

LINDEN PROFESSIONAL CENTER

BYLAWS

IMP FD SURE \$ 5.00
RECORDING FEE 75.00
TOTAL 80.00
Res# B402 Rcpt # 17406
SM TD Blk # 1209
Feb 06, 2003 03:22 PM

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LINDEN PROFESSIONAL CENTER

BYLAWS

ARTICLE I. GENERAL PROVISIONS.

Section 1.1. Definitions.

1.1.1. Specifically Defined Terms.

(a) As used in the Bylaws,

(i) the following terms have the meanings given them by the provisions of Section 1 of the Declaration: "Architectural Committee", "Assessment", "Board of Directors", "Building", "Bylaws", "Code", "Common Elements", "Common Expenses", "Common Profits", "Condominium Act", "Condominium Plat", "Condominium Regime", "Contract Purchaser", "Contract Lien Act", "Council", "Council Receipts", "Council of Unit Owners", "Developer", "General Common Elements", "Land", "Land Records", "Lessee", "Limited Common Elements", "Loading Area", "Membership", "Mortgage", "Mortgagee", "Mortgagee in Possession", "Mortgagor", "Percentage Interest in the Common Expenses and Common Profits", "Person", "Rules and Regulations", "Structure", "Undivided Percentage Interest in the Common Elements", "Unit", "Unit Owner", "Use" and "Votes".

(ii) The following terms have the following meanings:

(1) "Annual Membership Meeting" means an annual meeting of the Membership, held pursuant to the provisions of subsection 2.3.2.

(2) "Assessment Lien" has the meaning given it by the provisions of Section 3.4.

(3) "Assessment Year" has the meaning given it by the provisions of subsection 3.2.2.

(4) "Assistant Secretary" means an assistant secretary of the Council.

(5) "Assistant Treasurer" means an assistant treasurer of the Council.

(6) "Board" means the Board of Directors.

(7) "Board Meeting" means a meeting of the Board of Directors, held pursuant to the provisions of subsection 2.4.8.

(8) "Condemnation" means both (A) a taking in condemnation or by the exercise of a power of eminent domain, and (B) a conveyance made to a governmental or quasi-governmental authority which possesses such power, in settlement of any pending or threatened exercise thereof.

(9) "Condominium" means all of that parcel of land described in Exhibit A to the Declaration and, as more particularly shown on Exhibit B to the Declaration, together with the improvements thereon and the appurtenances thereto.

(10) "Council Property" means any and all real or personal property or other assets beneficially owned by the Council at any time.

(11) "Declaration" means the instrument entitled "Declaration," which is recorded among the Land Records immediately prior to the recordation there among of the initial form of these Bylaws and by which the property constituting the Condominium was subjected to the Condominium Regime, as from time to time amended.

(12) "Director" means a member of the Board of Directors.

(13) "General Assessment" has the meaning given to it by the provisions of subsection 3.1.1.

(14) "Limited Assessment" has the meaning given it by the provisions of subsection 3.1.1.

(15) "Majority" means more than fifty percent(50%).

(16) "Manager" means a person whom the council employs, or with whom it contracts, to manage the Condominium or the Council's affairs pursuant to the provisions of subparagraph 2.4.11(e).

(17) "Membership Meeting" means an Annual Membership Meeting or a Special Membership Meeting.

(18) "Notice Address" has the meaning given it by the provisions of Section 7.2.

(19) "Notice of Lien" has the meaning given it by the provisions of subsection 3.3.1.

(20) "Officers" means, collectively, the President, the Vice President, the Secretary, the Treasurer, each Assistant Secretary, each Assistant Treasurer, and the holder of each other office which the Board of Directors creates pursuant to the provisions of subsection 2.4.11(t).

(21) "President" means the president of the Council.

(22) "Proxy" means the right given, pursuant to the provisions of subsection 2.3.6.(e), by a Unit Owner to any person to cast such Unit Owner's Votes on questions voted upon at a Membership Meeting.

(23) "Proxy Holder" means a person who holds a Proxy.

(24) "Secretary" means the secretary of the Council.

(25) "Special Assessment" has the meaning given it by the provisions of subsection 3.2.1.

(26) "Special Membership Meeting" means a special meeting of the Membership held pursuant to the provisions of subsection 2.3.3.

(27) "Treasurer" means the treasurer of the Council.

(28) "Utility Assessment" has the meaning given it by the provisions of subsection 3.1.1.(a).

(29) "Utility Service" has the meaning given it by the provisions of subsection 3.1.1.

(30) "Vice President" means the vice president of the Council.

(31) "Voting Representative" means a person referred to as such in the provisions of subsection 2.3.6.(b).

(b) Any other term to which meaning is specifically given by any provisions of the Bylaws shall, for purposes of the Declaration and these Bylaws, be deemed to have such meaning.

1.1.2. Construction of Terms. Any term to which meaning is specifically given by any provisions of the Declaration or these Bylaws, and which is used in the Condominium Act, shall, wherever possible, be construed in a manner which is consistent with any construction of such term as so used in the Condominium Act. Where such consistency of construction is not possible, the meaning so given shall govern to the extent allowed by law.

Section 1.2. Applicability of Bylaws.

1.2.1. Scope of Coverage. These Bylaws shall be applicable to, and shall govern, (a) the Council's administration of the Condominium's affairs, acting through its Officers, the Board of Directors or the Membership; (b) the ownership, sale, lease, sublease, pledge, assignment or other transfer, by the Developer or any Unit Owner, Contract Purchaser, Mortgagee, Lessee or other person, of any legal or equitable freehold, leasehold, security or other interest in (i) any Unit, (ii) any undivided percentage interest in the Common Elements, (iii) any undivided percentage interest in the Common Expenses and Common Profits, or (iv) any right to vote, or other right of participation in the administration of the affairs of the Condominium or the Council; and (c) the occupancy or other use of any Unit or the Common Elements by the Developer, any Unit Owner, Contract Purchaser, Mortgagee, Lessee or other person, or any agent, employee, invitee, visitor or guest thereof.

1.2.2. Persons Bound. Any Unit Owner, Contract Purchaser, Mortgagee, Lessee or other person who (a) enters into or accepts the delivery of any instrument effecting the sale, conveyance, pledge, lease, sublease, assignment or other transfer of any interest referred to in the provisions of subsection 1.2.1.(b), or (b) occupies or otherwise uses any Unit or the Common Elements, or allows any of his/her/its agents, employees, invitees, visitors or guests or any other person to do so, shall conclusively be deemed thereby to have accepted and ratified the provisions of the Declaration, these Bylaws and the Rules and Regulations, all as from time to time amended, and to have agreed to comply with and be bound by the same.

ARTICLE II. THE COUNCIL OF UNIT OWNERS.

Section 2.1. Function.

Pursuant to the provisions of Section 5.2 of the Declaration, and in accordance with the provisions of section 11-109 of the Condominium Act, the affairs of the Condominium shall be governed and administered by the Council of Unit Owners, an entity incorporated as a nonstock corporation under the provisions of the Corporations and Associations Article of the Code.

Section 2.2. Powers and Duties.

2.2.1. General Powers. The Council shall have all of the rights and powers which are vested (a) in a council or unit owners by the provisions of the Condominium Act (to and only to the extent that the vesting of such powers is consistent with the provisions of the Declaration and these Bylaws); (b) in a nonstock corporation by the provisions of the Corporations and Association Article of the Code (to and only to the extent that the vesting of such powers is consistent with the provisions of the Condominium Act, the Declaration and these Bylaws); or (c) in the Council by the provisions of the Declaration or these Bylaws.

2.2.2. Specific Powers. Without limiting the generality of the foregoing provisions of this Section, the Council shall have all of the following powers:

(a) to have perpetual existence, subject to any right to terminate the Condominium Regime held by the Unit Owners pursuant to the provisions of the Condominium Act;

(b) to sue, be sued, complain and defend in any court of law or equity of Maryland or any other jurisdiction;

(c) to transact its business, carry on its operations and exercise the rights and powers vested in it, as aforesaid, in any state, territory, district or possession of the United States, foreign country or other place;

(d) to make contracts and guaranties, incur liabilities and borrow money;

(e) to sell, mortgage, lease, pledge, exchange, convey, transfer or otherwise dispose of any or all Council Property;

(f) to issue bonds, notes and other obligations, and secure the same by mortgage, deed of trust or other security conveyance of any or all Council Property and Common Profits;

(g) to acquire by purchase or lease or in any other manner, and to take, receive, own, hold, use, employ, improve and otherwise deal in and with, any real or personal property, or any interest therein, wherever located;

(h) to purchase, take, receive, subscribe for or otherwise acquire, own, hold, vote, use, employ, sell, mortgage, loan, pledge or otherwise dispose of, or deal in and with, in any other manner, shares or other interests in, or obligations of, any Maryland or foreign corporation, association, partnership or individual;

(i) to invest its funds and lend money in any manner which is appropriate to enable it to carry on the operations or fulfill the purposes set forth in the provisions of the Declaration or these Bylaws, and to take and hold real and personal property as security for the payment of funds so invested or loaned; and

(j) generally, to exercise any and all rights which are vested in it, and to do every other act not inconsistent with law which is appropriate to promote and attain the purposes set forth in the Condominium Act, the Declaration or these Bylaws.

2.2.3. General Duties. The Council shall have all of the duties which are imposed on (a) a council of unit owners by the provisions of the Condominium Act; (b) a nonstock corporation by the provisions of the Corporations and Associations Article of the Code; and (c) the Council by the provisions of the Declaration or these Bylaws.

2.2.4. Specific Duties. Without limiting the generality of the provisions of subsection 2.2.3., the Council shall (a) govern and administer the Condominium's affairs; (b) establish the methods of and the procedures for collecting from the Unit Owners their respective Assessments and for paying to the Unit Owners their respective shares of the Common Profits; (c) manage or arrange for the management of the Condominium and all Council Property; and (d) have such other duties as are specifically imposed upon the Board of Directors or any Officer by these Bylaws.

Section 2.3. The Membership.

2.3.1. Composition. The membership of the Council shall consist of and be limited to all of the Unit Owners.

2.3.2. Annual Membership Meetings.

(a) First Annual Membership Meeting. Provided that notice thereof is given in accordance with the provisions of these Bylaws, the first Annual Membership meeting shall be held on a date which is not later than forty-five (45) days after the date on which the Declaration is recorded among the Land Records, and is not a Sunday or a legal holiday, and at a place in Maryland, all as chosen by the Developer in the exercise of its absolute discretion. At the first Annual Membership Meeting, the Membership (i) shall elect the Directors in accordance with the provisions of Section 2.4.; and (ii) may transact any other business which properly comes before it.

(b) Subsequent Annual Membership Meetings.

(i) Provided that notice thereof is given in accordance with the provisions of these Bylaws, after such first Annual Membership Meeting an Annual Membership Meeting shall be held on the first Monday of May of each year after the year during which such first Annual Membership Meeting is held, as aforesaid, and at a place in Baltimore County, Maryland, all as chosen by the Board of Directors.

(ii) Anything contained in the foregoing provisions of this subsection to the contrary notwithstanding, a Membership Meeting for the purpose of electing all of the Directors shall be held (on a date which is not a Sunday or a legal holiday, and at a place in Maryland, all as chosen by the Developer in the exercise of its absolute discretion), within sixty (60) days after the first date on which the title has been conveyed by the Developer to the initial purchasers of Units, the Unit Owners of which hold, in the aggregate, at least fifty percent (50%) of the percentage interests in the Common Elements.

(c) Notice of Annual Membership Meetings. By not later than ten (10), but not earlier than forty-five (45), days before the date on which any Annual membership Meeting is to be held, the Secretary (or, in the case of the first Annual Membership Meeting, the Developer) shall give to each Unit Owner and each Proxy Holder a written notice to that effect, setting forth the date, time and place thereof.

