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EXHIBIT D  
THE CARROLLTON CONDOMINIUM  
BY-LAWS

ARTICLE I. GENERAL PROVISIONS.

Section 1.1. Definitions

1.1.1. Specifically defined terms.

(a) As used in these By-laws any term which is defined in Section 1 of the Declaration shall be deemed to have the meaning ascribed to it therein.

(b) Any other term to which meaning is specifically ascribed by any provision of these By-Laws shall for purposes of these By-Laws be deemed to have such meaning.

1.1.2. Construction of terms. Any term to which meaning is specifically ascribed by any provision of the Declaration or the By-Laws, and which is used in the Act, shall, wherever possible, be construed in a manner which is consistent with any construction of such term as so used in the Act. Where such consistency of construction is not possible, the meaning so ascribed shall govern to the extent allowed by law.

Section 1.2. Applicability of By-Laws.

1.2.1. Scope of coverage. These By-Laws 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 Unit Owners;

(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

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(i) any Unit,

(ii) any undivided percentage interest in the Common Elements,

(iii) any percentage interest in the Common Expenses and Common Profits, or

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(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 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 By-Laws and the Rules and Regulations, 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. In accordance with the provisions of Section 11-109 of the Act, the affairs of the Condominium shall be governed and administered by the Council of Unit Owners. The Council of Unit Owners will not be incorporated. The mailing address of the Council of Unit Owners shall be 3601 Greenway, Baltimore, Maryland 21218.

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 of unit owners by the provisions of the Act (to and only to the extent that the vesting of such powers is consistent with the provisions of the Declaration and these By-Laws); or

(b) in the Council by the provisions of the Declaration or these By-Laws.

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 the right to terminate the Condominium Regime which is

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held by the Unit Owners pursuant to the provisions of the 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 guarantees, 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 Council Income;

(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 to fulfill the purposes which are set forth in the provisions of the Declaration or these By-Laws, 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



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and attain the purposes set forth in the Act, the Declaration or these By-Laws.

2.2.3. General duties. The Council shall be charged with all of the duties which are imposed

(a) upon a council of unit owners by the provisions of the Act;

(b) upon a nonstock corporation by the provisions of the Corporations and Associations Article of the Code; and

(c) upon the Council by the provisions of the Declaration or these By-Laws.

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 affairs of the Condominium; (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 of all Council Property; and (d) have such other duties as are specifically imposed upon the Board of Directors or any Officer by these By-Laws.

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.

(i) Provided that notice thereof is given in accordance with the provisions of these By-Laws, the first Annual Membership Meeting shall be held on a date which is not later than April 3, 1981, and is not a Sunday or a legal holiday, and at a place in, Baltimore, Maryland, all as chosen by the Developer in the exercise of its absolute discretion.

(ii) At the first Annual Membership Meeting, the Membership



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(1) shall elect the Directors in accordance with the provisions of Section 2.4; and

(2) 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 By-Laws, subsequent to such first Annual Membership Meeting an Annual Membership Meeting shall commence at a time between 7:00 o'clock P.M. and 8:30 o'clock P.M., on the first Monday of March of each year following the calendar year during which such first Annual Membership Meeting is held, as aforesaid, and at a place in Baltimore, Maryland, all as chosen by the Board of Directors.

(ii) At each such subsequent Annual Membership Meeting, the Membership

(1) shall elect the successors to each person whose term as a Director expires as of such Annual Membership Meeting; and

(2) may transact any other business which properly comes before it.

(c) Notice of Annual Membership Meetings.  
By not later than fifteen (15), 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.

(i) Provided that notice thereof is given in accordance with the provisions of the By-Laws a Special Membership Meeting may be held at any time for any purpose consistent with applicable law, the Declaration and the By-Laws, upon a call by the President or the Board of Directors.

(ii) Each Special Membership Meeting shall be held on a date which is not a Sunday or a legal

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holiday, and at a place in Baltimore, 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 or its own initiative, and shall in such event (subject to the operation and effect of the provisions of paragraph 2.3.3(a)) determine the date, time and place thereof in the exercise of his or its absolute discretion.

