes. The Council through its Board of Directors is authorized and empowered to grant, and shall from time to time grant such licenses, easements and/or rights of ways for sewer lines, water lines, electrical cables, gas lines, storm drains, underground conduits and/or such other purposes related to the provision of public utilities to the Condominium Regime, or other similar Condominium Regime, as may be considered necessary and appropriate by the Board of Directors for the orderly maintenance, preservation and enjoyment of the general and limited common elements or for the preservation of the health, safety, convenience and/or welfare of the Unit Owners and the Developer.

Section 4. Council of Unit Owners as Attorney-in-Fact. The Council of Unit Owners is hereby irrevocably appointed as attorney-in-fact for the owners of all of the Condominium Units in the condominium, and for each of them to manage, control and deal with the interests of such Unit Owners in the common elements of the condominium so as to permit the Council of Unit Owners to fulfill all of its powers, functions and duties under the provisions of the Condominium Act, the Declaration, and the By-Laws, and to exercise all of its rights thereunder and to deal with the condominium upon its destruction and the proceeds of any insurance indemnity, as hereinelsewhere provided. The foregoing shall be deemed to be a power of attorney coupled with an interest and the acceptance by any person or entity of any interest in any Condominium Unit shall constitute an irrevocable appointment of the Council of Unit Owners as attorney-in-fact as aforesaid.

Section 5. Management Agent. The Council of Unit Owners may by contract in writing delegate any of its ministerial duties, powers or functions to the Management Agent. The Council of Unit Owners and the Board of Directors shall not be liable for any omission or improper exercise by the Management Agent of any such duty, power or function so delegated.

Section 6. Windows and Doors. The owner of any Condominium Unit shall, at his or her own expense, clean and maintain both the interior and exterior surfaces of all windows of such Condominium Unit and shall, at his or her own expense, clean and maintain the interior surface of all entry doors of the Condominium Unit. Notwithstanding the provisions of this Section, the Board of Directors may resolve to clean the exterior surfaces of all windows in the condominiums at common expense in accordance with a schedule to be determined by the Board of Directors.

Section 7. Access at Reasonable Times. The Council of Unit Owners shall have an irrevocable right and an easement to enter condominiums for the purpose of making repairs to the common elements when the repairs reasonably appear necessary for public safety or to prevent damage to other portions of the condominium. Except in cases involving manifest damage to public safety or property, the Council of Unit Owners shall make

a reasonable effort to give notice to the owner of any Condominium Unit to be entered for the purpose of such repairs. No entry by the Council of Unit Owners for the purpose specified in this Section may be considered a trespass. An owner shall and does hereby grant such right of entry to any person authorized by the Council of Unit Owners of the Condominium in case of any emergency originating in, or threatening the unit, whether the owner is present at the time of not.

Section 8. Limitation of Liability. The Council shall not be liable for any failure of water supply or other services to be obtained by the Council or paid out of the common expenses, or for injury or damage to persons or property caused by the elements or by the Unit Owner of any unit, or any other person, or resulting from electricity, water, snow, or ice which may leak or flow from any portion of the general or limited common elements or from any pipe, drain, conduit, appliance or equipment. The Council shall not be liable to the Unit Owner of any unit for loss or damage by theft or otherwise of articles which may be stored upon any of the general or limited common elements. No diminution or abatement of Common Expense Assessments, as hereinelsewhere provided shall be claimed or allowed for inconvenience or discomfort arising from the making or repairs or improvements to the general or limited common elements or from any action taken by the Council to comply with any law, ordinance, or with the order or directive of any municipal or other governmental authority.

ARTICLE IX Condominium Fees/Assessments

Section 1. Annual Condominium Fees/Assessments.

(a) Each Unit Owner shall pay to the Council monthly a sum equal to one-twelfth (1/12th) of the Unit Owner's proportionate share of the sum required by the Council pursuant to the Percentage Interests in Common Expenses and Common Profits as set forth in Exhibit "B" of the Declaration (hereinafter called "Assessments"), to meet its annual expenses, including but in no way limited to the following:

(1) The cost of all operating expenses of the Condominium Regime as the same may be constituted from time to time, and services furnished, including charges by the Council for facilities and services furnished by it.

(2) The amount of all taxes and assessments levied against the Council or upon any property which it may own or which it is otherwise required to pay, if any.

(3) The cost of fire and liability insurance on the property and improvements and the cost of such other insurance as the Council may effect.

(4) The cost of furnishing water, electricity, air conditioning, trash collection, and any other utilities or services to the extent furnished by the Council.

(5) The cost of funding all reserves established by the Council, including, when appropriate, a general operating reserve and/or reserve for replacements.

(6) The estimate cost of repairs, maintenance and replacements of the Condominium Regime including general and limited common elements to be made by the Council.

(7) The cost of necessary management and administration, including fees paid to any Management Agent.

(8) The cost of all operating expenses, repairs, maintenance, and replacement for roads, curbs and walkways, janitorial services, legal and audit services.

(b) The Board of Directors shall determine the amount of the assessments annually, but may do so at more frequent intervals should circumstances require. Upon resolution of both the Board of Directors and the Unit Owners representing at least fifty-one percent (51%) of the total votes of the Unit Owners, installments of annual assessments may be levied and collected on a quarterly, semi-annual or annual basis rather than on the monthly basis hereinabove provided.

(c) The Board of Directors of the Council shall make reasonable efforts to fix the amount of the assessment against each Unit Owner for each assessment period at least thirty (30) days in advance of such date or period, and shall, at that time, prepare a roster of the Council and assessments applicable thereto which shall be kept in the office of the Council and shall be open to inspection by any Unit Owner upon reasonable notice to the Board. Written notice of the assessment shall thereupon be sent to each Unit Owner. The omission of the Board of Directors before the expiration of any assessment period to fix the assessments hereunder for that or the next period, shall 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, or any installment thereof, for that or any subsequent assessment period, but the assessment fixed for the preceding period shall continue until a new assessment is fixed. No Unit Owner may exempt himself or herself from liability for assessments by a waiver of the use or enjoyment of any of the common elements, or by abandonment of any unit belonging to him or her.