2.3.3. Special Membership Meetings.

(a) Circumstances. Provided that notice thereof is given in accordance with the provisions of these Bylaws, a Special Membership Meeting may be held at any time after the first Annual Membership Meeting, upon a call by the President or the Board of Directors. Each Special Membership Meeting shall be held on a date which

is not a Sunday or a legal holiday, and at a place in Carroll County, Maryland; provided, that a Special Membership Meeting may be had at any other date, time or place chosen by the President or the Board of Directors in any emergency situation, if a failure to do so could unreasonably jeopardize any of the Condominium or any Council Property, or the health, safety, comfort or welfare of the occupants of any Unit, or could impose an unreasonable burden upon the Council.

(b) When a Special Membership Meeting Shall be Called.

(i) The President or the Board of Directors may at any time call a Special Membership Meeting upon his, her or its own initiative, and shall, in such event (subject to the operation and effect of the provisions of subsection 2.3.3.(a)), determine the date, time and place thereof in the exercise of his, her or its absolute discretion.

(ii) The President shall call a Special Membership Meeting upon the Council's receipt, at any time after the first Annual Membership Meeting, of a petition (1) requesting that such Special Membership Meeting be called, (2) stating each intended purpose thereof, and (3) signed by Unit Owners or Proxy Holders having at least twenty-five percent (25%) of the total number of Votes then outstanding. Whenever any such Special membership Meeting is requested by any such petition, the President shall set a date therefor which is not later than forty-five (45) days after the Council's receipt of such petition.

(c) Notice of Special Membership Meetings. By not less than ten (10), but not more than forty (40), days before the date on which a Special Membership Meeting is to be held, the Secretary shall give to each Unit Owner and each Proxy Holder a written notice to that effect, setting forth the intended purpose, date, time and place thereof; provided, that (if and to the extent permitted by the Condominium Act) where a Special Membership Meeting is to be held in any emergency situation pursuant to the provisions of subsection 2.3.3.(a), and compliance with the foregoing provisions of this subsection is not, for that reason reasonably possible, the Secretary shall give to each Unit Owner and each Proxy Holder such notice thereof as is reasonably possible under the circumstances.

2.3.4. Quorum.

(a) The presence, on the date and at the time and place for which a Membership Meeting is called, of one or more Voting Representatives whose respective Votes constitute, in the aggregate, twenty-five percent (25%) of the total number of Votes

then outstanding shall be required for and shall constitute a quorum for any Membership Meeting.

(b) If a quorum does not exist at the date, time and place of a Membership Meeting, then (i) notwithstanding the absence of such quorum, such Membership Meeting may be adjourned (by and only by a motion to such effect made and seconded by Voting Participants and approved by a Majority of the Votes cast thereon), with such notice as is required by the provisions of Section 5-206 of the Corporations and Associations Article of the Code, to a date, time and place conforming to the criteria set forth in the provisions of Section 2.3 (provided that such date is not less than fifteen (15) or more than forty-five (45) days from the date for which such Membership Meeting is first called, as aforesaid), in which event, so long as a quorum exists at the date, time and place to which such Membership Meeting is so adjourned, any business may be transacted thereat which might have been transacted at the Membership Meeting as originally called, but no other business may be transacted thereat; but (ii) no Membership Meeting shall be otherwise be called or held other than pursuant to the provisions of subsection 2.3.2. and 2.3.3.

(c) Once the secretary of a Membership Meeting determines that a quorum exists therefor, the existence of such quorum shall not be affected by the subsequent withdrawal from the Membership Meeting of any Voting Participant.

2.3.5. Conduct of Membership Meetings.

(a) The President shall, if present, act as the chairman of each Membership Meeting. In his absence, it shall be chaired (1) by the Vice-President, if present, or (2) if not, by any other person present who is elected chairman thereof by a plurality of the Votes. The chairman of each Membership Meeting shall preside over its conduct.

(b) The Secretary shall, if present, act as the secretary of each Membership Meeting. In his absence, (i) any Assistant Secretary shall, if present, act as the secretary thereof, and (ii) in the absence of any Assistant Secretary, any other person present who is appointed secretary thereof by its chairman shall act as such. The secretary of each membership Meeting shall (i) take the minutes thereof (and, if such person is not the Secretary, promptly after such Membership Meeting, deliver such minutes to the Secretary); (ii) record therein the questions voted upon thereat and the results of such voting; (iii) be the judge of the eligibility (under the provisions of subsection 2.3.6.) of any person to cast any Votes thereat; (iv) make the official count of the Votes cast on each such question; and (v) perform any other duty which under these Bylaws is to be performed by the secretary of such membership Meeting as part of its order of business.

(c) The most recent edition of Robert's Rules of Order shall govern the conduct of all Membership Meetings, subject to the provisions of the Declaration, these Bylaws and applicable law.

(d) The order of business to be considered at any Membership Meeting shall be:

(i) if necessary, the election of its chairman pursuant to the foregoing provisions of this subsection;

(ii) if necessary, the appointment of its secretary pursuant to the foregoing provisions of this subsection;

(iii) the call by the secretary of such Membership Meeting of the roll of all Unit Owners and Proxy Holders whose names are listed on the roster maintained pursuant to the provisions of Section 7.1., and such secretary's determination from such roll call of whether a quorum exists therefor;

(iv) the presentation of the Secretary's written certification that each Unit Owner and Proxy Holder has been given notice of such Membership Meeting in accordance with these Bylaws;

(v) the reading by the secretary of such Membership Meeting of the minutes of the most recent Membership Meeting, any modification or correction thereof, and approval thereof as so modified or corrected by a Majority of the Votes cast thereon; and then

(vi) if and only if such Membership Meeting is an Annual Membership Meeting,

(1) the presentation of the Treasurer's written report as to the Council Receipts and Common Expenses, and the Council's assets and liabilities, for the Council's immediately preceding fiscal year, and as to the respective nature and amounts (as estimated by the Treasurer) of the Council Receipts and Common Expenses for the Council's current and next succeeding fiscal years, all in accordance with the provisions of Article III;

(2) the presentation of any report to be given by any other Officer, the Board of Directors or any committee created pursuant to these Bylaws;

(3) the holding of any directorial election to be held at such Membership Meeting;

(4) any unfinished business;

(5) any new business; and

(6) adjournment; or

(vii) if and only if such Membership Meeting is a Special Membership Meeting,

(1) the business for which such Special Membership Meeting is called; and

(2) adjournment.

2.3.6. Voting at Membership Meetings.

(a) Any question to be voted upon at a Membership Meeting may be voted upon by and only by those persons present who are Voting Representatives for such Membership Meeting, notwithstanding the presence of any other person. Each such Voting Representative shall be entitled to cast upon such question the number of Votes held under the provisions of the Declaration by the Unit Owner for which he is a Voting Representative.

(b) For any Membership Meeting, the Voting Representatives shall consist of and only of all of the following persons:

(i) As to each Unit Owner for whom no Proxy is then in effect permitting his Votes to be cast at such Membership Meeting only by the Unit Owner, (1) if such Unit Owner consists of one natural person, such person shall be the Voting Representative for himself; (2) if such Unit Owner consists of more than one natural person (but such Unit Owner has not designated a Voting Representative in accordance with the provisions of Section 7.1), any such person who is present thereat shall be the Voting Representative for such Unit Owner; provided, that, if more than one such person is present thereat, in counting the Votes cast on any question voted upon at such Membership Meeting the Secretary thereof may treat any such person who is casting such Unit Owner's Votes on such question as the Voting Representative for such Unit Owner, unless before the conclusion of such voting any other such person makes known

to such secretary that he objects to the first such person's being treated as the Voting Representative, as aforesaid, in which event such secretary shall announce the same to the Membership Meeting and disallow such Unit Owner's Votes on such question (but such disallowance shall not affect the existence of a quorum at such membership Meeting); and (3) otherwise, any person who, before such voting, is designated a Voting Representative for such Unit Owner (but only if such designation then remains in effect).

(ii) As to each Unit Owner for whom a Proxy is then in effect permitting such Unit Owner's Votes to be cast at such Membership Meeting only by the Proxy Holder thereof, (1) if such Proxy Holder consists of one natural person, such person shall be the Voting Representative for himself; and (2) otherwise, any person who, before such voting, is designated a Voting Representative by such Proxy Holder in accordance with the provisions of Section 7.1. shall be the Voting Representative for such Proxy Holder (but only if such designation then remains in effect).

(c) Anything contained in the provisions of subsection 2.3.5.(b) to the contrary notwithstanding, the Secretary need not recognize any person as a Voting Representative at a Membership Meeting unless, prior thereto, the Unit Owner or Proxy Holder for which such person is to be a Voting Representative has furnished to the Secretary the information as to such Unit Owner or Proxy Holder referred to in the provisions of Section 7.1.

(d) Except as is otherwise set forth in any provision of the Declaration, the Bylaws or applicable law, each question voted upon at any Membership Meeting shall be decided by a Majority of the Votes cast thereon, and whenever these Bylaws condition the effectiveness of any action upon the approval or authorization thereof by the Membership, such condition shall be satisfied by the affirmative vote of a Majority of the Votes cast thereon, unless another standard of approval is therein expressly set forth with respect to such condition.

(e) A Unit Owner may give any person a Proxy entitling such person to cast such Unit Owner's Votes on questions voted upon at any one or more Membership Meetings, but such Proxy shall not be effective for more than one hundred eighty (180) days after it is given and may be revoked at any time by the Unit Owner executing such Proxy. Anything contained in the provisions of these Bylaws to the contrary notwithstanding:

(i) No person other than a Manager may hold or exercise more than one Proxy for any single membership Meeting; provided that a Mortgagee shall be entitled to hold Proxies from any or all Unit Owners of Units encumbered by Mortgages held by such Mortgagee.

(ii) A Proxy Holder may not vote in an election for members of the Board of Directors or Officers unless such Proxy Holder is expressly appointed to vote for particular candidates designated by the Unit Owner granting such Proxy.

2.3.7. Informal Action. Whenever the Membership is required or permitted by the provisions of the Declaration, the Council's articles of incorporation or these Bylaws to give or withhold its approval or consent or to take any other action, or whenever the taking of any action by the Council, or its effectiveness, is conditioned by any such provisions upon the Membership's having approved it, consented thereto or taken any other action, such approval or consent may be given or withheld, and such action may be taken, by the Membership without a Membership Meeting having been held for such purpose, provided that that number of Voting Representatives whose Votes would have been sufficient to cause such approval or consent to be given or withheld or such action to be taken, at a Membership Meeting duly called for such purpose at which all Voting Representatives were present and voting on such questions, have consented thereto in writing.

Section 2.4. The Board of Directors.

2.4.1. Composition: Qualifications of Directors.

(a) The Board of Directors shall consist of three (3) Directors.

(b) Each Director shall be (i) a natural person; (ii) at least twenty-one (21) years old; and (iii) either (1) alone or with one or more other persons a Unit Owner, or (2) an officer, director, employee or agent of a corporation, partnership, trust or other legal entity which either alone or with one or more other persons is a Unit Owner (provided that the Secretary is given such proof of such natural person's status as officer, director, employee or agent of such entity as the Secretary may reasonably require).

2.4.2. Initial Directors. Notwithstanding anything to the contrary elsewhere contained herein, the following persons shall be the initial Directors: Alexander K. Karavasilis, Leslie H. Rock, Garnet Bean.

2.4.3. Terms of Directorships.

(a) The persons named in the provisions of subsection 2.4.2. shall serve as Directors until the first Annual Membership Meeting, at which time their terms as Directors shall expire.

(b) (i) At the first Annual Membership Meeting, a successor (who may be the same person) shall be elected to each Director whose term then expires. One such successor shall be elected to serve for a term of three (3) years, one such successor shall be elected to serve for two (2) years, and one such successor shall be elected to serve for one (1) year.

(ii) Anything contained in the foregoing provisions of this subsection to the contrary notwithstanding, if the first Annual Membership Meeting is held before the first date on which the title has been conveyed by the Developer to the initial purchasers of Units, the Unit Owners of which hold in the aggregate at least fifty percent (50%) of the percentage interests in the Common Elements, then at the Membership Meeting held pursuant to the provisions of subsection 2.3.2.(b)(ii), each Director's term shall expire, and a successor (who may be the same person) shall be elected to each Director. One such successor shall be elected to serve for a term expiring at the third (3rd) Annual Membership Meeting held after his election, one such successor shall be elected to serve for a term expiring at the second (2nd) Annual Membership Meeting after his election, and one such successor shall be elected to serve for a term expiring at the first (1st) Annual Membership Meeting after his election.