(ii) (1) 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 (A) requesting that such Special Membership Meeting be called, (B) stating each intended purpose thereof, and (C) signed by Unit Owners or Proxy Holders having at least twenty-five percent (25%) of the total number of Votes then outstanding.

(2) Whenever any such Special Membership Meeting is requested by any such petition, the President shall set a date therefor which is not later than fifteen (15) days after the Council's receipt of such petition.

(c) Notice of Special Membership Meetings. By not later than fifteen (15), but not more than forty-five (45), 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, the date, time and place thereof; provided, that where a Special Membership Meeting is to be held in any emergency situation pursuant to the provisions of subsection 2.3.3, and compliance with the foregoing provisions of this paragraph 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.

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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, a Majority of the total number of Votes which are then outstanding shall be required for and shall constitute a quorum for such Membership Meeting.

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

(i) The chairman of each Membership Meeting shall preside over its conduct.

(b) (i) The Secretary shall, if present, act as the secretary of each Membership Meeting. In the absence of the Secretary at a Membership Meeting, (1) any Assistant Secretary shall, if present, act as the secretary thereof, and (2) in the absence of any Assistant Secretary, any other person who is present and appointed secretary thereof by the chairman thereof shall act as such.

(ii) The secretary of each Membership Meeting shall take the minutes thereof (and, if such person is not the Secretary, promptly after such Membership Meeting shall deliver such minutes to the Secretary); shall record therein the questions voted upon at such Membership Meeting and the results of such voting; shall be the judge of the eligibility under the provisions of subsection 2.3.6 of any person to cast any Votes thereat; shall make the official count of the Votes cast on each such question; and shall perform any other duty which under these By-Laws



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are 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 By-Laws and applicable law.

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

(1) if necessary, the election of the chairman of such Membership Meeting pursuant to the foregoing provisions of this subsection;

(2) if necessary, the appointment of the secretary of such Membership Meeting pursuant to the foregoing provisions of this subsection;

(3) 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;

(4) the presentation of the Secretary's written certification that each Unit Owner and Proxy Holder has been given such notice of such Membership Meeting in accordance with these By-Laws.

(5) 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;

(6) 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;

(7) the presentation of any report to be given by any other Officer, the Board of

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Directors or any committee created pursuant to these By-laws;

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

(9) any unfinished business;

(10) any new business; and

(11) adjournment.

(ii) The order of business to be considered at any Special Membership Meeting shall be limited to:

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

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

(3) the call by the secretary of such Membership Meeting of the roll of all Unit Owners and Proxy Holders whose names are listed in 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;

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

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

(6) adjournment.

2.3.6. Voting at Membership Meetings.

(a) (i) 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.



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(ii) 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) With respect to 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 Proxy Holder thereof,

(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 prior to 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, prior to such voting, is designated a Voting Representative by such Unit Owner in accordance with the provisions of Section 7.1 shall be the 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,



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(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, prior to 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 Section 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 himself or Proxy Holder itself which is referred to in the provisions of Section 7.1.

(d) Except as may otherwise be set forth in any provision of the Declaration, these By-Laws 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 By-Laws 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 to 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 unless such person is a Mortgagee or a Lessee of the Unit to which such Votes are attendant, such Proxy shall not be effective for more than one hundred eighty (180) days after its having been given except with respect to a vote to amend these By-Laws, in which event the Proxy shall not be effective for more than ninety (90) days after its date.

2.3.7. Informal action. Whenever the Membership is required or permitted by the provisions of the Declaration or these By-Laws 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 the effectiveness thereof, is conditioned by any of such provisions upon the Membership's having given its approval or consent thereto

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or upon its having 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 question, 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 five (5) 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 required.

2.4.2. Terms of directorships.

(a) The initial members of the Board of Directors shall be appointed by the Declarant and 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 shall be elected to each Director whose term then expires. Two such successors shall be elected to serve for a term of three (3) years, two such successors shall be elected to serve for two (2) years, and one such successor shall be elected to serve for one (1) year.

(ii) At each subsequent Annual Membership Meeting, a successor shall be elected to the Director whose then term then expires, to serve for a term of three (3) years.