Section 2. Budget. The Board of Directors, with the assistance and counsel of the Management Agent, if any, shall prepare and adopt a budget for each annual assessment period which shall include estimates of the funds required by the Council of Unit Owners to meet its annual expenses for that period. Copies of the budget thus prepared shall be available for examination by the Unit Owners and their duly authorized agents and attorneys, including institutional holders of any first mortgage during normal business hours.

Section 3. Special Assessments. In addition to the regular assessments authorized by this Article, the Council may levy in any assessment year a special assessment or assessments applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair, or replacement of a described capital improvement located upon the Regime, as then constituted, including the necessary fixtures and personal property related thereto, or for such other purpose as the Board of Directors may consider appropriate, provided that any such assessment shall have the assent of the owners representing two-thirds (2/3) of the total votes of the Condominium. A meeting of the Unit Owners shall be duly called for this purpose, written notice of which shall be sent to all owners at least fifteen (15) days, but not more than forty-five (45) days in advance of such meeting, which notice shall set forth the purpose of the meeting.

Section 4. Reserve for Replacements and General Operating Reserves.

(a) The Board of Directors shall establish and maintain a reserve fund for replacements by the allocation and payment monthly to such reserve fund of an amount to be designated from time to time by the Board of Directors and which shall not be less than five percent (5%) of the aggregate monthly installments levied pursuant to the provisions of this Article IX. Such fund shall be conclusively deemed to be a common expense. Such fund shall 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 the Maryland Savings Share Insurance Corporation, or may, at the discretion of the Board of Directors be invested in the obligations of, or fully guaranteed as to principal by the United States of America. The reserve for replacements may be expended only for the purpose of effecting the replacement of the common elements and equipment of the project and for operating contingencies of a non-recurring nature. The amounts required to be allocated to the reserve for replacements may be reduced by appropriate resolution of the Board of Directors upon the accumulation in such reserve for replacements of a sum equal to ten percent (10%) of the full replacement value of the condominium building as such full replacement value is annually determined by the Board of Directors for casualty insurance purposes. The proportionate interest of any owner in any reserve for replacements shall be considered an appurtenance of his or her Condominium Unit and shall not be separately withdrawn, assigned, transferred, or otherwise separated from the Condominium Unit to which it appertains, and shall be deemed to be transferred with such Condominium Unit.

(b) The Council of Unit Owners shall establish and maintain a general operating reserve by the allocation and payment monthly to such general operating reserve fund of an amount equivalent to not less than three percent (3%) of the monthly assessments chargeable to the Unit Owners in the condominium pursuant to the provisions of these By-Laws. Upon the accrual in said general operating reserve account of an amount equal to fifteen percent (15%) of the current annual amount of assessments chargeable to the Unit Owner in the condominium pursuant to the provisions of these By-Laws, the rate of such monthly allocations may by appropriate resolution of the Board of Directors

be reduced to two percent (2%); provided, however, that in the event withdrawals from such general operating reserve account reduces the account below such fifteen percent (15%) accrual, then the rate of such monthly deposits shall immediately be restored to three percent (3%). Thereafter, upon accrual in the general operating reserve account of an amount equal to twenty-five percent (25%) of the current annual amount of assessments chargeable to the Unit Owners in the condominium pursuant to the provisions of these By-Laws such monthly deposits may by appropriate resolution of the Board of Directors be discontinued and no further deposits need be made into such general operating reserve account so long as said twenty-five percent (25%) level is maintained; provided, however, that in the event withdrawals from such general operating reserve account reduce the account below said twenty-five percent (25%) accrual, then at the rate of such monthly deposit shall immediately be restored to three percent (3%) until the twenty-five percent (25%) level is restored. The general operating reserve is intended to provide a measure of financial stability for the condominium and may be used to meet deficiencies from time to time for other contingencies.

(c) Allocations to all reserve funds shall be conclusively deemed to be common expenses. Such reserve funds shall 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 the Maryland Savings Share Insurance Corporation, or may in the discretion of the Board of Directors be invested in obligations of or fully guaranteed as to principal by the United States of America.

(b) The proportionate interest of any Unit Owner in any reserve accounts established by the Council of Unit Owners shall be considered an appurtenance of his or her Condominium Unit and shall not be separately withdrawn, assigned, or transferred or otherwise separated from the Condominium Unit to which it appertains and shall be deemed to be transferred with such Condominium Unit.

Section 5. Non-Payment of Assessments.

(a) A Unit Owner shall be liable for all assessments or installments thereof coming due while he or she is the owner of a unit. In a voluntary grant the grantee shall be jointly and severally liable with the grantor for all unpaid assessments against the grantor for his or her share of the common expenses up to the time of the voluntary grant for which a Statement of Condominium Lien is recorded, without prejudice to the rights of the grantee to recover from the grantor the amounts paid by the grantee for such assessments.

(b) All assessments, until paid, together with interest on them, actual costs of collection, attorneys fees, and late charges, constitute a lien on the units on which they are assessed, if a statement of lien is recorded within two years after the date the assessment becomes due. The lien shall be effective against a unit from and after the time a Statement of Condominium Lien is recorded among the Land Records of the County where the unit is located, stating the description of the unit, the name of the record owner, the amount due and the period for which the assessment was due. The Statement of Condominium Lien shall be signed and verified by an officer or agent of the Council of Unit Owners and then recorded. On full payment of the assessment for which the lien is claimed the Unit Owner shall be entitled to a recordable satisfaction of the lien. The Statement of Condominium Lien shall be in the form as set forth in the Condominium Act.

(c) Any assessment or installment thereof not paid when due shall bear interest from the date when due until paid at the rate not exceeding the maximum permissible legal rate per annum, which shall be at the option of the Council of Unit Owners.

(d) The Council shall notify the holder of the first mortgage on any unit for which any assessment levied pursuant to these By-Laws becomes delinquent for a period in excess of thirty (30) days, and in any other case, where the Unit Owner is in default with respect to the performance of any other obligation hereunder for a period in excess of thirty (30) days.