(iii) At each Annual Membership Meeting after the later of the first Annual Membership Meeting or any Membership Meeting held pursuant to the provisions of subsection 2.4.3.(b)(ii), a successor shall be elected to each Director whose term then expires, to serve for a term of three (3) years.

2.4.4. Nomination of Directors.

(a) At least thirty (30) days before each Annual Membership Meeting, the President shall appoint a nominating committee of three Voting Representatives, at least one of whom shall be a Director whose term of office does not expire as of such Annual membership Meeting. Such nominating committee, after considering the qualifications of prospective nominees, shall select one or more nominees for each directorship to be filled at such Annual Membership Meeting, and shall present its nominations to the Secretary by not later than fifteen (15) days before such Annual Membership Meeting.

(b) Any Unit Owner or Unit Owners may nominate a candidate for each directorship to be filled at any Annual Membership Meeting by presenting such nomination to the Secretary in a writing signed by each such Unit Owner, by not later than fifteen (15) days before such Annual Membership Meeting.

(c) By not later than ten (10) days before such Annual membership Meeting, each Unit Owner and Proxy Holder shall be furnished a written list of all such nominees for directorships and a ballot for the directorial election, on which the names of each candidate shall be either typed or printed. Where there is more than one (1) candidate, their names shall be arranged alphabetically.

2.4.5. Election of Directors.

(a) At each Annual membership Meeting, there shall be held a separate election to fill the directorship of each Director whose term of office expires as of such Annual Membership Meeting, and any other directorship which is then vacant.

(b) Those persons who have been declared nominees for such positions in accordance with the foregoing provisions of this Section, and who receive the greatest number of Votes cast in such election, shall be declared elected. Cumulative voting shall not be permitted.

(c) Each Voting Representative for a Unit Owner or for a Proxy appointed to vote for nominees designated by a Unit Owner may cast his Votes in such election either (i) while in attendance at such Membership Meeting, or (ii) prior thereto by depositing his completed ballot with the Secretary, who shall open it at such Membership Meeting (in which event such Voting Representative need not attend such Membership Meeting for his Votes to be counted).

2.4.6. Filling Vacancies in Directorships. If any directorship becomes vacant by reason of a Director's death, resignation, retirement, disqualification, removal from office or otherwise, the remaining Directors shall, at a Board Meeting duly called for such purpose, elect his successor, who shall serve for the remainder of his term; provided, that if such position remains unfilled at the next Annual Membership Meeting, such successor shall be elected thereat by the Membership, for the remainder of such term.

2.4.7. Removal of Directors. Any Director may be removed from his position as such, with or without cause, by the affirmative vote of Voting Representatives having a Majority of the outstanding Votes, at any Annual membership Meeting, or at any Special membership Meeting duly called for such purpose.

2.4.8. Board Meeting.

(a) A Board Meeting shall be held immediately upon adjournment

of each Annual membership Meeting and at the same place where such Annual Membership Meeting was held, provided that a quorum of Directors is present. If such quorum is not present, a Board Meeting shall be held as soon thereafter as is practicable, provided that notice thereof is given to each Director by not later than five (5) days prior thereto.

(b) Thereafter, a Board Meeting shall be held at least once in each calendar quarter on the first Thursday thereof, or on any other day which the Board of Directors selects, and at such time and place as it from time to time selects.

(c) Once the date, time and place of the regular Board Meetings are selected, a notice setting forth the schedule of such regular Board Meetings shall be sent to all persons whose names are listed on the roster maintained pursuant to the provisions of Section 7.1. (not less than once annually), such regular Board Meetings may thereafter be held without notice of such date, time and place (which may not be changed unless notice of such change is given to the Directors in the same manner as for a special Board Meeting).

(d) A special Board Meeting may be called by the President on not less than two (2) days' notice given in writing, in person or by telephone or wire to each Director, and must be called on the demand of two or more Directors.

(e) Notice of a regular or special Board Meeting need not be given to any Director who submits a waiver of such notice either before or after such Board Meeting. A Director's attendance at a Board Meeting shall be deemed a waiver by him of his right to be given notice thereof.

2.4.9. Quorum. At each Board Meeting, the presence in person of a Majority of the Directors shall constitute a quorum for the transaction of business, except as is otherwise expressly provided in these Bylaws or by applicable law. Each Director shall be entitled to cast one (1) vote upon each question which comes before the Board of Directors, and the decision of a Majority of the Directors present at a Board Meeting at which a quorum is present shall be the decision of the Board of Directors. If at any Board Meeting a quorum is not present, a Majority of the Directors who are present may adjourn the Board Meeting from time to time and, at any such adjourned Board Meeting at which a quorum is present, any business that might have been transacted at the Board Meeting as originally called may be transacted without further notice to any Director.

2.4.10. Unit Owners at Board Meetings.

(a) Each Unit Owner shall be entitled to attend any Board Meeting, but no Unit Owner shall have any right to vote upon any question coming before such Board Meeting, or (except as set forth in subsection 2.4.10.(b)) to be given notice of any Board Meeting or to participate in the Director's deliberations thereat.

(b) Each Unit Owner and Proxy Holder shall have the right to be heard on the question of the approval and adoption of the Council's budget at the Board Meeting at which such actions are to be taken. By not less than seven (7) but not more than forty-five (45) days before the date on which such Board Meeting is to be held, the Secretary shall give to each Unit Owner and each Proxy Holder a written notice to such effect, setting forth therein the intended purposes thereof, and the date, time and place thereof.

2.4.11. Powers and Duties of Board of Directors. All of the Council's business and affairs shall be managed, and all of its rights, powers and duties shall be exercised and performed on its behalf, by the Board of Directors and the Officers in accordance with the provisions of this Section and of Section 2.5.; provided, that nothing in the foregoing provisions of this Section shall be deemed in any way to alter or impair the operation and effect of any provision of the Condominium Act, the Corporations and Associations Article of the Code, other applicable law, the Declaration or these Bylaws pursuant to which the council's right to take any action is conditioned upon the Membership's having authorized or approved such action. Without limiting the generality of the foregoing provisions of this subsection, the Board of Directors shall have the right and power to cause the Council to take each of the following actions:

(a) Management of Common Elements. To operate, manage, maintain, renew, replace, repair and protect the Common Elements and all Council Property, and to establish and maintain such reserves therefor as the Board from time to time deems appropriate.

(b) Preparation of Budget. To prepare and adopt a budget of the estimated Common Expenses, Council Receipts, Common Profits and Assessments for the Council's next succeeding fiscal year, in accordance with the provisions of Article III, including, where the Board deems it appropriate, budget items for the addition to or the use of any reserve funds maintained by the Council;

(c) Assessments. To levy Assessments in accordance with the provisions of Article III;

(d) Expenditures. To authorize the use and expenditure of any or all Council Receipts (except for so much thereof as the Council resolves to deposit in a reserve fund for such purposes) for the operation, management, maintenance, renewal, replacement, repair and protection of Directors and by the Membership at a Membership Meeting, and further provided that unless such expenditures shall be necessary to correct conditions which could reasonably jeopardize any of the Condominium or the Council Property, or the health or safety of the occupants of any Unit, the Council may not make an expenditure which would require it to levy against the units for the current Assessment Year Annual Assessments which, in the aggregate, would exceed one hundred fifteen percent (115 %) of the aggregate amount of Annual Assessments set forth in the budget for such Assessment Year, unless such expenditure has been approved by the Board of Directors by an amendment to such budget adopted at a Membership Meeting called in accordance with the provisions of Section 2.3.;

(e) Selection of Manager. To employ or contract with one or more persons to manage the Condominium and/or the Council's affairs (each of which persons shall be subject to the control of the Board of Directors at all times); to fix the Manager's compensation (which shall be paid by the Council as part of the Common Expenses); and to determine the nature and extent of the Manager's powers and duties, subject to any limitation thereon set forth in the provisions of the Condominium Act, the Declaration or these Bylaws;

(f) Fidelity Bonds. To require the Manager and all Officers and employees of the Council who handle, or are responsible for, funds of the Council or funds in its possession or under its control, to furnish to the Council fidelity bonds, in form and amount, and with a corporate surety, which are satisfactory to the Board of Directors (the premiums on which may be paid by the Council as part of the Common Expenses);

(g) Taxes; Liens; Water and Sewer Rents. To pay all taxes and assessments levied or liens imposed against any of the Condominium or an Council Property; provided, that (i) any such tax or assessment levied separately against a particular Unit or otherwise chargeable under applicable law directly and separately to a particular Unit Owner shall be paid by such Unit Owner; (ii) any tax or assessment levied against each Unit in accordance with the provisions of section 8-207 of the Tax-Property Article of the Code may be paid by the Council as part of the Common Expenses; and (iii) any charge for water, gas, sewer service, electricity or any other utility services provided to the Common Elements or otherwise properly assessed, levied and charged to the Council or against the Condominium as a whole shall be paid by the Council as part of the Common Expenses;

(h) Employees, Services and Materials. To employ and dismiss such clerks, workmen, janitors, watchmen and other personnel, and purchase or arrange for such services, machinery, equipment, tools, materials and supplies, as in the opinion of the Board of Directors are from time to time necessary for the proper operation and maintenance of the Common Elements and any Council Property;

(i) Collection of Delinquent Assessments. To collect by suit or otherwise any unpaid and delinquent Assessment, any interest accrued thereon and any expenses which the Council incurs in connection therewith (including, by way of example rather than of limitation, any filing fees, court costs or attorneys' fees);

(j) Professional Assistance. To employ or retain legal counsel, engineers and accountants and to determine the amount and terms of their compensation, whenever their professional assistance is deemed necessary by the Board of Directors for any purpose related to the Council's exercise of its rights and powers or performance of its duties;

(k) Operating Accounts. To cause such operating, escrow and other accounts to be established and maintained as the Board of Directors deems appropriate from time to time and as are consistent with good accounting practices;

(l) Audits and Books of Account. To (i) cause a complete audit of the Council's books and accounts to be made by a competent certified public accountant at the end of each fiscal year of the Council, and at any other time when the Board of Directors deems it necessary; (ii) prepare at the end of each fiscal year of the Council, and furnish to each Unit Owner, a report of the Council's business and affairs, showing its transactions and reflecting fully and accurately its financial condition; (iii) keep detailed books of account, in chronological order, of the Council Receipts and the Common Expenses, specifying therein the amount of the Common Expenses and the Common Profits and the portions thereof which are attributable to each Unit; and (iv) make available for examination and copying all books and records kept by the Council, including all insurance policies maintained by the Council, to any Unit Owner or Mortgagee and their respective duly authorized agents and attorneys, during normal business hours after reasonable notice to the Council.

(m) Rules and Regulations. To (i) constitute, for purposes of the provisions of section 11-111(a) of the Condominium Act (and the Board is hereby designated to be) "the body delegated in the bylaws of a condominium to carry out the responsibilities of the council of unit owners", (ii) make, promulgate and amend from time to time in accordance with the procedures and requirements of section 11-111 of the

Condominium Acts such reasonable Rules and Regulations relative to the operation, use and occupancy of the units, the Common Elements and other portions of the Condominium (including the assignment to each Unit of the exclusive right to the use of certain parking spaces on a uniform, reasonable and equitable basis), all as the Board of Directors deems appropriate, and such Rules and Regulations shall contain a certification that they have been adopted in accordance with the procedures and requirements of section 11-111 of the Condominium Act; (iii) enforce compliance with the Rules and Regulations by injunction or such other legal action or means as the Board of Directors deems appropriate; and (iv) provide a copy of such Rules and Regulations, as from time to time amended, to each Unit Owner promptly upon the adoption thereof;

(n) Insurance. To (i) procure and maintain insurance in accordance with the provisions of Section 4.3., and (ii) collect the proceeds of all such insurance, and apply them towards the cost of repair, restoration or replacement of any or all of the Condominium in accordance with the provisions of the Condominium Act, the Declaration and these Bylaws.