(c) Anything contained in the provisions of this subsection to the contrary notwithstanding, each

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Director shall serve as such until his successor has been elected and qualified.

2.4.3. 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. 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, of three or more Units 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 such Unit Owner, or Unit Owners, by not later than fifteen (15) days before such Annual Membership Meeting.

(c) By not later than ten (10) days before the date of such Annual Membership Meeting, each Unit Owner and Proxy Holder shall be furnished a written list of all such nominees for directorships and shall be furnished with 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 in alphabetical order.

2.4.4. 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. Where more than one (1) directorship is being filled and such positions are for differing terms, such positions shall be filled in the order of the length of their terms so that the two nominees receiving the largest number of votes shall be elected for the two three



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year terms, the two nominees receiving the next largest number of votes shall be elected for the two two year terms and the nominee receiving the next largest number of votes shall be elected for the one year term.

(c) Each Voting ,Representative 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).

2.4.5. 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.

2.4.6. 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 two-thirds (2/3) of the outstanding Votes, at any Annual Membership Meeting, or at any Special Membership Meeting duly called for such purpose.

2.4.7. Board Meetings.

(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 each quarter on the first Thursday thereof of February, May, August and November of each year, or on any other day which the Board of Directors selects, and at such time and place as it from time to time selects.

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(c) Once the date, time and place of the regular Board Meetings are selected, 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 to be a waiver by him of his right to be given notice thereof.

2.4.8. 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 By-Laws 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.

2.4.9 Unit Owners' attendance 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 for that Board Meeting at which the Council's budget is to be approved and adopted pursuant to the provisions of subsection 3.1.4(a)) to be given notice of any Board Meeting or to participate in the deliberations of the Directors thereat.

(b) (i) Each Unit Owner and Proxy Holder shall have the right to be heard on the question of the

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approval and adoption of the Council's budget at the Board Meeting at which such actions are to be taken, as aforesaid.

(ii) By not later than ten (10) 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.

2.4.10. Powers and duties of the Board of Directors.

(a) 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 paragraph shall be deemed in any way to alter or impair the operation and effect of any provision of the Act, the Corporations and Associations Article of the Code, other applicable law, the Declaration or these By-Laws pursuant to which the Council's right to take any action is conditioned upon such action's having been authorized or approved by the Membership.

(b) 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:

(i) Management of the Common Elements. to operate, manage, maintain, renew, replace, repair and protect the Common Elements and all Council Property;

(ii) 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;

(iii) Assessments. to levy Assessments in accordance with the provisions of Article III;

(iv) Expenditures. to authorize the use and expenditure of any or all Council Receipts for the operation, management, maintenance, renewal, replacement,



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repair and protection of the Common Elements and Council Property, provided that the Council may make no single expenditure for any capital improvement which exceeds \$10,000.00, unless it is authorized both by the Board of Directors and by the Membership at a Membership Meeting;

(v) Selection of the Manager. to employ or contract with one or more persons to manage the Condominium and/or the affairs of the Council; 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 which is set forth in the provisions of the Act, the Declaration or these By-Laws;

(vi) 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 shall be paid by the Council as part of the Common Expense);

(vii) Taxes; liens; water and sewer rents. to pay all taxes and assessments levied or liens imposed against any of the Condominium or any Council Property; provided, that

(1) any such tax or assessment which is levied separately against a particular Unit or is otherwise chargeable under applicable law directly and separately to a particular Unit Owner shall be paid by such Unit Owner;

(2) any tax or assessment which is levied against the Condominium as a whole before a separate tax or assessment is levied against each Unit in accordance with the provisions of Section 11-114 of the Act may be paid by the Council as part of the Common Expenses; and

(3) any charge for water, gas, sewer service, electricity or any other utility service

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which is provided to the Common Elements or is 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;

(viii) Employees, services and materials. to employ and dismiss such clerks, workmen, janitors, watchmen and other personnel, and to 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;

(ix) Collection of delinquent assessments. to collect any unpaid and delinquent Assessment, any interest accrued thereon and any costs and 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), whether by suit or otherwise;