Section 6. Assessment Certificates. The Council shall, upon demand at any time furnish to any Unit Owner liable for any assessment levied pursuant to the By-Laws (or any other party legitimately interested in the same), a certificate in writing signed by an officer of the Council or its agent setting forth the status of said assessment, i.e., whether the same is paid or unpaid. Such certificate shall be conclusive evidence of the payment of any assessment therein stated to have been paid. A charge not to exceed \$2.00 may be levied in advance by the Council for each certifi-

Section 7. Enforcement. The lien may be enforced and foreclosed by the Council of Unit Owners or any other person specified in the By-Laws in the same manner, and subject to the same requirements as the foreclosure of mortgages or deeds of trusts on real property in the state containing a power of sale or an assent to a decree. Suit for any deficiency following foreclosure may be maintained in the same proceeding and suit to recover a money judgment for unpaid assessments may be maintained without waiving the lien securing the same. No action may be brought to foreclose the lien unless brought within three years following the recordation of the Statement of Condominium Lien. No action may be brought to foreclose the lien except after ten days written notice to Unit Owner given by Registered Mail, Return Receipt Requested, to the address of the Unit Owner shown on the books of the Council of Unit Owners.

Section 8. Subordination and Mortgagee Protection.

(a) Notwithstanding any other provision hereof to the contrary, the lien of any assessment levied pursuant to these By-Laws upon any unit in the Regime shall be subordinate to and shall in no way affect the rights of the holder of any indebtedness secured by any recorded first mortgage, meaning a mortgage with priority over other mortgages, upon such interest made in good faith and for value received, provided however, that such subordination shall apply only to assessments which have become due and payable prior to a sale or transfer of such unit pursuant to a decree of foreclosure or any other proceeding in lieu of foreclosure. Such sale or transfer shall not relieve the purchaser at such sale of the unit from liability for any assessment thereafter becoming due, nor from the lien of any such subsequent assessment, which lien, if claimed, shall have the same effect, and be enforced in the same manner as provided herein.

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

Section 9. No Declaration in Trust. Nothing herein shall be construed as a Declaration in Trust for the enforcement of the lien above provided for.

Section 10. Definition. As used herein the term "Mortgage" shall include deed of trust and the term "Holder" or "Mortgagee" shall include the party secured by any deed of trust or any beneficiary thereof.

Section 11. Foreclosure of Assessment Lien. Foreclosure of the assessment shall not take place until after the mortgagee of that unit is notified pursuant to Section 5 of this Article and the said mortgagee is given fifteen (15) days to obtain compliance by the Unit Owner with the assessment requirements herein before stated.

ARTICLE X
Use Restrictions

Section 1. Use. All condominium units shall be used as offices for professional businesses only, and for no other purpose whatsoever without a two-thirds (2/3) vote of the Council of Unit Owners. The building and each of the units are intended and restricted as to use, and shall be used only for purposes which are consistent with and appropriate to the design of the buildings and for which adequate elevator, stair, ventilation, plumbing, and similar facilities exist. In addition to and without limitation of the foregoing:

(a) No unit shall be used for the purpose of operating therein a public restaurant, bar, or cabaret, or otherwise for the sale to the public for consumption on the premises of food or drink, except as the Board shall approve.

(b) No owner of a unit shall do, or suffer or permit to be done anything in any unit which would impair the soundness or safety of the property or which would increase the rate or result in the cancellation of insurance applicable to the property or which would be noxious or offensive or an interference with the peaceful possession and proper use of other units, or which would require any alteration of or addition to any of the common elements to be in compliance with any applicable law or regulation or which would otherwise be in violation of law.

(c) No Owner of a unit shall, without the written approval and consent of the Board, place or suffer to be placed or maintained (i) on any exterior door, wall or window of the unit, or upon any door, wall or window of the common elements, any sign, awning or canopy, or advertising matter or other thing of any kind, or (ii) any decoration, lettering or advertising matter on the glass of any window or door of the unit or (iii) any advertising matter within the unit which shall be visible from the exterior thereof; provided that the Board shall establish reasonable and uniform regulations permitting the placement and maintenance by each Owner of identifying signs and insignia of such sizes and material and in such locations as shall be architecturally suitable and appropriate to the design and function of the property.

Section 2. Occupancy, Etc. The right to use or occupy any condominium unit within The Regime and the right to sell, lease or otherwise transfer or convey any condominium unit may be subject to such uniform objective standards relating to financial responsibility and/or character as may now or hereafter be set forth in these By-Laws. No such restriction shall be based upon age, race, religion, family composition, sex or place of national origin. The provisions of this Section shall not apply to transfers made solely for the purpose of securing the performance of an obligation, transfers involving a foreclosure sale or other judicial sale or any transfer to a mortgagee in lieu of foreclosure.

Section 3. Sale or Lease. No Unit Owner may dispose of or lease a unit without first giving the Board of Directors a right of first refusal therefor in the manner hereinafter provided, except for (i) conveyances by gift, devise or inheritance; (ii) conveyance by one joint owner of a unit to one or more other joint owners of the same unit; (iii) upon the dissolution of a professional corporation which is a Unit Owner, the conveyance of the unit to the shareholders thereof as joint owners; (iv) upon the formation of a professional corporation by the joint owners of the unit to such professional corporation; or (v) upon the admission of a new partner to a partnership which is a Unit Owner, the conveyance of an individual interest in the unit to such new partner or the conveyance of such unit to such partnership. The procedure for obtaining such approval shall be as follows:

(a) A Unit Owner intending to make sale or lease of a unit, except as hereinabove permitted, shall give written notice to the Board of Directors of such intention, together with the name and address of the intended purchaser or lessee, and such other information as the Board of Directors may reasonably require in connection with such transaction. Such Unit Owner shall, by such notice, also furnish the Board of Directors with the terms and conditions of the proposed sale or lease. The giving of such notice shall constitute a warranty and representation by such Unit Owner to the Board of Directors and to any purchaser or lessee produced by the Board of Directors as hereinafter provided, that such owner believes the proposal to be bona fide in all respects. No proposed transaction shall be deemed bona fide which is not evidenced by a written contract of sale or lease, subject to the approval and right of first refusal contained herein, executed by the selling or leasing owner and the proposed purchaser or lessee and containing all the terms of the sale or lease proposed to be made.