(o) Condemnation Proceedings. To exercise and perform on the Council's behalf its rights and duties as to the prosecution and defense of condemnation proceedings pursuant to the provisions of Article V;

(p) Lease or License of Common Elements. To lease or license the use of any of the Common Elements in a manner consistent with the rights of the Unit Owners under the Condominium Act, the Declaration or these Bylaws;

(q) Designation of Title Holder. To (i) designate a nominee to acquire title to any Unit purchased by the Council; (ii) designate, and enter into a trust agreement with, two or more Directors to act as trustees for the Council in holding title to such Unit; and/or (iii) authorize the President or any other Officer to execute, attest, enseat and acknowledge on the Council's behalf any and all mortgages, leases or other instruments, where necessary to accomplish any such purpose;

(r) Council Property. To cause the Council to acquire, by purchase or otherwise, and to own, use, improve, mortgage, sell, dispose of and otherwise deal with, any Council Property, wherever located, provided, that the Board of Directors shall obtain the approval by the Membership of any such action where such approval is required by the provisions of subsection 2.4.11(d);

(s) Additions and Improvements. Subject to the operation and effect of the provisions of the Declaration, to make such alterations, additions and

improvements to the Common Elements and any Council Property as it deems appropriate, and to require, before undertaking any such work, the consent, in writing, of each Unit Owner and first Mortgagee whose rights may, in the opinion of the Board of Directors, be prejudiced by such alteration, addition or improvement; provided, that the Board of Directors shall obtain the approval by the Membership of any alteration, addition or improvement where such approval is required by the provision of subsection 214(d)(i) and further provided, that when, in the opinion of the Board of Directors, any such alteration, addition or improvement is being made exclusively or substantially for the benefit of one or more, but less than all, Unit Owners, the cost thereof shall be charged to such Unit Owner(s) in such proportion as the Board of Directors determines to be fair and equitable, provided that each such Unit Owner has requested in writing that the same be made, and that before taking such action each such Unit Owner has consented, expressly and in writing, to be so assessed; and further provided, that in every other case the cost of any such alteration, addition or improvement shall be paid by the Council as part of the Common Expenses;

(t) Offices. To create one or more offices of assistant secretary, assistant treasurer or otherwise, in addition to the offices of the President, the Vice President, the Secretary and the Treasurer;

(u) Repair of Commons Systems. To cause the Council to repair any and all sanitary sewer, storm drain, drain, water, gas, electrical, telephone or other lines and facilities located within any Unit but serving another Unit exclusively and to charge the Unit Owner of the Unit served thereby for the reasonable cost thereof;

(v) Consents and Joinder. For purposes of the provisions of sections 11-107(d) and 11-115 of the Condominium Act, (i) to constitute (and the Board is hereby designated to be) "the authorized designee" of the Council, and (ii) (except where expressly prohibited from doing so by the provisions of the Declaration) to execute on the Council's behalf any amendment of the Declaration, to authorize any Unit Owner to remove all or part of any walls separating the Units or portions of them, and to grant any other consent or take any other action of a type referred to in the provisions of sections 11-107 and 11-115 of the Condominium Act, upon the terms and subject to the conditions set forth herein, and without the necessity of obtaining any consent thereto or joinder therein by the Membership, any one or more Unit Owners or any other person.

2.4.12. Limitation of Directors' Liability.

(a) No Director in his capacity as such shall, except in the event of his/her own individual willful misconduct or gross negligence in the performance of

his/her duties, be liable (i) for any failure by the Council to obtain or pay for any service which is to be obtained hereunder or for any injury or damage to persons or property caused by the elements or any Unit Owner or other person, or resulting from the leakage or flow of electricity, gas, water, rain or dust from the outside of the Building, from any Unit, or from any pipe, drain, conduit, appliance, equipment or other place; (ii) to any Unit Owner or other person under any agreement, deed, lease, mortgage, other instrument or transaction entered into by him on behalf of the Council or the Unit Owners in the performance of his duties; (iii) in tort or otherwise, directly or indirectly, to any Unit Owner or any person by virtue of his good faith act or failure to act; or (iv) arising out of the use, misuse or condition of the Common Elements, or in any other way as a result or by virtue of his performance of his duties.

(b) Each Director, in his capacity as such, and his heirs and personal representatives shall be indemnified by the Council against all liability and expense (including, by way of example rather than of limitation, that of reasonable attorneys' fees) imposed upon or incurred by him in connection with any proceeding in which he is involved by reason of his being or having been a director, or in connection with any settlement thereof, and (with respect to such expense) whether or not he is a Director at the time such expense is incurred, except for any such liability imposed or expense incurred in connection with any such proceeding in which he is adjudged guilty of gross negligence or willful misconduct in the performance of his duties; provided, that the foregoing provisions of this subsection shall not apply to any such liability or expense assumed or incurred as the result of a settlement of such proceeding unless the Board of Directors (with such Director abstaining), acting upon the advice of its legal counsel, approves such settlement and reimbursement as being in the Council's best interests. Any amount paid by the Council pursuant to the foregoing provisions of this subsection shall be part of the Common Expenses. Nothing in the foregoing provisions of this subsection shall be deemed to alter or impair any right to indemnification to which such Director is entitled under applicable law, by authorization of the Membership or the Board of Directors or otherwise.

(c) Every agreement, deed, lease, mortgage or other instrument executed on the Council's behalf by any Director shall provide that he shall have no personal liability thereunder by virtue of such execution, and that any claim by any other party thereto arising hereunder shall be asserted against, and any liability thereunder shall be borne by, the Council. Any damages or expenses awarded against or incurred by the Council and arising out of such liability shall be paid by the Council as part of the Common Expenses.

2.4.13. Common or Interested Directors. The Directors shall exercise their powers and duties in good faith and with a view to the interest of the Council and the Condominium. No contract or other transaction between the Council and one or more of the Directors, or between the Council and any corporation or other entity (including the Developer) in which one or more Directors are directors or officers or are pecuniarily or otherwise interested, shall be either void or voidable because such Director is present at the meeting of the Board or any committee thereof which authorizes or approves such contract or transaction, or because his vote as a Director is counted for such purpose, provided that either (i) the fact of the common directorate or interest is disclosed to the Board, and the Board authorizes, approves or ratifies such contract or transaction in good faith by a vote sufficient for the purpose; or (ii) the fact of the common directorate or interest is disclosed or known to a majority of the disinterested Members, and they approve or ratify the contract or transaction in good faith by a vote sufficient for such purpose; or (iii) the contract or transaction is commercially reasonable to the Council at the time it is authorized, ratified, approved or executed. Subject to the foregoing, common or interested Directors may be counted in determining the presence of a quorum of any meeting of the Board or committee thereof which authorizes, approves or ratifies any such contract or transaction, and may vote thereafter to authorize any such contract or transaction with like force and effect as if he were not a common or interested Director.

2.4.14. Compensation of Directors. Each Director shall serve as such without compensation.

Section 2.5. Officers.

2.5.1. Designation: Qualifications of Officers.

(a) The Officers shall consist of the President, the Vice President, the Secretary, the Treasurer and (if the Board of Directors creates any office of assistant secretary or assistant treasurer, or any other office), each such Assistant Secretary, Assistant Treasurer or other Officer.

(b) Each Officer shall be (i) natural person; (ii) at least twenty-one (21) years old; and (iii) either (1) owner, or (2) an officer, director, employee or agent of a corporation, partnership, trust or other legal entity (other than a natural person) which, either alone or in combination with one or more other persons, is a Unit Owner, provided that the Secretary is given such proof of such natural person's status as officer, director, employee or agent of such entity as the Secretary reasonably requires.

(c) The President and the Secretary shall be selected from among the Directors. Any other Officer may but need not be a Director.

(d) One person may simultaneously be both the Secretary and the Treasurer, but no person may simultaneously hold any other two or more offices.

2.5.2 Election of Officers. The initial Officers shall be elected by the initial Director, and shall serve until the first Board Meeting following the first Annual Membership Meeting. Thereafter, the Officers shall be elected annually by the Board of Directors at the first Board Meeting following the Annual Membership meeting, and shall hold office until their successors are elected and qualify.

2.5.3 Powers and Duties of the President. The President shall (a) be the Chief executive officer of the Council and the chairman of the Board of Directors, and (b) have the general powers and duties which are usually vested in the office of president of a corporation organized and existing under the law of Maryland (including, by way of example rather than of limitation, the power to appoint such committees from among the Unit Owners as he from time to time deems appropriate, to assist in the conduct of the Council's affairs), and (c) have charge of the administration of the Condominium.

2.5.4 Powers and Duties of the Vice President. The Vice President shall take the place of the President and perform his/her duties whenever the President is absent or unable to act.

2.5.5. Powers and Duties of the Secretary. The Secretary shall (a) act as secretary of each Board Meeting and each Membership Meeting at which he/she is present, (b) record all Votes cast on question coming before each such meeting and the minutes thereof, setting forth each resolution adopted thereat, in a minute book to be kept for that purpose, (c) have charge of such minute book and of such records and papers of the Council as the Board of Directors directs, (d) have the general powers and duties which are usually vested in the office of secretary of a corporation organized and existing under the law of Maryland (including, by way of example rather than of limitation, the duty to send notices of Membership Meetings and Board Meetings in accordance with the Bylaws) as well as such other duties as are prescribed by the Bylaws or by the Board of Directors or the President, and (e) keep at the Council's office the roster referred to in the provisions of Section 7.1, as well as copies of the Declaration, the Condominium Plat, the Bylaws and the Rules and Regulations, all as from time to time amended (all of which shall be available at such office for inspection by the Unit Owners and each Mortgagee during the Council's regular business hours).

2.5.6. Powers and Duties of the Treasurer. The Treasurer shall (a) have charge and custody of, and be responsible for, the Council's funds and securities; (b) deposit all of its monies, checks and other valuable effects in the name and to the credit of the Council in such depositories as are from time to time designated for such purpose by the Board of Directors; (c) disburse the Council's funds as from time to time ordered by the Board of Directors or the President, making proper vouchers for such disbursements; (d) keep full, complete and accurate accounts and records of the Council's financial transactions (which accounts and records shall (i) include, by way of example rather than of limitation, chronological listings of all Council Receipts, all Common Expenses, the amount of each Assessment levied against each Unit, and the amounts thereof paid and unpaid; (ii) specify and itemize the Common Expenses relating to the Common Elements and any other Common Expenses; (iii) be kept at the Council's office; and (iv) be available there for inspection by each Unit Owner prospective Unit Owner or Mortgagee during the Council's regular business hours; (e) submit to the board of directors and the Membership such reports thereof as the Declaration, the Bylaws, applicable law or the Board of Directors from time to time require; and (f) have the general powers and duties which are usually vested in the office of treasurer of a corporation organized and existing under the law of Maryland. The Treasurer shall be present at each Annual Membership Meeting after the first Annual Membership Meeting a statement (prepared and certified by an independent certified public accountant) of the Common Expenses and the Common Profits, the allocation thereof to each Unit Owner, and any changes expected therein for the Council's next succeeding fiscal year. Such statement shall be delivered to each Unit Owner by not less than five (5) days before such Annual Membership Meeting.

2.5.7. Compensation of Officers. The Officers shall serve as such without compensation therefor unless such compensation is expressly authorized by the Membership. Any such compensation shall be paid by the Council as part of the Common Expenses. Each Officer shall be reimbursed by the Council for all expenses reasonably incurred by him in discharging his duties.

2.5.8. Resignation and Removal of Officers. Any Officer may resign his office at any time by giving written notice thereof to the Board of Directors. Unless such resignation indicates an earlier date therefor, it shall become effective at the next succeeding Board Meeting. Any officer may be removed from office at any time by resolution of the Board of Directors. Any Director who is removed from his position as such is then an Officer shall be deemed thereby have been removed from such office.

2.5.9. Filling Vacancies in Offices. If any office becomes vacant because of an Officer's death, resignation, retirement, disqualification, removal from office or

other wise, the Directors shall elect his successor as a Board Meeting duly called for such purpose.