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

(xi) 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;

(xii) Audits and books of account.  
to (1) 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 as the Board of Directors deems necessary;

(2) 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; and

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(3) 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;

(xiii) Insurance

to (1) procure and maintain insurance in accordance with the provisions of Section 4.3; and

(2) 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 Act, the Declaration and these By-Laws;

(xiv) Condemnation proceedings. to exercise and perform, on behalf of the Council, its rights and duties as to the prosecution and defense of condemnation proceedings pursuant to the provisions of Article V;

(xv) Lease or license of Common Elements. to lease or license the use of any of the Common Elements in a manner which is consistent with the rights of the Unit Owners under the Act, the Declaration or these By-Laws, including any portion of the Common Elements adjacent to Parking Units for the purpose of temporary vehicular parking provided: (i) the owners of Parking Units shall have access for ingress to and egress from their Parking Units at all times and (ii) such space shall be leased, upon such terms and at such rental as the Board shall determine, with Unit Owners being given priority over other users of such space.

(xvi) Designation of title holder. to (1) designate a nominee for the purpose of acquiring title to any Unit purchased by the Council; (2) 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 (3) authorize the President or any other person to execute, attest, enseal and acknowledge, on behalf of the Council, any and all mortgages, leases or other instruments, where necessary to accomplish any such purpose;

(xvii) Personal Property. to cause the Council to acquire by purchase or otherwise, and to



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own, use, improve, mortgage, sell, dispose of and otherwise deal with, any Council Property, wherever located;

(xviii) 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 which the Board of Directors estimates would cost more than \$10,000.00; 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 or Unit Owners in such proportion as the Board of Directors determines to be fair and equitable, provided that such Unit Owners have requested in writing that the same be made, and that prior to 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;

(xix) 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.

2.4.11. Limitation of Directors' liability.

(a) No Director in his capacity as such, nor the Developer (or any subsidiary or officer of Developer) nor any employee, agent, successor or assign of Developer shall, except in the event of his own individual willful misconduct or gross negligence in the performance of his 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, from any pipe, drain, conduit, appliance, equipment or other place; (ii) to any

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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), which are reasonably 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 the Director is adjudged guilty of gross negligence or willful misconduct in the performance of his duties; provided, that the foregoing provisions of this paragraph shall not be applicable 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 paragraph shall be part of the Common Expenses. Nothing in the foregoing provisions of this paragraph shall be deemed to alter or impair any right to indemnification to which such Director and/or Officer 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 which is executed on behalf of the Council by any Director or Officer shall provide that such Director or Officer 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. The failure to include such a provision shall not affect the validity of the instrument or the limitation of liability expressed herein. Any damages or expenses which are awarded against or incurred

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by the Council and arise out of such liability shall be paid by the Council as part of the Common Expenses.

2.4.12. Compensation of Directors. Each Director shall serve as such without compensation, except to the extent that such compensation is expressly authorized by the Unit Owners.

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) a natural person; (ii) at least twenty-one (21) years old; and (iii) either (1) alone or in combination 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 (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 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 con-



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duct of the affairs of the Council), 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 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 is present; (b) record all Votes cast on questions 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 these By-Laws) as well as such other duties as are prescribed by these By-Laws or by the Board of Directors or the President; and (e) keep at the office of the Council the roster referred to in the provisions of Section 6.1 hereof, as well as copies of the Declaration, the Condominium Plat, these By-Laws 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; (e) submit to the Board of Directors and the Membership such reports thereof as the Declaration, these By-Laws, applicable law or the Board of Directors from time to time require (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

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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 office of the Council; and (iv) be available there for inspection by the Unit Owners, prospective Unit Owners and each Mortgagee during the Council's regular business hours); 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 present at each Annual Membership Meeting an audit 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 audit shall be delivered to each Unit Owner by not less than five (5) days prior to 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 which are reasonably incurred by him in the discharge of 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 and is then an Officer shall also be deemed thereby to have been removed from such office.