(b) Within thirty (30) days after receipt of the notice described in subparagraph (a) above, the Board of Directors shall either approve the transaction or furnish a purchaser or lessee satisfactory to it, which purchaser or lessee may be the Board of Directors or one or more of its members, and such purchaser or lessee shall execute a contract of sale or lease in accordance with the terms of the notice described in subparagraph (a) above within thirty (30) days after the selling or leasing owner is given notice by the Board of Directors that such purchaser or lessee is being furnished by the Board of Directors. Failure of the Board of Directors to either approve such sale or lease or furnish an appropriate substitute purchaser or lessee within such thirty (30) day period for any reason whatsoever shall be deemed to constitute approval of such sale or lease, following which the Board of Directors shall, nevertheless, prepare and deliver written approval in recordable form if requested by such selling or leasing owner.

(c) The Developer shall not be subject to this Section of Article X in the first sale or lease of any unit owned by the Developer.

Section 4. Prohibited Uses and Nuisances.

(a) Each unit owner shall keep the unit in a good state of preservation and cleanliness. He or she shall not sweep or throw from the premises any dirt or

other substance into any of the corridors or halls, elevators, ventilators or elsewhere in the building or upon the grounds. Refuse shall be placed in containers in such manner and at such times and places as the Board of Directors or its agent may direct.

(b) The sidewalks, entrances, elevators, vestibules, stairways, corridors, halls, landings and lobbies must not be obstructed or encumbered or used for any purpose other than ingress and egress to and from the units in the building.

(c) Unit Owners shall not cause or permit any disturbing noises or objectionable odors to be produced upon or to emanate from their units. Corridor doors shall be kept closed at all times except when in actual use for ingress and egress.

(d) Unit Owners will not do or suffer to be done or keep or suffer to be kept anything in, upon, or about their units which will contravene the Condominium's policies insuring against loss or damage by fire or other hazards or which will prevent the Condominium from procuring such policies at the minimum rate from time to time applicable to the premises for professional business office use; and, in such event, such a Unit Owner shall be chargeable with the amount of the increased premium, which shall be considered a part of the annual condominium assessments against the subject unit for purposes of these By-Laws and the Declaration.

(e) Water closets and other water apparatus in the building shall not be used for any purpose other than those for which they were designed, nor shall any sweeping, rubbish, rags or other articles be thrown into same. Any damage resulting from misuse of any water closets or other apparatus in a unit shall be repaired and paid for by the owner of such unit.

(f) Except for such signs as may be posted by the Developer for promotional purposes, no signs of any character shall be erected, posted or displayed by any condominium Unit Owner upon any condominium unit or upon any part of the common elements, except that each Unit Owner shall be permitted to maintain an identification sign on the entrance door to the unit which shall be installed by the Board of Directors, but at the expense of the Unit Owner, in order to assure uniformity of such signs throughout the condominium building.

(g) No blinds, shades, screens, draperies or drapery backing which are visible through the exterior windows shall be hung or used without the prior written consent of the Board of Directors, or its agent.

(h) No animals of any kind shall be kept or harbored in the condominium building or permitted within the building at any time.

(i) No structural alteration, construction, addition or removal of any condominium unit or common elements shall be commenced or conducted except in strict accordance with the provisions of these By-Laws.

(j) No burning of any trash, and no unreasonable or unsightly accumulation or storage of litter, new or used building materials, or trash of any other kind shall be permitted within any unit or upon any general or limited common elements. Trash and garbage containers shall not be permitted to remain in public view, except within the exclusive use easements hereinafter provided for. This subsection shall not apply to the Declarant during the period of construction of the units and common elements. Trash collection subject to approval by Baltimore County, Maryland.

(k) No structure of a temporary character, trailer, boat, recreational vehicle, tent, shack, barn or other outbuilding shall be maintained upon any of the general or limited common elements at any time. This subsection shall not apply to the Developer during the period of construction of the units and common elements.

(l) No outside television or radio aerial or antenna, or other aerial or antenna, for reception or transmission, shall be maintained upon any unit or upon any general or limited common elements.

(m) No cooking or preparation of food shall be permitted upon any portion of the general common elements of the project, except with the consent of the Board of Directors.

(n) No unlawful use shall be made of any condominium unit or any portion

(o) No Unit Owner shall engage or direct any employee of the Council of Unit Owners or the Management Agent on any private business of the Unit Owner during the hours such employee is employed by the Council of Unit Owners or the Management Agent nor shall any member direct, supervise, or in any manner attempt to assert control over any such employee.

(p) There shall be no violation of any rules for the use of the general or limited common elements which may from time to time be adopted by the Board of Directors and promulgated among the Unit Owners by said Board in writing; and the Board of Directors is hereby, and elsewhere in these By-Laws authorized to adopt such rules.

(q) Vehicular parking upon the common elements shall be regulated by the Board of Directors.

(r) The Board of Directors are hereby authorized to make such further rules and regulations as they may deem appropriate for the management and maintenance of the Condominium Regime, which shall be effective upon the delivery of written copies of same to each condominium Unit Owner, as evidenced by a signed receipt for same.

Section 5. Enforcement. All of the aforesaid restrictions shall be held and construed to run with and bind the land submitted to the Condominium Regime by the Declaration, and each condominium unit located thereon, and all owners and occupants of such units, their respective heirs and assigns forever. Said restrictions shall inure to the benefit of and be enforceable by the Developer, the Council of Unit Owners, the Board of Directors or any owner against anyone violating or attempting to violate any of the said restrictions. Enforcement may be by appropriate legal proceedings, either an action at law for damages, or a suit in equity to enjoin a breach or violation, or enforce performance of any restriction.