2.5.10. Execution of Instruments No agreement, contract, check, deed, lease, mortgage or other instrument shall be binding upon the Council unless signed by two Officers, except to the extent that the power to bind the Council is otherwise delegated to the Manager or any other person by the Board of Directors.

2.5.11. Limitation of Officers' Liability. The limitations of liability and the exceptions thereto set forth in subsections 2.4.12 with respect to Directors shall be equally applicable to Officers.

Section 2.6. Resident Agent.

2.6.1. Identity and Authority. The name and post office address of the resident agent of the Condominium and the Council in Maryland are Alvin C. Monshower, Jr., Esq., 10440 Little Patuxent Parkway, Columbia, Maryland 21044. Such resident agent (a) is authorized to accept on behalf of the Council service of process in any action relating to two or more Units, the Common Elements, the Council, the Unit Owners as a class, or the Membership, and (b) shall serve until his successor is designated by the Board of Directors through the filing with the State Department of Assessments and Taxation of Maryland of a certified copy of the resolutions of the Board of Directors which designates such successor in accordance with the provisions of the Corporations and Associations Article of the Code.

2.6.2. Registration. Following the first Annual Membership Meeting, the Board of Directors shall register the Council with the State Department of Assessments and Taxation of Maryland and shall update the information provided to such Department on April 15 of the following year and each year thereafter, all in accordance with the provisions of section 11-119(d) of the Condominium Act.

Section 2.7. Fiscal Year.

2.7.1. First Fiscal Year. The Council's first fiscal year shall begin on the date of the recordation of the Declaration among the Land Records and the date of the filing of the Council's articles of incorporation with the State Department of Assessments and Taxation of Maryland, and shall end on the thirty-first (31st) day of December next succeeding such date.

2.7.2. Subsequent Fiscal Years. Each of the council's subsequent fiscal years shall begin on the first (1st) day of January of each succeeding calendar year after the calendar year referred to in the provisions of subsection 2.7.1, and shall end on the thirty-first (31st) day of December of the calendar year during which such fiscal year begins, as aforesaid.

Section 2.8. Principal Office.

The Council's principal office shall be located at, and its mailing address shall be, c/o Leslie H. Rock, 365 Main Street, Reisterstown, Maryland 21136, or such other place as is permitted by law and designated for such purpose from time to time by the Board of Directors.

ARTICLE III. ASSESSMENTS.

Section 3.1 Procedure for Levying Assessments.

Any determination by the Council to Levy Assessments pursuant to the provisions of the Condominium Act and the Declaration, and/or of the respective amounts thereof, shall (subject to the operation and effect of such provisions) be made in the following manner:

3.1.1. Classes of Assessments.

(a) The Assessments shall consist of general Assessments (each of which is hereinafter referred to as a "General Assessment"), special Assessments (each of which is hereinafter referred to as a "Special Assessment"), and Assessments for the maintenance of those Limited Common Elements for which Limited Assessments are to be levied under the provisions of subsection 5.5 of the Declaration (each of which is hereinafter referred to as a "Limited Assessment").

(b) (i) The proceeds of the General Assessments may be used by the Council to defray any Common Expenses (except that the Council shall be entitled to use the proceeds of General Assessments to defray any Common Expenses for which Special Assessments or Limited Assessments have been levied, if and only if to the extent that any Unit Owner has failed to pay such Special Assessment or Limited Assessment when payment of such expenses is due from the Council, in which event the proceeds of such delinquent Assessment, when paid to the Council, shall be added to the Councils general fund to replace the proceeds of the General Assessments so spent).

(ii) The proceeds of any Special Assessments shall be used to defray any Common Expenses incurred by the Council either in the construction, reconstruction, repair or replacement of any of the Common Elements or any Council Property, or any other Common Expense of an extraordinary nature amount.

(iii) The Council may, in its sole discretion, periodically levy a Limited Assessment covering all of the expenses incurred by the Council from time to time in maintaining the Limited Common Elements referred to in the provisions of subsection 3.3.2(c) of the Declaration against the Unit Owner(s) to which the right to the use of such Limited Common Elements is reserved and restricted by the provisions of the Declaration. The proceeds of such Limited Assessments shall be (1) deposited by the Council in a back account utilized solely for the deposit of the proceeds of Limited Assessments, and (2) disbursed from such account from time to time by the Council in payment of such expenses.

3.1.2. Period of Assessments. Each Assessment other than a Limited Assessment shall be levied for one of those periods (each of which is hereinafter referred to as an "Assessment Year") which are co-extensive with the Council's fiscal years. No more than one General Assessment shall be levied against a Unit for any Assessment Year.

3.1.3. Allocation of Assessments Among Units. Except as is otherwise provided in this Section 3.1., (a) the respective amounts of any General Assessments of Special Assessments levied for an Assessment Year shall be computed in accordance with the respective percentage interests in the Common Expenses and Common Profits of the Units, and (b) no Assessment of one class may be levied for an Assessment Year against one Unit unless an Assessment of such class is at the same time levied for such Assessment Year against each Unit.

3.1.4. Adoption by Board of Directors; Notice of Assessment; When Assessments Due and Payable.

(a) By no later than the sixtieth (60th) day before each Assessment Year commences, the Board of Directors shall adopt a budget for the Council for such Assessment Year, which shall set forth for such Assessment Year (1) the aggregate amount of the General Assessments to be levied, and (ii) the respective amount of the General Assessment to be levied against each Unit. At least thirty (30) days before adoption of the proposed budget to each Unit Owner at its Notice Address. By no later than the forty-fifth (45th) day before such commencement, the Council shall provide a copy of such budget to each Unit Owner at its Notice Address.

(b) If the Council so permits, any Assessment may be paid to the Council monthly or other installments in accordance with a schedule determined by the Council.

(c) Such General Assessments (or the initial installment thereof, if payable in installments) shall be due on the first (1st) day of such Assessment Year without the necessity of further action by the Council (and any subsequent installments there of shall be due on the respective dates set forth in such schedule).

(d) Any Special Assessment (or the initial installment thereof, if payable in installments) shall be due on the later of (i) the fifteenth (15th) day after the date on which it is levied, or (ii) any later date specified therefor by the Council (and any subsequent installments thereof shall be due on the respective due dates set forth in such schedule).

(e) Any Limited Assessment (or the initial installment thereof, if payable in installments) shall be due on the later of (i) the fifteenth (15th) day after the date on which it is levied, or (ii) any later date specified therefor by the Council (and any subsequent installments there of shall be due on the respective due dates set forth in such schedule).

Section 3.2. Personal Liability of Unit Owners.

3.2.1. When Liable.

(a) Each Unit Owner shall be personally liable for payment of each Assessment (or each installment thereof, if payable in installments) becoming due with respect to a Unit either (i) while he is its Unit Owner, or (ii) before he becomes its Unit Owner if a statement of lien for such Assessment is recorded among the Land Records before he becomes its Unit Owner, pursuant to the provisions of section 11-110 of the Condominium Act and section 14-204 of the Contract Lien Act.

(b) A Unit Owner may not avoid such liability by (i) waiving and right to the use of the Common Elements or other wise which he/she holds under the provisions of the Condominium Act, the Declaration, these Bylaws or otherwise, (ii) abandoning or otherwise terminating his/her use of such Unit, or (iii) conveying the title to such Unit after such Assessment becomes due.

(c) Nothing in the foregoing provisions of this Section shall be deemed in any way to alter or impair any right which any Unit Owner may have against

any prior Unit Owner of his/her Unit to recover any amount which such Unit Owner may pay on account of such liability.

3.2.2. When Not Liable. A Unit Owner shall not be personally liable for payment of any Assessment or installment thereof which becomes due with respect to a Unit, other than as set forth in the foregoing provisions of this section.

Section 3.3. Assessment Lien; Priority.

3.3.1. Notice of Intent to Create a Lien. At any given time within two (2) years after an Assessment is levied against a Unit and before it is paid in full to the Council, the Council may give notice to the Unit Owner thereof (by certified mail, return receipt requested) of the Council's intent to create a lien against such Unit (hereinafter referred to as a "Notice of Lien"). The form of the Notice of Lien shall be determined by the Council in the exercise of its sole discretion, provided that the Notice of Lien complies with the requirements of section 14-203 of the Contract of Lien Act.

3.3.2. Statement of Lien. The Council may execute and record among Land Records, in accordance with the provisions of section 11-110 of the Condominium Act and the provisions of section 14-204 of the Contract Lien Act, a statement of lien for such Assessment (or any installment thereof, if payable in installments and if the Council elects to make such statement of lien applicable to such installment rather than to such Assessment in full), (a) within one hundred twenty (120) days after giving the Notice of Lien, if the Unit Owner fails to file a complaint in the Circuit Court of Howard County in accordance with the provisions of section 14-203 of the Contract Lien Act within thirty (30) days after the Council gives the Notice of Lien, or (b) within thirty (30) days after the Circuit Court of Howard County orders the imposition of a lien pursuant to such provisions. The form of any such statement of lien shall be determined by the Council in the exercise and recorded among Land Records, it constitutes a "statement of lien" for purposes of the provisions of section 14-203 of the Contract Lien Act.

3.3.3. Effectiveness of Assessment Lien. Each Assessment (or each installment thereof, if payable in installments) levied against a Unit shall constitute a lien (hereinafter referred to as an "Assessment Lien") upon the title to such Unit, from the time when a statement of lien for such Assessment of installment is recorded among the Land records pursuant to the provisions of section 11-110 of the Condominium Act, the provisions of section 14-203 of the Contract Lien Act and the provisions of subsection 3.3.1. until each such Assessment or installment is paid.

3.3.4. Priority of Assessment Lien. An Assessment Lien shall be subordinate to the lien of any Mortgage covering the Unit against which such Assessment is levied, if and only if such Mortgage is recorded among the Land Records before the recordation thereamong of a statement of condominium lien creating such Assessment Lien.

3.3.5. Enforcement of Assessment Lien.

(a) An Assessment Lien may be enforced and foreclosed by the Council in the same manner and subject to the same requirements as are specified by the laws of Maryland for the foreclosure of mortgages or deeds of trust containing a power of sale or an assent to a decree, and covering real property situate and lying in Howard County.

(b) (i) The Council shall be entitled (A) to protect the Council's right to collect any unpaid Assessment by purchasing the Unit against which it is levied, at any judicial or other sale involving the enforcement of any Assessment Lien or other lien against the Unit, provided that such action is authorized by the Membership; (B) to hold, lease, sublet, sell, convey and mortgage any such Unit so purchased; and (C) if authorized by the Board of Directors, to borrow any or all of the purchase money therefor.

(ii) The payment of the purchase price for such Unit and of any interests charged for any such purchase money so borrowed shall be a Common Expense, and any income from any resale, mortgage or lease of such Unit shall be part of the Council Receipts.

Section 3.4. Interest on Unpaid Assessment.

Each Assessment (or each installment thereof, if payable in installments) shall bear interest on the unpaid balance thereof from the thirtieth (30th) day after the date on which it first becomes due, until paid, at the lesser of (a) four (4) percentage points above the fluctuating prime rate of interest per annum declared from time to time by Maryland National Bank or its successors while such Assessment remains or (b) the highest rate of interest from time to time permitted by applicable law to be charged with respect to the same. In addition, the Council may impose a late charge for each such Assessment not paid within such period, in accordance with the provisions of the Condominium Act.

Section 3.5. Recovery of Unpaid Assessments.

3.5.1. Right of Action. The Council shall be entitled to recover in an action at law or in equity, from any person who is liable for payment of any or all of an Assessment, both (a) a money judgement for such Assessment (including, by way of example rather than of limitation, the amount of any deficiency which results from any foreclosure of the assessment Lien therefor), without waiving such Assessment Lien, and (b) any and all interest accrued thereon through the date of such recovery, and costs incurred by the Council in obtaining such recovery (including, by way of example rather than of limitation, that reasonable attorneys' fees).

3.5.2. Limitation on Action. Anything contained in the forgoing provisions of this Section to the contrary notwithstanding, no such action or proceeding may be brought to foreclose such Assessment, unless it is brought by the third (3rd) anniversary of the date on which a statement of lien is recorded among the said Land Records in accordance with the provisions of subsection 3.3.2.