2.5.9. Filling vacancies in offices. If any office becomes vacant by reason of an Officer's death, resignation, retirement, disqualification, removal from office or otherwise, the Directors shall, at a Board Meeting duly called for such purpose, elect his successor.

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.

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Section 2.6. Resident agent. The name and post office address of the resident agent of the Condominium and the Council in Maryland shall be Donovan M. Hamm, Jr., Esquire, 1300 Mercantile Bank & Trust Building, 2 Hopkins Plaza, Baltimore, Maryland 21201. Such resident agent (a) is authorized to accept on behalf of the Council service of process in any action relating to the Common Elements, or the Council, and (b) shall serve until his successor is designated as provided by Section 11-116 of the 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 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 which is 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 shall have begun, as aforesaid.

ARTICLE III. ASSESSMENTS.

Section 3.1. Procedure for levying Assessments. Any determination by the Council to levy Assessments pursuant to the provisions of the 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 annual Assessments (each of which is hereinafter referred to as an "Annual Assessment") and special Assessments (each of which is hereinafter referred to as a "Special Assessment").

(b) (i) The proceeds of the Annual Assessments may be used by the Council to defray any Common Expenses.



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(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 for unreported Common Expenses.

3.1.2. Period of Assessments.

(a) Each Assessment shall be levied with respect to 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.

(b) Not more than one Annual 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, (i) the respective amounts of any Annual Assessments or 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 (ii) 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 become due and payable

(a) By not later than the sixtieth (60th) day prior to the commencement of an Assessment Year, the Board of Directors shall adopt a budget for the Council for such Assessment Year, which shall set forth for such Assessment Year (i) the aggregate amount of the Annual Assessments to be levied, and (ii) the respective amount of the Annual Assessment to be levied against each Unit. By not later than the forty-fifth (45th) day prior to the commencement of such Assessment Year, 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 in monthly or other installments in accordance with a schedule determined by the Council.

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(c) Such Annual Assessments (or the initial installment thereof, if payable in installment) 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 thereof 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 first (1st) day of the Assessment Year for which it is levied; or (ii) any later date specified therefor by the Association (and any subsequent installments thereof shall be due on the respective 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 the payment of each Assessment (or each installment thereof, if payable in installments) which becomes due with respect to a Unit either (i) while he is the Unit Owner thereof, or (ii) prior to his having become the Unit Owner thereof if either (1) a statement of condominium lien with respect to such Assessment is recorded among the Land Records prior to his having become the Unit Owner thereof, pursuant to the provisions of Section 11-110 of the Act, or (2) he became the Unit Owner thereof other than by a "grant for value", as that term is used in the said provisions.

(b) A Unit Owner may not avoid such liability by (i) waiving any right to the use of the Common Elements or otherwise which he holds under the provisions of the Act, the Declaration, these, By-Laws or otherwise, (ii) abandoning or otherwise terminating his use of such Unit, or (iii) conveying the title to such Unit after the same 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 Unit for the recovery of 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 the payment of any Assessment or installment thereof which becomes due with respect to a

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Unit, other than as set forth in the foregoing provisions of this Section.

Section 3.3. Assessment Lien; priority thereof.

3.3.1. Statement of Condominium lien.

(a) At any time after an Assessment is levied against a Unit and before it is paid in full to the Council, the Council may execute and record among the Land Records, in accordance with the provisions of Section 11-110 of the Act, a statement of condominium lien with respect to such Assessment (or any installment thereof, if payable in installments and if the Council elects to make such statement of condominium lien applicable to such installment rather than to such Assessment in full).

(b) The form of any such statement of condominium lien shall be determined by the Association in the exercise of its sole discretion, provided that, upon its having been executed and recorded among the Land Records, it constitutes a "statement of condominium lien" for purposes of the provisions of Section 11-110 of the Act.

3.3.2. 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 condominium lien with respect to such Assessment or installment is recorded among the Land Records pursuant to the provisions of Section 11-110 of the Act and the provisions of subsection 3.3.1 until such Assessment or installment is paid, provided that such statement of condominium lien is recorded among the Land Records prior to both (a) the second (2nd) anniversary of the date upon which such Assessment or installment first becomes due, and (b) the recordation among the Land Records of a deed or other instrument which effects a "grant for value" (as that term is used in the provisions of Section 11-110(d) of the Act) of such Unit by the person who was the Unit Owner of such Unit at the time when such Assessment or installment first became due.