ARTICLE XI Arbitration

Section 1. Arbitration. If there be any dispute between the Board of Directors or the Management Agent of the condominium on the one part, and any owner on the other part, the same shall be submitted to arbitration. Either party shall have the right to notify the other party that it is invoking the arbitration provisions of these By-Laws, as herein provided. The party initiating the arbitration shall set forth in its written notice the desire to invoke the arbitration provisions of this Article, and shall specify the name and address of the arbitrator selected to represent the party initiating the arbitration and the matter to be arbitrated. Within seven (7) days after receipt of such notice, the other party to the dispute shall specify by written notice to the party invoking arbitration, the name and address of the arbitrator to represent it. Within five (5) days after the designation of the second arbitrator, the two so designated shall name the third arbitrator by their joint agreement. If the party requested to name its arbitrator fails to do so within the time limits, or if the two arbitrators fail to agree within five (5) days after appointment of the second arbitrator as to a third arbitrator, then the one or two designated arbitrators, as the case may be, shall then request the Administrative Judge of the Circuit Court for Baltimore County to designate an arbitrator or arbitrators so that there will be three (3) arbitrators. The decision of the majority of the arbitrators shall be final, conclusive and binding upon both parties. The controlling decision shall be in writing, signed by the arbitrators making same, and shall briefly state the grounds therefor and shall fix and allocate the costs of the proceedings between the parties.

ARTICLE XII Insurance

Section 1. Insurance. The Board of Directors shall obtain and maintain to the extent reasonably available at least the following, except with respect to paragraph (a) of this Section 1 which shall be mandatory, to the extent reasonably available:

(a) That required by §11-114 of the Condominium Act including public liability insurance with a "Severability of Interest" endorsement in such amounts and in such forms as may be considered appropriate by the Board of Directors (But not less than One Million Dollars [\$1,000,000.00]) covering all claims for bodily injuries and/or property damage arising out of a single occurrence including but not limited to water damage, legal liability, liability for property of others, and any and all

other liability incident to the ownership and/or use of the Condominium Regime or any portion thereof. Notice is hereby given that such public liability insurance has been arranged by the Declarant effective as of the date of recordation hereof; and

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

(c) Adequate fidelity coverage to protect against dishonest acts on the part of officers, directors, trustees and employees of the Condominium and all others who handle or are responsible for handling funds of the Condominium. Such fidelity bonds shall meet the following requirements:

1. All such fidelity bonds shall name the Condominium as an obligee;

2. Such fidelity bonds shall be written in an amount equal to at least 150% of the Condominium Fund, including reserves, unless a greater amount is required by any Mortgagee;

3. Such fidelity bonds shall contain waivers of any defense based upon the exclusion of persons who serve without compensation from any definition of "employee" or similar expression; and

4. Such bonds shall provide that they may not be cancelled or substantially modified (including cancellation for non-payment of premium) without at least 30 days prior written notice to all Mortgagees of units in the Condominium.

(d) Casualty or physical damage insurance in an amount equal to the full replacement value (i.e., 100% of "replacement costs" exclusive of land, foundation, and excavation) of the Condominium (including all building service equipment and the like) with an "Agreed Amount Endorsement" or its equivalent, a "Demolition Endorsement" or its equivalent, a "Condominium Replacement Cost Endorsement" or its equivalent, and a "Contingent Liability from Operation of Building Laws Endorsement" or its equivalent, without deduction or allowance for depreciation, as determined annually by the Board of Directors with assistance of the insurance company affording such coverage, such coverage to afford protection against at least:

(i) Loss or damage by fire and other hazard covered by the standard extended coverage endorsement; and

(ii) Such other risks as shall customarily be covered with respect to project similar in construction, location and use, including, but not limited to sprinkler leakage, debris removal, cost demolition, vandalism, malicious mischief, wind-storm, water damage, boiler and machinery explosion or damage, and such other insurance as the Board of Directors may from time to time determine.

(e) A "Legal Expense Indemnity Endorsement" or its equivalent affording protection for 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 shall have been made a party by reason of his or her services as such; and

(f) Such other policies of insurance, including insurance for other risks of a similar or dissimilar nature and fidelity coverage as required by Section 15 of Article V of these By-Laws, as are or shall hereafter be considered appropriate by the Board of Directors. The Board of Directors shall maintain adequate fidelity coverage to protect against dishonest acts on the part of the officers and Directors of the Council of Unit Owners, trustees for the Council of Unit Owners and such employees and agents of the Council of Unit Owners who handle or are responsible for handling of funds of the Council of Unit Owners. Such fidelity coverage shall meet the following requirements:

(i) All such fidelity bonds and policies of insurance shall name the Council of Unit Owners as obligee or named insured, as the circumstances may require; and

(ii) All such fidelity bonds and policies of insurance shall be written in an amount equal to 150% of the estimated annual operating budget of

(iii) All such fidelity bonds and policies of insurance shall contain waivers of any defense based upon the exclusion of persons who serve without compensation from any definition of "employee" or similar expression; and

(iv) All such fidelity bonds and insurance shall provide that they may not be cancelled or substantially modified (including cancellation for non-payment of premium) without at least thirty (30) days prior written notice to any and all obligees and insureds named thereon and to any mortgagee of any condominium unit who requests such notice in writing.

Section 2. Limitations. Any insurance obtained pursuant to the requirements of this Article shall be subject to §11-114(c) of the Condominium Act and the following provisions:

(a) All policies shall be written or reinsured with a company or companies licensed to do business in the State of Maryland and holding a rating of A/AAAA, or better in the current edition of "Best's Insurance Guide."

(b) Exclusive authority to negotiate losses under said policies shall be vested in the Board of Directors, as a Trustee for the Unit Owners, or its authorized representative, including any Trustee with which the Council may enter into any Insurance Trust Agreement, or any successor Trustee, each of which shall be herein elsewhere referred to as the "Insurance Trustee."

(c) In no event shall the insurance coverage obtained and maintained pursuant to the requirements of this Article be brought into contribution with insurance purchased by the Unit Owners or their mortgagees, as herein permitted, and any "no other insurance" or similar clause in any policy obtained by the Council pursuant to the requirements of this Article shall exclude such policies from consideration.

(d) Such policies shall contain no provision relieving the insurer from liability because of loss occurring while the hazard is increased in the building, whether or not within the control or knowledge of the Board of Directors and shall contain no provision relieving the insurer from liability by reason of any breach of warranty or condition caused by the Board of Directors or any Unit Owner, and/or their respective agents, employees, tenants, mortgagees, or invitees or by reason of any act of neglect or negligence on the part of any of them.