3.6. Certificate as to Payment.

The Council shall, upon written request at any time by any person who is liable for payment of any Assessment or installment thereof, or who holds any interest in a Unit against which an Assessment has been levied, deliver to such person a certificate signed by an Officer, setting forth whether such Assessment or installment has been paid. Any such certificate so delivered shall be conclusive evidence of payment of each Assessment or installment therein stated to have been paid.

ARTICLE IV. INSURANCE; DAMAGE TO AND DESTRUCTION OF THE CONDOMINIUM..

Section 4.1. Insurance Maintained by Council.

4.1.1. Duty to Procure and Maintain. The Council shall procure and maintain, to the extent available, insurance coverage of the types listed in the provisions of Section 4.3 hereof, upon the Condominium (including all of the Units and the Common Elements), all personal property located within the Common Elements, and all Council Property, and shall pay the premiums therefor as Common Expenses.

4.1.2. Insureds. The policies of such insurance shall name as insureds thereunder the Council (both for itself and as trustee for the Unit Owners), each Unit

Owner and each Mortgagee, as their interests may appear.

4.1.3. Insurers. Such insurance shall be purchased from one or more recognized insurance companies duly licensed to operate and do business in Maryland.

4.1.4. Exclusions from Coverage. Nothing in the foregoing provisions of this Section shall be deemed in any way to impose upon the Council any obligation to procure or maintain any insurance upon the person or personal property of any Unit Owner or any Lessee or other occupant of any Unit. Any Unit Owner who desires to obtain any such insurance shall do so at its own initiative and expense, and in accordance with the provisions of Section 4.4.

4.1.5. Review. The Board of Directors shall review the Councils insurance requirements and limits thereof once during each fiscal year.

Section 4.2. Master Policies of Insurance.

The Council shall obtain master policies of insurance, which shall provide for the proceeds thereunder to be paid to and be held by the Council for disposition in accordance with the provisions of these Bylaws. Under such master policies, certificates of insurance shall be issued which indicate on their face that they are a part of such master policies, and that such master policies cover each Unit and the Common Elements. A certificate of insurance with proper mortgagee endorsements to such policy shall be issued to the Council, each Unit Owner, and each Mortgagee. Such certificate shall show the relative amount of insurance covering each Unit and the undivided percentage by such Unit Owner, and shall provide that any improvements made to a Unit by any Unit Owner shall not affect the valuation of other improvements forming part of the Condominium for purposes of such insurance. Such master policies and certificates shall, to the extent obtainable by the Council using its best efforts, contain those provisions which are required by the Act, including, by way of example rather than of limitation, provisions (a) that the insurer waives its right to subrogation as to any claim against the Council, any Officer, Director, agent or employee of the Council, each Unit Owner their respective servants, agents and guests, and to any defense based on invalidity arising from the acts of the insured, (b) that the insurer shall not be entitled to contribution from the issuer of any insurance purchased by any Unit in accordance with the provisions of Section 4.4., (c) that an act or omission by any Unit Owner, unless acting within the scope of his authority on behalf of the Council, will not void the policy and is not a condition to recovery under the policy, and (d) that each Unit Owner is an insured person under such policy with respect to liability arising out of an undivided percentage interest in the Common Elements or membership in the Council. The originals of such master policies

shall be deposited with the Council and a memorandum thereof shall be deposited with each first Mortgagee who requests it. The Council shall pay the premiums for such insurance by not later than thirty (30) days before the term of each such policy expires, and shall notify each Mortgagee who requests such notification of such payment within ten (10) days after having made the same.

Section 4.3. Types of Insurance.

The types of insurance coverage which the Council shall procure and maintain pursuant to the provisions of Section 4.1. are as follows:

4.3.1. Casualty or Physical Damage Insurance. Casualty or physical damage insurance in an amount equalling one hundred percent (100%) of the full replacement value of all insurable improvements within the Condominium (including, by way of example rather than of limitation, those within each Unit) and all Council Property, as such value is determined annually by the Board of Directors with the assistance of the issuer of such insurance; provided, that at the option of the Board of Directors such policy or policies may contain a "deductible" provision in an amount determined by the Board of Directors, but not exceeding \$5,000 (in which event, the Unit Owner of any Unit damaged by a casualty covered by such insurance shall bear the initial portion of the loss thereby sustained, equalling such "deductible" amount).

(a) Such coverage shall afford protection against (i) loss or damage by fire and other hazards covered by the standard extended coverage endorsement, together with coverage for the payment of Assessments made with respect to damaged Units during the period of reconstruction; and (ii) such other risks as from time to time customarily are covered for improvements similar in construction, location and use as those to be insured under the foregoing provisions of this subsection (including, by way of example rather than of limitation, the risks of vandalism, malicious mischief, windstorm and, at the election of the Board of Directors, flood) or as the Board of Directors from time to time believes to warrant insurance.

(b) The policies affording such coverage shall provide that, notwithstanding any provisions thereof which permit the carrier to elect to restore damage in lieu of making a cash settlement, such right shall not be exercisable without the approval of the Board of Directors, or, where such restoration would not be permitted under the provisions of the Declaration or of the Condominium Act, without the approval of those Unit Owners whose approval thereof is required by such provisions.

(c) The policies affording such coverage shall provide that, notwithstanding any provisions thereof which permit the carrier to elect to restore damage in lieu of making a cash settlement, such right shall not be exercisable without the approval of the Board of Directors, or, where such restoration would not be permitted under the provisions of the Declaration or of the Condominium Act, without the approval of those Unit Owners whose approval thereof is required by such provisions.

4.3.2. Public Liability Insurance. Public liability insurance, insuring the Council, each Officer, Director, employee or agent thereof, each Unit Owner and the Manager against liability for bodily injury, death or property damage arising out of the use of the Common Elements by any person or out of any of their activities on behalf of the Council. Such insurance shall have limits of coverage in respect of bodily injury or death of not less than One Million Dollars (\$1,000,000) for any one person and of not less than Two Million Dollars (\$2,000,000) for any one occurrence, and in respect of property damage of not less than One Hundred Thousand Dollars (\$100,000) for any one occurrence, and may have such higher limits of coverage, and may be in such form, as is from time to time determined by the Board of Directors. Such insurance shall include coverage of claims of one insured against another insured.

4.3.3. Workman's Compensation Insurance. Workman's compensation insurance affording at least such coverage of the Council and its Directors, Officers, employees and agents as is required by applicable law.

4.3.4. Fidelity Insurance. Fidelity insurance covering the Manager and those Officers, Directors, employees and agents of the Council who handle Council Receipts or Council Property, upon such terms and in such amounts as are from time to time determined by the Board of Directors.

4.3.5. Officers' and Directors' Liability Insurance. Officers' and Directors' liability insurance upon such terms and in such amounts as are from time to time determined by the Board of Directors, with a legal expense indemnity endorsement or its equivalent according protection for the Officers and Directors 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 is made a party by reason of their services as such.

4.3.6. Other Insurance. Such other coverage as the Board of Directors may deem advisable, or as is required by the provisions of the Condominium Act.

Section 4.4. Insurance Maintained by Unit Owners.

4.4.1. Coverage. Each Unit Owner may obtain insurance at his own expense affording coverage against (a) damage to or destruction of his Unit or any of his personal property located anywhere on the land or in the improvements constituting the Condominium, and (b) personal liability incurred by such Unit Owner and arising out of the use of his Unit by any person, but each policy which affords such coverage shall contain (as to the Council) the same waiver of subrogation by the insurer as that referred to in the provisions of Section 4.2., and either shall provide that the insurer has no right of contribution against any casualty insurance affording coverage against such risk held by the Council pursuant to the provisions of this Article (notwithstanding that such Unit Owner may be an insured thereunder) or shall be written by the same carrier as that of such insurance held by the Council.

4.4.2. Copy of Policy to be Filed with Council. A copy of each such policy shall be filed with the Council by such Unit Owner within ten (10) days after his purchase thereof.

4.4.3. Relationship to Insurance Held by Council. If a loss is sustained and the amount of the proceeds which would otherwise be payable under any policy of insurance then held by the Council pursuant to the provisions of Section 4.3. is reduced because of proration of, or right of contribution from, any insurance against the same risk held by any Unit Owner under the provisions of this Section, such Unit Owner shall assign to the Council any proceeds of his insurance which are payable on account of such loss, to the extent of the amount of such reduction, and the amount so assigned shall be distributed by the Council in the same manner as that prescribed by these Bylaws for distribution of the proceeds payable under the said policy held by the Council, as aforesaid.

Section 4.5. Proceeds of Insurance.

4.5.1. Receipt and Distribution of Proceeds. The Council shall receive any proceeds payable under any policy of insurance held by it pursuant to the provisions of this Article, and shall hold and distribute them in trust for the purposes set forth in these Bylaws, for the benefit of the Unit Owners, their respective insured Mortgagees, the Council and any other insured thereunder. The Council shall not make any distribution of any such proceeds directly to a Unit Owner where a mortgagee endorsement is noted on the certificate of insurance covering his Unit, but shall make any such distribution only to such Unit Owner and his Mortgagee jointly.

4.5.2. Adjustment of Losses. Each Unit Owner shall be deemed to have delegated to the Council his right to adjust with the insurer all losses payable under policies purchased by the Council.

4.5.3. Repair or Reconstruction After a Casualty.

(a) Except as is otherwise provided by the Condominium Act, the Declaration or these Bylaws, if any of the improvements to be insured by the Council pursuant to the provisions of subsection 4.3.1. are damaged or destroyed, they shall be fully and promptly repaired and restored by the Council using any proceeds of insurance which are payable on account thereof and are held by the Council or any insurance trustee, and the Unit Owners shall be liable to the Council for the amount by which the cost thereof exceeds the amount of such proceeds and for the amount of the deductible, if any, contained in such policy or policies pursuant to the provisions of paragraph 4.3.1., in proportion to their respective undivided percentage interests in the Common Elements, except to the extent that such excess is declared a Common Expense by the Council.

(b) Subject to the operation and effect of the provisions of subsection 4.4.3., if as a result of any such damage or destruction any Unit Owner is paid any proceeds under any policy of insurance held by him pursuant to the provisions of Section 4.4., he may apply such proceeds in payment of the share of any such excess for which he is liable, and/or of any Assessment levied against his Unit as a result of any such declaration by the Council.

(c) The Council shall (except as is provided in subsection 4.6.2.) be responsible for restoring such improvements to and only to substantially the same condition as they were in immediately before they were damaged or destroyed. If, as a result of such repair or reconstruction, any change is made in the location of the improvements within any Unit or the Common Elements, the Council shall record among the Land Records an amendment to the Condominium Plat which relocates the boundaries of such Unit or the Common Elements so as to conform to the location of such improvements as so changed, and shall hold a power of attorney from each Unit Owner and Mortgagee for such purpose.

4.5.4. Estimate of Cost of Repair. Immediately after the occurrence of any damage to or destruction of any or all of the Condominium which the Council is required by these Bylaws to repair, the Board of Directors shall obtain a reliable and detailed estimate of the cost thereof (including, by way of example rather than of limitation, the cost of any professional service or bond which the Board of Directors desires to obtain in connection therewith).

4.5.5. Construction Fund. Any proceeds of insurance received by the Council as a result of any damage to or destruction of the Condominium, and any other sums received by the Council from any Unit Owner as a result thereof, shall constitute a construction fund which shall be disbursed by the Council or by any insurance trustee, as the case may be, in payment of the costs of the reconstruction and repair thereof, in the following manner:

(a) If the amount of the estimated cost of reconstruction and repair of the damaged or destroyed portion of the Condominium is less than One Hundred Thousand Dollars (\$100,000), such construction fund shall be disbursed by the Council in payment of such cost upon authorization by the Board of Directors; provided, that at the written request of any Mortgagee which is a beneficiary of any such fund, such fund shall be disbursed in the manner set forth in the provisions of paragraph (b) of this subsection.