3.3.3. 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 prior to the recordation thereamong of a statement of condominium lien creating such Assessment Lien.



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3.3.4. 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 law 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 the said City.

(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, (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 interest 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 upon which it first becomes due, until paid, at the lesser of (i) the rate of twelve percent (12%) per annum, or (ii) the highest rate of interest which from time to time is permitted by applicable law to be charged with respect to the same.

Section 3.5. Council's recovery of unpaid Assessment.

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 the payment of any or all of an Assessment, both

(a) a money judgment 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

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(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, reasonable attorneys' fees).

3.5.2. Limitation on action. Anything contained in the foregoing provisions of this Section to the contrary notwithstanding, no such action or proceeding may be brought to foreclose upon such Assessment Lien or otherwise to recover any of such Assessment, unless

(a) it is brought by the third, (3rd) anniversary of the date on which such Assessment (or the initial installment thereof, if payable in installments) first became due, and

(b) a written notice of the Council's intention to initiate the same is given to both the then-Unit Owner of the Unit against which such Assessment has been levied, and any person against whom such action or proceeding is to be brought, by not later than ten (10) days prior to such initiation.

Section 3.6. Certificate as to payment or non payment. The Council shall, upon written request at any time by any person who is liable for the 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 the payment of each Assessment or installment thereof which is therein stated to have been paid.

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

Section 4.1. Insurance to be 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 which are enumerated in the provisions of Section 4.3 upon the Condominium (including all of the Units and the Common Elements) all personal property located within the Common Elements, and all Council Property.

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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, any family member, invitee, visitor or guest of any Unit Owner, or any Tenant or other occupant of any Unit. Any Unit Owner who desires to obtain any such insurance shall be responsible for doing so at his initiative and expense, and in accordance with the provisions of Section 4.4.

4.1.5. Review. The Board of Directors shall review the Council's insurance requirements and limits thereof once during each of its fiscal years.

4.1.6. Payment of premiums. The Council shall pay the premiums for such insurance as part of the Common Expenses.

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 the Council and to be held by the Council for disposition in accordance with the provisions of these By-Laws. 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 interest in the Common Elements held 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 provisions (a) that the insurer waives its rights to subrogation as to any claim against the Council, any Officer, Director,



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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, and (b) that the insurer shall not be entitled to contribution from the issuer of any insurance which may be purchased by any Unit Owner in accordance with the provisions of Section 4.4. 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 prior to the expiration of the term of each such policy, 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 equal to the full replacement value of all insurable improvements which form part of the Condominium as constructed on the date hereof, exclusive of wall coverings, carpeting and any built-ins contained within any 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 which is determined by the Board of Directors, but shall not exceed \$10,000.00.

(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 with respect to 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 or windstorm)

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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 give the carrier the right 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 Act, without the approval of those Unit Owners whose approval thereof is required by such provisions.

(c) The policies affording such coverage shall provide (i) that such policies may not be cancelled or substantially modified without at least thirty (30) days prior written notice thereof having been given to each insured (including by way of example rather than of limitation, each insured Mortgagee), and (ii) that certificates of such insurance and all renewals thereof, together with acknowledgment of payment of premiums, shall be delivered to each Unit Owner and insured Mortgagee upon request.

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 (\$1,000,000.00) for any one occurrence, and in respect of property damage of not less than one hundred thousand dollars (\$100,000.00) for any one occurrence, and may have such higher limits of coverage, and may be in such form, as shall from time to time be 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

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Receipts or Council Property, in such amounts as are from time to time determined by the Board of Directors.