(e) All policies shall provide that such policies may not be cancelled or substantially modified (including cancellation for non-payment of premium) without at least thirty (30) days prior written notice to any and all insureds named thereon, including any and all mortgagees of the units.

(f) All policies of casualty insurance shall provide that, notwithstanding any provision thereof which give the carrier the right to elect, to restore damage in lieu of making a cash settlement, such option shall not be exercisable or when in conflict with the provisions of any Insurance Trust Agreement to which the Council may be a party, these By-Laws or the provisions of the Condominium Act.

(g) All policies shall contain a waiver of subrogation by the insurer as to any and all claims against the Council, the Board of Directors, the Unit Owners and/or their respective agents, employees or tenants, and of any defenses based upon co-insurance or invalidity arising from the non-malicious act of the insured.

Section 3. Individual Policies. Recommendation of Declaration. Notice to Board of Directors. The owner of any Condominium unit (including the holder of any mortgage thereon) may obtain additional insurance (including a "Condominium Unit Owner Endorsement" or its equivalent, for improvements and betterments to the condominium unit made or acquired at the expense of the owner) at his or her own expense. Such insurance shall be written by the same carrier as that purchased by the Board of Directors pursuant to this Article or shall provide that it shall be without contribution as against the same. Such insurance shall contain the same waiver of subrogation provision as that set forth in Section 2(g) of this Article. The Declarant recommends that each owner of a Condominium Unit in the condominium obtain, in addition to the insurance hereinabove provided to be obtained by the Board of Directors, a plate glass damage

policy and a "Tenant's Policy" or its equivalent, to insure against loss or damage to personal property used or incidental to the occupancy of the condominium unit, vandalism or malicious mischief, theft, personal liability and the like. Such later policy should include a "Condominium Unit-Owner's Endorsement" or its equivalent, covering losses to improvements and betterments to the Condominium Unit made or acquired at the expense of the Unit Owner. The owner of any Condominium Unit shall notify the Board of Directors in writing of any and all improvements and betterments made to the Condominium Unit at the expense of such Unit Owner, the value of which is in excess of One Thousand Dollars (\$1,000.00).

Section 4. Endorsements, Etc. The Board of Directors at the request of any Unit Owner or at the request of the mortgagee of any unit shall promptly obtain and forward to such Unit Owner or mortgagee (a) an endorsement to any of the policies aforementioned in this Article showing the interest of such Unit Owner or mortgagee as it may appear; (b) certificates of insurance relating to any such policies; and (c) copies of any such policies, duly certified by the insurer or its duly authorized agent.

ARTICLE XIII

Casualty Damages - Reconstruction or Repair and Condemnation

Section 1. Use of Insurance Proceeds. In the event of damage or destruction by fire or other casualty the same shall be promptly repaired or reconstructed or an option exercised according to §§11-114 of the Condominium Act in substantial conformity with the original plans and specifications with the proceeds of insurance available for that purpose, if any.

Section 2. Proceeds Insufficient. In the event that the proceeds of insurance are not sufficient to repair damage or destruction by fire or other casualty, or in the event such damage or destruction is caused by any casualty not herein required to be insured against, then the repair or reconstruction of the damage may be accomplished promptly by the Council as a common expense pursuant and subject to such controls as mortgages, as defined in Section 4 of this Article may require and the repair or reconstruction of any unit shall be accomplished promptly by the Council at the expense of the Unit Owner of the affected unit. The ratable share of the expense of such repairs or reconstruction may be assessed, and the lien for the same shall have all the priorities provided for in Article IX of these By-Laws. In the event that the proceeds of casualty insurance are paid to any Insurance Trustee pursuant to the requirements of Section 4 of this Article, then all funds collected from the Unit Owners of the condominium units pursuant to this Section 2 shall likewise be paid over to such Insurance Trustee and shall be disbursed by such Insurance Trustee in accordance with the provisions of Section 4 of this Article.

Section 3. Restoration Not Required. In the event more than two-thirds (2/3) of the entire Condominium Regime, as then constituted, is substantially damaged or destroyed by fire or other casualty, and all Unit Owners of the Condominium Regime, as then constituted do not promptly resolve to proceed with repair or reconstruction then, and in that event, the Condominium Regime, as then constituted, shall be deemed to be owned in common by the Unit Owners of all of the units in the same proportions as that previously established for ownership or appurtenant undivided interests in the general and limited common elements, and the Condominium Regime, as then constituted shall be subject to termination in which event the net proceeds of sale, together with the net proceeds of any insurance paid to the Council, as then constituted, or the Unit Owner in common shall be considered as one fund and shall be divided among the Unit Owners of all the units in the same proportion as that previously established for ownership of appurtenant undivided interests in the general and limited common elements after first paying out of the share of the Unit Owner of any unit to the extent such share is sufficient for the purpose, all liens upon said unit.

Section 4. Insurance Trustee. In the event the cost of reconstruction or repair (as estimated by the Board of Directors) shall exceed an amount equal to five percent (5%) of the full replacement value of the condominium as estimated by the Board of Directors and the insurer pursuant to the requirements of Section 1(a) of Article XII of these By-Laws for the period during which such loss was sustained, and the institutional holder or holders of any mortgages or other obligations secured by any condominium unit or units in the aggregate principal sum of more than \$500,000 (hereinafter in this Section 4 called the "Mortgagee") shall so require all proceeds of insurance shall be paid over to a trust company or bank (the "Insurance Trustee") having trust powers

shall be administered, selected by the Board of Directors, and shall be given time to time as the reconstruction or repair progresses in accordance with the provisions of an Insurance Trust Agreement satisfactory in form and substance to the mortgagee and which shall contain, inter alia, the following provisions:

(a) The reconstruction or repair shall be in the charge of an architect or engineer who may be an employee of the Council of Unit Owners and hereinafter in this Section 4 called the "architect."

(b) Prior to the commencement of the reconstruction or repair other than such work as may be necessary to protect the condominium from further damage.