(b) If such amount is not less than One Hundred Thousand Dollars (\$100,000), such construction fund shall be disbursed in payment of such cost upon the approval of such disbursement by an architect licensed to practice in Maryland and employed by the Council to supervise such reconstruction and repair, from time to time as such reconstruction and repair progress. Such architect shall be required to furnish to the Council a certificate giving a brief description of the services and materials supplied by each contractor, subcontractor, materialman, architect or other person who has rendered services or furnished materials in connection with such reconstruction and repair, and stating (1) that the same requested by each such person in payment therefor is justly due and owing, and does not exceed the value of the services and materials furnished; (2) that there is, to the best of such architect's knowledge, information and belief, no other outstanding debt incurred for such services and materials as so described; and (3) that the cost, as reasonably estimated by such architect, for so much of such repair and reconstruction as remains to be done after the date of such certificate does not exceed the amount which will remain in such construction fund after the payment therefrom of the sum so requested.

(c) If any amount remains in such construction fund after the reconstruction or repair of such casualty damage has been fully completed and all of the costs thereof have been paid, it shall be distributed to the Unit Owners and their insured Mortgagees, as their respective interests may appear.

Section 4.6. Substantial or Total Destruction.

4.6.1. Grounds for not Reconstructing. Any portion of the Condominium which is damaged or destroyed shall be repaired and reconstructed unless (a) the

Condominium is terminated pursuant to the provisions of the Condominium Act, the Declaration, and these Bylaws, (b) the reconstruction and repair of such portion in accordance with the provisions of subsection 4.5.3. would be illegal under any applicable Maryland or local health or safety statute or ordinance, or (c) at least eighty percent (80%) of the Unit Owners (including every Unit Owner of a Unit which would not be reconstructed) vote at a Membership Meeting not to reconstruct such portion.

4.6.2. Distribution of Proceeds. If, pursuant to the provisions of subsection 4.6.1., any of such damage or destruction is not to be repaired or reconstructed, the net proceeds of any insurance which are payable to the Council as a result of such damage or destruction shall be held in one fund, which shall be used or distributed by the Council as follows:

(a) the net proceeds attributable to damaged Common Elements shall be used to restore such damaged Common Elements to a condition compatible with the remainder of the Condominium;

(b) the net proceeds attributable to Units and Limited Common Elements which are not to be rebuilt shall be distributed to the Unit Owners of such Units in accordance with the provisions of the Condominium Act or, if there are no such provisions governing the same, in accordance with the provisions of subsection 4.6.2.(c); and

(c) the remainder of such net proceeds shall be distributed to all of the Unit Owners in proportion to their respective undivided percentage interests in the Common Elements, after first applying each Unit Owner's share to the payment of any unpaid amount for which a lien then exists upon its Unit, in the order of priority of such liens.

Section 4.7. Improvements Made by Unit Owner.

4.7.1. Notice to Council. Each Unit Owner shall, promptly upon its completion thereof, notify the Council of any improvements made to its Unit after the construction of the Building if their value exceeds Five Thousand Dollars (\$5,000), and shall be liable to the Council for any increase in the premium for any policy of insurance held by its pursuant to the provisions of subsection 4.3.1. resulting from the making of such improvements.

4.7.2. Failure to Notify and Pay Additional Premium. Unless such Unit Owner has notified the Council of any such improvements in accordance with the

foregoing provisions of this Section, and has paid to the Council the amount of any such increase in the premium for any such policy of insurance held by it, as aforesaid, after the Council has made written demand therefor of such Unit Owner (if such demand is made before such damage or destruction occurs), such Unit Owner shall be entitled neither (a) to receive, on account of any damage to or destruction of such improvements, any distribution of any proceeds payable under any such policy held by the Council, nor (b) to have such improvements repaired or restored by the Council pursuant to the provisions of subsection 4.5.3.

Section 4.8. Conflicts.

Except to the extent otherwise required by the Condominium Act, the provisions of this Article IV shall govern in lieu of any provisions of the Condominium Act concerning maintenance of insurance, restoration and repair, and the use of insurance proceeds.

ARTICLE V. CONDEMNATION.

Section 5.1. Condemnation Proceedings.

5.1.1. Council's Right to Prosecute and Defend. The Council shall be entitled to prosecute and defend all proceedings with respect to the Condemnation of any or all of the Common Elements or any Council Property, but shall not settle or compromise any claim made in any such proceeding without the approval of Unit Owners having a Majority of the outstanding votes.

5.1.2. Notice to Unit Owners. The Council shall notify each Unit Owner of any such proceeding, and each Unit Owner shall be entitled to participate therein on his behalf.

Section 5.2. Repair and Reconstruction.

Subject to the operation and effect of the provisions of Section 5.3., if there is a Condemnation of part of the Condominium the Council shall arrange for and supervise the prompt repair and restoration of the remainder of the Condominium in the same manner as that set forth in the provisions of Article IV in the case of damage by fire or other casualty, and the provisions of Article IV shall apply to the repair and restoration of the Condominium in the same manner as if it had been so damaged. The award made for the Condemnation shall be payable to the Council and shall be held and disbursed in the same manner as the proceeds of insurance received by the Council are required by the

provisions of Article IV to be held and disbursed by the Council upon the occurrence of any such casualty.

Section 5.3. Substantial or Total Condemnation.

5.3.1. Right of Partition. Unless otherwise required by the provisions of the Condominium Act, if (i) (a) more than two-thirds (2/3) in number, but fewer than all, of the Units are rendered untenable by a Condemnation, and (b) more than two-thirds (2/3) of the Unit Owners fail to vote in favor of the alteration and reconstruction thereof at a Membership Meeting called for such purpose for a date within sixty (60) days after the date of such Condemnation, or (ii) (a) all of the Units are rendered untenable by a Condemnation, and (b) more than two-thirds (2/3) of the Unit Owners fail to vote in favor of the alteration and reconstruction thereof as aforesaid, then, with the written approval of one or more Mortgagees having first Mortgages on at least two-thirds (2/3) of all those Units which are then encumbered by a Mortgage, the Condominium shall be subject to an action for partition at the suit of any Unit Owner or Mortgagee, as if the Condominium were owned by the Unit Owners as tenants in common.

5.3.2. Distribution of Proceeds. Upon the completion of any such partition and of any sale of the Condominium made pursuant thereto, the net proceeds of such sale, together with the total award for such Condemnation, shall be held by the Council on one fund, which shall be distributed by the Council among all of the Unit Owners in proportion to their respective undivided percentage interests in the Common Elements, after first applying the share of each Unit Owner to the payment of any unpaid amount for which a lien then exists upon his Unit, in the order of priority of such liens.

Section 5.4. Effect of Condemnation on Percentage Interests.

5.4.1. Adjustment of Percentage Interests. If there is a Condemnation of any or all of the Condominium and if, as a result of such Condemnation, any or all of any Unit so taken is no longer subject to the operation and effect of the Declaration, the Condominium Plat and these Bylaws, and if the Condominium is not partitioned pursuant to the provisions of subsection 5.3.1., then the respective undivided percentage interests in the Common Elements and percentage interests in the Common Expenses and Common Profits of all Units or portions thereof which were not so taken shall be adjusted as of the date of such Condemnation in the following manner:

(a) If such Condemnation is of all of one or more Units, the respective undivided percentage interests in the Common Elements and percentage interests in the Common Expenses and Common Profits of such Units shall be reallocated among

all of the other Units, in that proportion which, immediately before such Condemnation, the respective such percentage interests of each of the other Units bears to the aggregate of the respective percentage interests of all of the other Units.

(b) If such Condemnation is of part, but not all, of one or more units, (i) the percentage interests of each such Unit shall be reduced to a percentage which bears the same ratio to the percentage interest of such Unit immediately before such Condemnation as the ratio which the floor area of the Unit immediately after such Condemnation bears to the floor area of the Unit as shown on the Condominium Plat, immediately before such Condemnation, and (ii) the aggregate of such reduction in the percentage interests of all such Units shall be reallocated among all of the Units remaining after such Condemnation (including each Unit with respect to which such reduction is made) in proportion to the respective percentage interests of such Units immediately before such Condemnation, except that in the case of each Unit with respect to which such reduction is made, the percentage interests used in such computation shall be the percentage interests of such Unit as so reduced.

5.4.2. Amendment of the Declaration. Promptly after any Condemnation as a result of which any adjustment of the respective undivided percentage interests in the Common Elements or percentage interests in the Common Expenses and Common Profits is made pursuant to the foregoing provisions of this Section, a amendment of the Declaration setting forth such adjustment shall be executed and acknowledged by each Unit Owner and Mortgagee, and recorded among the Land Records by the Council. The Council shall hold a power of attorney from each Unit Owner and Mortgagee for such purpose.

ARTICLE VI. ARCHITECTURAL COMMITTEE AND CONTROL; USE AND MAINTENANCE OF UNITS

Section 6.1. Architectural Committee.

6.1.1. Composition. The Board of Directors shall from time to time designate three or more individuals to constitute a committee to be known as "the Architectural Committee," which shall have the powers and duties conferred upon it by the provisions of this Article.

6.1.2. Voting. The affirmative vote of a Majority of the membership of the Architectural Committee shall be required for it to (a) recommend to the Board of Directors the adoption or promulgation of any of the Rules and Regulations which are hereinafter in this Article referred to; (b) make any finding, determination, ruling or order;

or (c) issue any permit, authorization or approval pursuant to the provisions of this Section.

6.1.3. Finality. Unless such decision is reversed or modified by the Board of Directors upon the written application of any Unit Owner made to the Board of Directors within ten (10) days after the date on which the Architectural Committee makes a decision on any matter referred to in the provisions of paragraphs (b) and (c) of the preceding subsection, such decision shall be final.

Section 6.2. Architectural Control.

6.2.1. Approval by Architectural Committee. No Structure may be commenced, constructed, erected, placed, maintained or permitted to remain within a Unit, and no Structure existing within a Unit may be altered in any way (including (a) exterior painting, but excluding (b) interior painting or other interior non-structural modifications) unless prior thereto plans and specifications therefor (herein referred to collectively as "Plans"), have been submitted to and approved in writing by the Architectural Committee.

6.2.2. Plans. Such Plans shall (a) designate by reference to the Condominium Plat each Unit for which such Plans are submitted; (b) include a plan for each Unit showing the nature, exterior color scheme, kind, shape, height, materials and location (with respect both to each such Unit and to Structures located upon or within adjoining portions of the Condominium) of all Structures then existing or proposed by such Plans to be placed thereon, any existing or proposed front, rear and side setbacks from such Structures; and (c) be in such form and contain such other information as are required by the Architectural Committee.

Section 6.3. Certain Rules and Regulations and Statements of Policy.

6.3.1. Proposal. The Architectural Committee may propose to the Board of Directors, and the Board of Directors may adopt (pursuant to the provisions of subsection 2.4.11(m) of these Bylaws), (a) certain Rules and Regulations governing the form and content of any Plans to be submitted to the Architectural Committee for its consideration, and (b) statements of policy as to its approval or disapproval of the architectural styles or details, or other matters, to be reflected in such Plans.

6.3.2. Amendment or Revocation. Such Rules and Regulations and statements of policy may be amended or revoked by the Board of Directors at any time.

6.3.3. Effect. The inclusion or omission of any matter in or from, or the amendment of, any of such Rules and Regulations or statement of policy shall not be deemed to bind the Architectural Committee to approve or disapprove any Plans or to be a waiver of the exercise of the Architectural Committee's discretion as to any such matter; provided, that no such amendment for revocation shall affect the finality of any such approval granted before such amendment or revocation.

Section 6.4. Disapproval of Plans.

6.4.1. Basis. The Architectural Committee may disapprove any Plans submitted to it whenever, in its opinion, any of the following circumstances exist:

(a) such Plans, or any Structure or Use covered by such Plans, are not in accordance with the provisions of the Declaration or these Bylaws;

(b) such Plans do not contain information which the Architectural Committee may reasonably require to be contained therein;

(c) any Structure covered by such Plans is incompatible with any Structure or Use upon, within or of any Unit, due to the former's exterior design, height, bulk, shape, color scheme, finish, style of architecture, configuration, appearance, materials, location or relative cost;

(d) the construction or existence of any Structure called for by such Plans would threaten the structural integrity of the Building or impair the degree or availability of any utility service being provided to any other Unit; or

(e) any other set of circumstances which, in the Architectural Committee's reasonable judgment, would render any Structure or Use covered by such Plans inharmonious with the general plan of improvement of the Condominium.