4.3.5. Other insurance. Such other coverage as the Board of Directors may deem advisable.

Section 4.4. Insurance to be 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 which is located anywhere upon the land or within the improvements which constitute the Condominium, and (b) personal liability incurred by such Unit Owner and arising out of the use of such Unit Owner's Unit by any person, but each policy which affords such coverage shall contain 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 shall have no right of contribution against any casualty insurance affording coverage against such risk held 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 hereof is reduced because of proration of, or right of contribution from, any insurance against the same risk which is 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 By-Laws for the distribution of the proceeds which are payable under the said policy held by the Council, as aforesaid.



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Section 4.5. Proceeds of insurance.

4.5.1. Receipt and distribution of proceeds by Council.

(a) The Council shall receive any proceeds which are payable under any policy of insurance held by it pursuant to the provisions of this Article, and shall hold and distribute the same in trust for the purposes set forth in these By-Laws, for the benefit of the Unit Owners, their respective insured Mortgagees, the Council and any other insured thereunder.

(b) 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 which are payable under policies purchased by the Council.

4.5.3. Repair or reconstruction following a casualty.

(a) Except as may be otherwise provided by the Act, the Declaration or these By-Laws, if any of the improvements which are 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 of the same 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, 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 such Unit Owner 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

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levied against his Unit as a result of any such declaration by the Council.

(c) The Council shall (subject to the operation and effect of the provisions of Section 4.6) be responsible for restoring such improvements to and only to substantially the same condition as they were in immediately prior to the occurrence of any damage to, or the destruction of, the same. 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 the destruction of, any or all of the Condominium which the Council is required by these By-Laws 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 with such repair).

4.5.5. Construction fund. Any proceeds of insurance received by the Council as a result of any damage to, or the 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 fifty thousand dollars (\$50,000.00), 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.

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(b) If the amount of the estimated cost of reconstruction and repair of the damaged or destroyed portion of the Condominium is not less than fifty thousand dollars (\$50,000.00), 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 sum 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, such portion shall be retained by the Council as part of its general funds.

Section 4.6. Substantial or total destruction.

4.6.1. Right of partition. If the improvements within the Condominium are damaged or destroyed by fire or other casualty and the cost of the repair and reconstruction thereof (as estimated by such architect pursuant to the provisions of subsection 4.5.5(b)) exceeds two-thirds (2/3) their, then replacement cost, unless the Unit Owners, within sixty (60) days after the occurrence of such casualty, unanimously resolve to proceed with such repair and reconstruction, the Condominium shall be deemed to be owned in common by all of the Unit Owners in the same proportion as their respective undivided percentage interests in the Common Elements, and shall be subject to an action for partition at the suit of any Unit Owner or Mortgagee.



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4.6.2. 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 and of any insurance which are payable to the Council as a result of such damage or destruction shall be held by it in one fund, which shall be distributed by the Council or by any insurance trustee, as the case may be, 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.

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; provided, that the Council 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, in the event of 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 which is 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 the Condominium 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.

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Section 5.3. Substantial or total Condemnation.

5.3.1. Right of partition. If (a) more than two-thirds (2/3) in number 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, then, with the written approval of one or more Mortgagees having first Mortgages on at least two-thirds (2/3) of all of 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 in 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 By-Laws, 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 prior to such Condemnation,

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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 prior to such Condemnation as the ratio which the floor area of the Unit immediately after such Condemnation bears to the floor area of the Unit immediately prior to 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 prior to 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, an 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. USE OF UNITS.

Section 6.1. Structural changes. No Unit Owner shall (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 which lie within the space included within any Unit), or repair, alter, replace, paint, decorate or change any portion of his Unit which is visible from any other Unit or from the Common Elements, without obtaining the Council's prior written consent thereto; or (b) take any action which (i) tends to impair the structural integrity, soundness or safety of any part of the Building;



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(ii) impairs the existence of, or the ability to enjoy, any easement, right or hereditament appurtenant to any Unit or the Common Elements; or (iii) adversely affects the Common Elements or the ability to use and enjoy the same, without first obtaining the written consent thereto of each Unit Owner whose Unit or enjoyment thereof may be affected thereby.

Section 6.2. Rights and responsibilities of Unit Owner with respect to use and maintenance of Units.