(c) Unless otherwise required by the mortgagee, each request for an advance of the proceeds of insurance shall be made to the mortgagee at least ten (10) days prior to delivery to the Insurance Trustee and shall be accompanied by a certificate from the architect to the effect that (i) all work then completed has been performed in accordance with the plans and specifications and all building codes or similar governmental requirements, and (ii) the amount requested to be advanced is required to reimburse the Council of Unit Owners for payments previously made by the Council of Unit Owners or is due to the contractor responsible for the restoration or repair, or to subcontractors, materialmen, laborers, engineers, architects or to other persons responsible for services or materials in connection with such restoration or repair, or for fees or the like necessarily incurred in connection with the same, and (iii) when added to amounts previously advanced by the Insurance Trustee, the amount requested to be advanced does not unreasonably exceed the value of the work done and materials delivered to the date of such request; and (iv) funds remaining available to the Insurance Trustee for the purpose are sufficient to complete the reconstruction or repair.

(d) Each request for an advance of the proceeds of insurance shall, if required by the mortgagee, be accompanied by satisfactory waivers of liens covering that portion of the repair or reconstruction for which payment or reimbursement is being requested, together with appropriate evidence from a title insurance company or the like to the effect that there has not been filed with respect to the condominium any mechanic's or other lien, or notice of intention to file the same which has not been dismissed or satisfied of record.

(e) The fees and expenses of the Insurance Trustee as agreed upon by the Board of Directors and the Insurance Trustee shall be paid by the Council of Unit Owners as a common expense and such fees and expenses may be deducted from any insurance proceeds in the hands of the Insurance Trustee, pro rata as the reconstruction or repair progresses.

(f) Such other provisions not inconsistent with the provisions hereof as the Board of Directors, the Insurance Trustee or the mortgagee may reasonably require.

(g) The provisions of this Article XIII shall be deemed to relate to only the common elements of the condominium.

(h) Upon completion of the reconstruction or repair and payment in full of all amounts due on account thereof any proceeds of insurance then in the hands of the Insurance Trustee shall be paid to the Council of Unit Owners and shall be considered as one fund and shall be divided in the same proportion as that established in the Declaration or ownership of appurtenant undivided interests in the common elements after first paying out of the share of the owner of any condominium unit to the extent such payment is required by any lien and to the extent the same is sufficient for the purpose, all liens upon said condominium unit in accordance with the priority of interest in each unit.

ARTICLE XIV Eminent Domain

Section 1. Eminent Domain. The proceeds of any award or claim for damages, direct or consequential, in connection with any taking through eminent domain or other taking of a unit in the condominium or portion thereof or the common elements or any portion thereof or for any conveyance in lieu of condemnation are assigned and shall be paid to an institutional holder of a first mortgage lien on such units affected thereby. With respect to the proceeds of any award or claim for damages in connection with a condemnation or taking of the common elements or any portion thereof such proceeds are assigned and shall be paid to the institutional holder of first mortgages affected thereby in accordance with the undivided percentage interest pertinent to such unit.

Section 1. Fiscal Year. The fiscal year of the Council shall be the calendar year of January each year, except that the first fiscal year of the Council shall begin at the date of the recording of the Declaration, By-Laws, and Condominium Plat. The commencement date of the fiscal year herein established shall be subject to change by the Board of Directors should practice subsequently dictate.

Section 2. Books and Accounts. Books and accounts of the Council shall be kept under the direction of the Treasurer in accordance with good accounting practices. The same shall include books with detailed accounts in chronological order of the receipts and expenditures affecting the Condominium Regime and its administration and shall specify the maintenance and repair expenses of the general and limited common elements and services and any other expenses incurred. That amount of any assessment required for payment on any capital expenditures of the Council shall be credited upon the books of the Council to the "Paid-in-Surplus" account as a capital contribution by the Unit Owners. The receipts and expenditures of the Council of Unit Owners shall be credited and charged to other accounts under at least the following classifications:

(a) "Current Operations" which shall 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 hereinelsewhere provided for;

(b) "Reserves for Deferred Maintenance" which shall involve the control of monthly funding and maintenance of such deferred maintenance costs and reserves as are approved by the Board of Directors from time to time;

(c) "Reserves for Replacement" which shall involve the control of such reserves for replacement as are provided for in these By-Laws and as may from time to time be approved by the Board of Directors;

(d) "Other Reserves" which shall involve the control over funding and charges against any other reserve funds which may from time to time be approved by the Board of Directors;

(e) "Investments" which shall involve the control over the investment of reserve funds and such other funds as may be deemed suitable for investment on a temporary basis by the Board of Directors; and

(f) "Betterments" which shall involve the control over funds to be used for the purpose of defraying the cost of any construction or reconstruction, unanticipated repair or replacement of a described capital improvement and for expenditures for additional capital improvements or personal property made or acquired by the Council of Unit Owners with the approval of the Board of Directors.

Section 3. Auditing. At the close of each fiscal year the books and records of the Condominium shall be audited by an independent Public Accountant whose report shall be prepared and certified in accordance with generally accepted auditing standards. Based upon such report the Council shall furnish the Unit Owners with an annual financial statement including the income and disbursements of the Council. All such audited financing statements shall be sent to each institutional holder of a first mortgage within ninety days following the end of the fiscal year upon written request by the said institution.

Section 4. Inspection of Books. The books and accounts of the Council and vouchers accrediting the entries made thereupon shall be available for examination by the Unit Owners and/or their duly authorized agents, attorneys, and mortgagees, during normal business hours and for purposes reasonably related to their interests as Unit Owners.

Section 5. Execution of Corporate Documents. With the prior authorization of the Board of Directors, all notes and contracts shall be executed on behalf of the Council of Unit Owners by either the President or Vice President and all checks shall 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.