6.4.2. Notice of Approval or Disapproval. If the Architectural Committee disapproves any Plans or approves them only upon the satisfaction of any specified condition requiring their modification or the taking of any other action, it shall immediately notify the applicant of such action in writing and furnish with such notice a statement of the grounds on which it was based. If the Architectural Committee approves any Plans without conditioning such approval upon the satisfaction of any such condition, it shall immediately notify the applicant thereof in writing. Unless the Architectural Committee, by written notice to the applicant, disapproves any Plans submitted to it or approves them only upon the satisfaction of any specified condition, as aforesaid, within

thirty (30) days after such Plans are submitted to it, it shall conclusively be deemed for all purposes of the Declaration and these Bylaws to have approved such Plans unconditionally for each Unit for which they were so submitted.

Section 6.5. Effect of Approval.

The Architectural Committee's approval of Plans for any Unit for which they are submitted to it shall not constitute a waiver of its right, in its sole discretion, to disapprove such Plans or any of the features or elements included therein if they are subsequently submitted to it for any other Unit; but (subject to the operation and effect of the provisions of subsection 6.1.3.), as to any Unit for which such Plans are so approved such approval shall be final and irrevocable.

Section 6.6. Inspection of Units.

Any agent of the Council may at any reasonable time (but only after having given written notice thereof to the Unit Owner thereof by no later than five (5) days prior thereto) enter upon and inspect any Unit and the exterior of any Structure thereon to ascertain whether the maintenance, construction or alteration of such Unit or Structure, and any Use thereof, are in accordance with the provisions hereof, and neither the Council nor such agent shall be deemed to have committed any trespass or other wrongful act by reason of such entry or inspection.

Section 6.7. Certificate of Compliance.

6.7.1. Issuance. After the completion within a Unit of the construction or alteration of any Structure, or the commencement of any Use thereon done in accordance with the provisions of this Article, the Council (or the Developer, as to Plans approved by the Developer pursuant to the provisions of subsection 6.9) shall, upon written request by the Unit Owner or any Mortgagee thereof, issue a certificate in a form suitable for recordation among the Land Records, (a) identifying such Unit, Structure or Use; and (b) stating that the Architectural Committee (or the Developer, as the case may be) has approved Plans covering such Structure or Use in the manner set forth in the provisions of this Section, and believes that such Structure or Use complies therewith.

6.7.2. Fee. The Council may charge such Unit Owner a reasonable fee for issuing such certificate, payment of which, when such certificate is requested, shall be a condition to its obligation hereunder to issue the same.

6.7.3. Cost of Recordation. The recipient Unit Owner shall bear the cost of recording such certificate among the Land Records.

Section 6.8. Removal.

6.8.1. Violation. If in violation of the provisions of the Declaration or these Bylaws, any Structure is altered, erected, placed or maintained, or any new Use commenced upon or within any Unit, other than in accordance with Plans approved for such Unit by the Architectural Committee pursuant to the foregoing provisions of this Article, such action shall be deemed to be a violation of the provisions of this Article and, promptly after the Council has given written notice thereof to the Unit Owner thereof, such Structure shall be removed or restored to its condition before such action, and such Use shall cease, so as to terminate such violation.

6.8.2. Right of Entry. If within fifteen (15) days after having been given such notice such Unit Owner has not taken reasonable steps to terminate such violation, any agent of the Council may enter upon such Unit and take such steps as are reasonably necessary to terminate such violation. Such Unit Owner shall be personally liable to the Council for the cost thereof, to the same extent as he is liable for an Assessment levied against such Unit, and the Council shall have a lien therefor which is enforceable in the same manner as an Assessment Lien imposed upon such Unit.

Section 6.9. Developers' Plans.

Nothing in the foregoing provisions of this Article shall be deemed in any way to require that the developer submit to the Architectural Committee, or obtain its approval of, Plans for any Structure to be constructed upon or within a Unit (or any Use thereof) before the initial conveyance of record of the title to such Unit to a person other than the Developer, if and only if Plans therefor have been approved in writing by the Developer, it being the Developer's intention that, where the Developer has approved such Plans, the provisions of this Article which require approval of such Plans by the Architectural Committee shall not be applicable to a Unit until the title thereto is hereafter first acquired of record by a person other than the Developer.

Section 6.10. Structural Changes.

No Unit Owner shall, without obtaining the Council's prior written consent thereto, (a) make any structural modification or alteration within his Unit, or contract for or perform any maintenance, repair, replacement, removal, alteration or modification of the Common Elements (including, by way of example rather than of limitation, any of the

Common Elements lying within any Unit), or (b) take any action which (i) impairs the existence of, or the ability to enjoy, any easement, right or hereditament appurtenant to any Unit or the Common Elements; or (ii) adversely affects the Common Elements or any Unit Owner's or other person's ability to exercise its right to use and enjoy the same.

Section 6.11. Use and Maintenance of Unit.

Each Unit Owner shall:

6.11.1. maintain, repair or replace at its own expense any portion of its Unit which may cause injury or damage to any other unit or the Common Elements;

6.11.2. paint and/or otherwise maintain the exposed surfaces of all portions of its Unit (including, by way of example rather than of limitation, all interior and exterior walls, ceilings, doors, door frames, windows, window glass, window frames, vents, shutters, meter covers, and floors if and to the extent that any of the same are part of its Unit);

6.11.3. pay any expense duly incurred by the Council in making any repair to or replacement of the Common Elements which results from the willful or negligent act or failure to act of such Unit Owner or any tenant, Contract Purchaser, or other occupant or user of its Unit;

6.11.4. exercise its rights and perform its duties under the provisions of the Condominium Act, the Declaration and Bylaws in such manner and at such hours as will not unreasonably disturb any other Unit Owners; and

6.11.5. comply in every respect with the Rules and Regulations, as from time to time promulgated by the Council.

ARTICLE VII. MISCELLANEOUS PROVISIONS.

Section 7.1. Roster of Unit Owners, Mortgagees, Proxy Holders and Voting Representatives.

7.7.1. Duty to Furnish Information. Immediately after a person becomes a Unit Owner, Mortgagee or Proxy Holder, it shall, in writing, both notify the Council of its status as such and supply the following information to the Secretary:

- (a) its full and correct name;
- (b) the number of the Unit of which it is a Unit Owner or Mortgagee, or as to which it is a Proxy Holder;
- (c) if such Unit Owner, Mortgagee or Proxy Holder consists of more than one person, the full and correct name of each such person;
- (d) if such Unit Owner, Mortgagee or Proxy Holder, or any such person of which it consist, is not a natural person, (i) the type of legal entity of which it consists, and (ii) the state or other jurisdiction under which it is organized and exists;
- (e) an address for such Unit Owner, Mortgagee or Proxy Holder in the united States of America, which shall constitute its Notice Address for purposes of the provisions of Section 7.2;
- (f) unless such Unit Owner and any such Proxy Holder consists of one natural person (or of two or more natural persons who do not desire to designate any Voting Representative), the name of each natural person who is to be a Voting Representative for such Unit Owner or Proxy Holder; and
- (g) upon request by the Secretary, such evidence of such Unit Owner's, Mortgagee's or Proxy Holder's status as such as the Secretary may reasonably demand.

7.1.2. Failure to Furnish Information. Unless a Unit Owner, Mortgagee or Proxy Holder has notified the Council of its status as such and supplied the Secretary with the information required to be supplied by the foregoing provisions of this Section, such person shall have no right under the provisions of the Condominium Act, the Declaration or the Bylaws (a) to be given any notice, demand, consent, approval, request or other communication or document by the Council or any Director or Officer, (b) unless permitted by the President, to participate in the consideration of any Vote upon any question voted upon by the Council Membership, or (c) otherwise to be recognized as such by the Council, any Director or Officer, employee or agent thereof, or any Unit Owner. The Council shall, however, cause (a) any notice being given to the Unit Owners generally to be delivered to each Unit, and (b) any notice being given with respect to any Unit to be delivered to that Unit.

7.1.3. Maintenance of and Reliance on Roster. The Secretary shall maintain on a current basis a roster showing, for each Unit, any and all information pertaining to

its Unit Owner, any Mortgagee thereof, and any Proxy Holder or Voting Representative with respect thereto, which is supplied to the Secretary pursuant to the foregoing provisions of this Section. Unless the Council has received express, written notice to the contrary, the Council, its Directors, Officers, employees and agents, and each Unit Owner shall be entitled to rely upon the accuracy of such roster as reflecting the existence, current identity, composition, legal standing, and Notice of Address of the Unit Owner and any Mortgagee or Proxy Holder of a Unit, and the designation and identity of any Voting Representative for any such Unit Owner or Proxy Holder, all in making any determination for purposes of this provisions of the Condominium Act, the Declaration or these Bylaws as to whom any notice, demand, consent, approval, request or other communication or document is to be given by the Council or any Director or Officer, or by whom or on whose behalf any Vote may be cast at any Meeting, or in connection with any other action to be taken by the Council or any Director or Officer.

Section 7.2. Notices.

Any notice, demand, consent, approval, request or other communication or document to be provided hereunder by the Council or any Director, Officer or other person, to any person (a) shall be in writing, and (b) shall be deemed to have been provided (i) forty-eight (48) hours after having been deposited as first class mail (or, if required by the provisions of the Declaration or these Bylaws, by registered or certified mail, return receipt requested) in the United States mails, postage prepaid, and addressed (A) if the addressee is a Unit Owner, Proxy Holder, Voting Representative or mortgagee who (in accordance with the provisions of Section 7.1) has notified the Council of its status as such and furnished the Secretary with the information referred to therein, to such person's address (herein referred to as such person's "Notice Address") as set forth in the notice referred to herein and (B) if the addressee is the Council or the Architectural Committee, to the address of the Council's resident agent, or to such other address in the United States of America as the Council may designate from time to time by notice to the Unit Owners; and (C) if the addressee either (1) has not so notified the Council and furnished the Secretary with such information, or (2) is any other person, to such address in the United States of America as is used by the United States Postal Service for the delivery of mail to such person or his Unit, or (ii) by actual hand or other delivery to such person.

Section 7.3. Severability.

No determination by any court, governmental or administrative body or agency or otherwise that any provision of these Bylaws or any amendment hereto is invalid or unenforceable in any instance shall affect the validity or enforceability of (a) any other

such provision or (b) such provision in any instance not controlled by such determination. Each such provision shall be valid and enforceable to the fullest extent allowed by, and shall be construed wherever possible as being consistent with, applicable law.

Section 7.4. Amendment.

These Bylaws may be amended in and only in the manner set forth in the provisions of the Declaration and the Condominium Act.

Section 7.5. Applicable Law.

These Bylaws shall be given effect and constructed by the application of the laws of Maryland, and any action or proceeding arising hereunder shall be brought in the courts of Maryland; provided, that if any such action or proceeding arises under the Constitution, laws or treaties of the United States of America, or if there is a diversity of citizenship between the parties thereto, so that it is to be brought in a United States District Court, it shall be brought in the United States District Court for the District of Maryland.

Section 7.6. Headings.

The headings of the Articles, Sections and subsections hereof are provided herein for and only for convenience of reference, and shall not be considered in construing their contents.

Section 7.7. Construction.

All references made herein (a) in the neuter, masculine or feminine gender shall be deemed to have been made in all such genders; (b) in the singular or plural number shall be deemed to have been made, respectively, in the plural or singular number as well; and (c) to any Article, Section or subsection shall, unless therein expressly indicated to the contrary, be deemed to have been made to such Article, Section or subsection of these Bylaws.

THIS IS TO CERTIFY that these Bylaws were prepared under the supervision of Richard L. Miller, an attorney duly admitted to practice before the Court of Appeals of Maryland.



Richard L. Miller

CLERK: Upon its recordation, please return this instrument to:

Richard L. Miller, Esq.
Monshower, Miller & Magrogan, LLP
10440 Little Patuxent Parkway
30 Corporate Center, Suite 500
Columbia, Maryland 21044-3561.