Each Unit Owner shall

(a) maintain, repair or replace at his own expense any portion of his Unit which may cause injury or damage to any other Unit or the Common Elements;

(b) paint, wallpaper, plaster, decorate and/or otherwise maintain the exposed surfaces of all portions of his 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, front stoop, patio and floors, if and to the extent that any of the same are part of his Unit)

(c) pay any expense which is 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 of any Tenant, Contract Purchaser, or other occupant or user of his Unit;

(d) exercise his rights and perform his duties under the provisions of the Act, the Declaration and these By-Laws in such manner and at such hours as will not unreasonably disturb any other Unit Owner;

(e) prior to performing any repair work of any kind, the responsibility for which lies with the Council, furnish the Council with written notice of the same (provided that the Council's failure to take action on any such notice shall not be deemed a waiver by it of its said responsibility, a consent by it to the taking of such action, or an agreement by it to bear the expense of such work; and further provided, that the Unit Owner shall abide by any terms specified by the Council relating to the conduct of such work);

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(f) comply in every respect with the Rules and Regulations, as the same are from time to time promulgated by the Council;

(g) carpet at least 85% of the floor area comprising any Residential or Commercial Unit (exclusive kitchen and bathrooms) with carpeting material meeting all applicable fire code provisions and regulations; and

(h) not keep any pets within any Unit.

6.2.2. All Commercial Units may be used for residential or commercial purposes, provided that any such commercial use shall comply with all applicable zoning and other governmental restrictions. All Garage Units shall be used only for the parking of not more than one automobile. All Residential Units shall be used only for residential purposes.

ARTICLE VII. MISCELLANEOUS PROVISIONS.

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

7.1.1. Duty to furnish information. Immediately upon a person's having become the Unit Owner or a Mortgagee of a Unit, or the Proxy Holder of a Unit Owner's Votes, such Unit Owner, Mortgagee or Proxy Holder shall in writing both notify the Council of its status as such and supply the following information to the Secretary:

(a) the full and correct name of such Unit Owner, Mortgagee or Proxy Holder;

(b) the number of the Unit of which such person is a Unit Owner or Mortgagee, or for the Unit Owner of which such person 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 consists, 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;

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(e) a single 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 which is required to be supplied by the foregoing provisions of this Section, such person shall have no right under the provisions of the Act, the Declaration or these By-Laws (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 or cast 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.

7.1.3. Maintenance of and reliance on roster. The Secretary shall maintain on a current basis a roster showing, with respect to each Unit, any and all information pertaining to the Unit Owner thereof, 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 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 the provisions of the Act, the Declaration or these By-Laws as to whom any notice,



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demand, consent, approval, request or other communication or document is to be given or delivered by the Council or any Director or officer thereof, 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 of its Directors or Officers.

Section 7.2. Notices. Any notice, demand, consent, approval, request or other communication or document which is to be provided hereunder by the Council or any Director, Officer or other person, to any person shall be in writing, and (a) shall be deemed to have been provided forty-eight (48) hours after having been deposited in the United States mails, postage prepaid, and addressed (i) if the addressee is a Unit Owner, Proxy Holder, Voting Representative or Mortgagee who (in accordance with the provisions of Section 7.1 hereof) 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 roster which is referred to herein, and (ii) 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 (iii) if the addressee either (A) has not so notified the Council and furnished the Secretary with such information, or (B) 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 (b) shall be deemed to have been provided upon 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 By-Laws or any amendment hereto is invalid or unenforceable in any instance shall affect the validity or enforceability of (a) any other provision of these By-Laws or of such amendment, 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 law, and shall be construed wherever possible as being consistent with applicable law.

Section 7.4. Amendment. These By-Laws may be amended in, and only in, the manner set forth in the Act.

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Section 7.5. Applicable law. These By-Laws shall be given effect and construed by application of the law 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 the contents thereof.

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; and (b) in the singular or plural number shall be deemed to have been made, respectively, in the plural or singular number as well.

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REC'D FOR RECORD APR 4 1979 2:34 P.M. & RECORDED IN THE LAND RECORDS OF BALTIMORE CITY, LIBER W.A. 3742 PAGE 95 WILLIAM ALLEN, CLERK