Section 1. Amendments. These By-Laws may be amended by the affirmative vote of the Owners representing 67% of the total votes of the Condominium Regime as then constituted at any meeting of the Unit Owners duly called for such purposes in accordance with the provisions of §11-104 of the Real Property Article of the Annotated Code of Maryland, 1974 Edition, as amended, effective only upon the recordation among the Land Records of Baltimore County, Maryland, of an amendment to these By-Laws setting forth such amendments to these By-Laws and the applicable provisions of the statute aforesaid; amendments may be proposed by the Board of Directors or by Petition signed by Unit Owners of the Condominium Regime as then constituted. A description of any proposed amendment shall accompany the notice of any regular or special meeting at which such proposed amendment is to be voted upon. The provisions of this paragraph are subject to the rights of the Declaration as set out in Article X of the Declaration. Such amendment shall be subject to approval by Baltimore County, Maryland.

ARTICLE XVII Notice to Council

Section 1. Ownership Book. The Council shall maintain a current roster of names and addresses of each Unit Owner to which notice of meetings of the Council shall be sent and each Unit Owner shall furnish the Council with this information. No Unit Owner may vote at meetings of the Council until this information is furnished.

Section 2. Mortgages. A Unit Owner who mortgages his or her unit shall notify the Secretary of the Board of Directors of the name and address of the mortgagee, and the Council shall maintain such information in a list entitled "Mortgagees of Units".

ARTICLE XVIII Mortgages

Section 1. Change in Percentage Interests in Common Expenses. The consent of all mortgagees obtained in advance in writing is mandatory if the Council should adopt any change in the pro-rata interest of the Unit Owners in the common elements of the Condominium.

Section 2. Right to Inspect Books. All mortgagees shall have the right to inspect the Books of the Condominium, obtain financial statements, and review budgets of the Condominium.

Section 3. Rental by Mortgagees. All mortgagees shall have the right notwithstanding any provision herein to the contrary to rent any units which such mortgagee or mortgagees may own through foreclosure sale or voluntary sale subject to same restrictions as owners.

Section 4. Notice of Loss or Taking. The Board of Directors shall notify all mortgagees in writing whenever (a) damage to a unit covered by a mortgage exceeds \$1,000; and (b) damage to common areas and related facilities exceed \$10,000.

Section 5. Rights of Mortgagees. Any institutional mortgagee of any Condominium Unit in the condominium who desires notice of the regular and special meetings of the Board of Directors shall notify the Secretary to that effect by Certified Mail, Return Receipt Requested. Any such notice shall contain the name and post office address of such institutional mortgagee and the name of the person to whom notice should be addressed. The Secretary of the Council of Unit Owners shall maintain a roster of all institutional mortgagees from whom such notices are received and it shall be the duty of the Secretary to mail or otherwise cause the delivery of a notice of each regular or special meeting of the Board of Directors to each such institutional mortgagee in the same manner and subject to the same requirements and limitations as are otherwise provided in the Article for notice to the members of the Board of Directors, the expenses of said services to be paid by the Council of Unit Owners. Any such institutional mortgagee shall be entitled to designate a representative to attend any regular or special meeting, address the members of the Board of Directors and may upon request being made to the chairman in advance of the meeting address the members of the Board of Directors present at any such meeting. Such representative shall be entitled to copies of the minutes of all meetings of the Board of Directors upon request made in writing to the Secretary.

except when necessary to bring Declaration or the aforesaid statute. In the event of any conflict between these By-Laws and the Declaration, the provisions of the Declaration shall control in the event of any conflict between these By-Laws and the applicable Sections of the Real Property Article, the provisions of the statute control.

Section 3. Resident Agent. George F. Strutt, a resident of the State of Maryland shall be designated as the person authorized to accept service of process in any action relating to the Condominium Regime or to general or limited common elements as authorized under §11-119 of the Real Property Article of the Annotated Code of Maryland, 1974 Edition, as amended. The Board of Directors may at its discretion substitute another resident agent for the purpose of accepting such service of process as set forth above, provided that proper notification of such change be promptly filed with the Maryland Department of Assessments and Taxation.

Section 4. Notices. Unless another type of notice is hereinelsewhere specifically provided for any and all notices called for in the Declaration and in these By-Laws shall be given in writing.

Section 5. Availability. The Owners Association shall be required to make available to Unit Owners, lenders and the holders and insurers of the first mortgage on any unit current copies of the Declaration, By-Laws and other rules governing the condominium, and other books, records and financial statements of the Owners Association. The Owners Association also shall be required to make available to prospective purchasers current copies of the Declaration, By-Laws, other rules governing the condominium, and the most recent annual audited financial statement, if such is prepared. "Available" shall at least mean available for inspection upon request during normal business hours or under other reasonable circumstances.

Section 6. Severability. In the event any provision or provisions of these By-Laws shall be determined to be invalid, void or unenforceable, such determination shall not render invalid void or unenforceable any other provisions hereof which can be given effect.

Section 7. Waiver. No restrictions, condition, obligation or provisions of these By-Laws shall be deemed to have been abrogated or waived by reason of any failure or failures to enforce the same.

Section 8. Captions. The captions contained in these By-Laws are for convenience and ease of use only and are not 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 9. Gender, Etc. Whenever in these By-Laws the context so required the singular number shall include the plural and the converse, and the use of any gender shall be deemed to include all genders.

IN WITNESS WHEREOF, the said Warren Land Co., Inc., a Maryland corporation, by George F. Strutt, President, has on this 15th day of APRIL, 1983, caused these presents to be executed.

REVIEWED FOR BALTIMORE COUNTY
REQUIREMENTS

George F. Strutt
ASSISTANT COUNTY SOLICITOR

WARREN LAND CO., INC.

By: *George F. Strutt*
George F. Strutt

STATE OF MARYLAND
COUNTY OF BALTIMORE

I HEREBY CERTIFY that on this 15th day of APRIL, 1983, before me, the subscriber, a Notary Public, in and for the State and County aforesaid, personally appeared George F. Strutt who is personally known to me to be the President, and acknowledged the same to be his act and deed, and that he executed the same for the purposes therein contained.

Witness my hand and Notarial Seal the year and day first above written.

Notary Public



My Commission expires: / /

rec'd for record APR 18 1983 at 1.67
Per Elmer H. Makin, Jr., Clerk
Mail to Powers Hagner
Receipt No. 93.00

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