

OLDE TOWNE VILLAGE CONDOMINIUM

BY-LAWS

ARTICLE I

PLAN OF OWNERSHIP

1. Condominium Submission. The Condominium Project known as "Olde Towne Village Condominium" (hereinafter called the "Condominium") located in Prince George's County, Maryland, has been declared and constituted a Horizontal Property Regime by the Master Deed to which these By-Laws are appended as a part, and shall be governed by the said Master Deed and these By-Laws.

2. By-Laws Applicability. The provisions of these By-Laws are applicable to the Property described in the Master Deed, including the land, the buildings, and all improvements and structures thereon, as well as all easements, rights-of-way and appurtenances thereunto belonging, and the use, occupancy, sale, lease or other transfer thereof. All owners of any freehold or leasehold interest, all occupants or users of the premises, and the agents and servants of any of them are subject to the provisions of the Master Deed, these By-Laws, and the applicable laws of the State of Maryland.

3. Personal Application. All present and future Co-Owners, tenants, future tenants, their guests, licensees, servants, agents, employees and any other person or persons that shall be permitted to use the facilities of the Condominium, shall be subject to these By-Laws and to the rules and regulations issued by the Council of Co-Owners to govern the conduct of its members. Acquisition, rental, or occupancy of any of the Units in the Condominium shall constitute an acknowledgement that the said Co-Owner, tenant or occupant has accepted and ratified these By-Laws, the provisions of the Master Deed and the rules and regulations of the Council of Co-Owners and will comply with them.

ARTICLE II

COUNCIL OF CO-OWNERS

1. Constitution. There is hereby constituted the Council of Co-Owners of Olde Towne Village Condominium (hereinafter called the "Council"), which shall be comprised of every person, firm, corporation, trust or other legal entity, or any combination thereof, which owns any Unit in the Condominium.

2. Voting. Voting at all meetings of the Council, in person or by proxy, shall be on a percentage basis with the Co-Owner of each Unit being entitled to vote the individual percentage allocated to his Unit in paragraph FOURTH of the Master Deed. Where a Unit is owned by more than one person, all the Co-Owners thereof shall be collectively entitled to the vote assigned to such Unit and such Co-Owners shall, in writing, designate an individual who shall be entitled to cast the vote or votes on behalf of the Co-Owners of such Unit of which he is a part owner until such authorization shall have been changed in writing.

3. Majority of Co-Owners. "Majority of Co-Owners" means Co-Owners representing 51% or more of the total value of the Condominium.

4. Duties. The Council shall be responsible for over-all policy and administration of the Condominium, but, except as otherwise provided in these By-Laws or by statute, shall act by and through its elected Board of Directors.

5. Place of Meeting. Meetings of the Council shall be held at such place as may be designated by the Board of Directors and stated in the notice of the meeting.

6. Annual Meeting. The first annual meeting of the Council shall be held at 8:00 p. m., on September 16, 1974, at a place to be designated by the Board of Directors, or on such earlier date as may be established by the Board of Directors. Thereafter, the annual meetings of the Council shall be held at 8:00 p. m. on the third Monday in the month of September of each succeeding year, if not a legal holiday, and if a legal holiday, then on the next secular day following. At such meetings there shall be elected by ballot a Board of Directors in accordance with the requirements of these By-Laws. The Council may also transact such other business as may properly come before it.

7. Notice of Annual Meeting. Written notice of the annual meeting shall be served upon or mailed to (such mailing to be considered notice served) each Co-Owner entitled to vote thereat at least ten (10) days but not more than sixty (60) days prior to the meeting.

8. Special Meeting. A special meeting of the Council for any purpose or purposes, unless otherwise prescribed by statute, may be called by the President of the Council, and shall be called by the President if so directed by resolution of the Board of Directors or upon a petition signed by Co-Owners representing thirty per centum (30%) or more of the total value of the Condominium and presented to the Secretary of the Council. Such petition shall state the purpose or purposes of the proposed special meeting. No business shall be transacted at a special meeting, except as stated in the notice.

Notwithstanding the above provision, no special meeting may be called until after the first annual meeting, except upon resolution of the Board of Directors.

9. Notice of Special Meeting. Written notice of a special meeting, stating the time, place and object of such meeting and the specific action to be taken thereat, shall be served upon or mailed (such mailing to be considered notice served) to each Co-Owner entitled to vote thereat at least ten (10) days but not more than sixty (60) days before such meeting.

10. Voting Requirements. A Co-Owner shall be deemed to be in "good standing" and "entitled to vote" at any annual meeting or at any special meeting of the Council if, and only if, he shall have fully paid all assessments made or levied against him and his Unit by the Board of Directors as hereinafter provided, together with all interest, costs, attorney's fees, penalties and other expenses, if any, properly chargeable to him and against his Unit,

at least three (3) days prior to the date fixed for such annual or special meeting.

11. Proxies. At all meetings of the Council, each Co-Owner having the right to vote shall be entitled to vote in person, or by proxy appointed by an instrument in writing subscribed by such Co-Owner for such meeting. Such proxy shall only be valid for such meeting or subsequent adjourned meetings thereof. Proxies must be filed with the Secretary of the Council at least two (2) days before the time appointed for each meeting in the notice. A Co-Owner may appoint any other Co-Owner or the Grantor as his proxy. In no case may any Co-Owner except the Grantor or his agent cast more than one vote by proxy in addition to his own vote.

12. Quorum. Except as may otherwise be provided herein or by statute, a Majority of Co-Owners shall constitute a quorum for the adoption of decisions. If, however, such quorum shall not be present or represented at any meeting, the Co-Owners entitled to vote thereat, present in person or represented by proxy, shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting originally called.

13. Council Action. When a quorum is present at any meeting, the vote of a majority of the Co-Owners present in person or represented by proxy shall decide any question brought before such meeting, unless the question is one upon which by express provision of the statutes, or of these By-Laws, a different vote is required, in which case such express provision shall govern and control the decision of such question.

14. Order of Business. The order of business at all meetings of the Council of Co-Owners shall be as follows: (a) roll call; (b) proof of notice of meeting or waiver of notice; (c) reading of minutes of preceding meeting; (d) reports of officers; (e) reports of committees; (f) election of inspectors of election, if applicable; (g) election of directors, if applicable; (h) unfinished business; and (i) new business.

15. Dispensing with Vote. Whenever the vote of the Co-Owners at a meeting is required or permitted by any provisions of the statutes or of these By-Laws to be taken, the meeting and vote of Co-Owners may be dispensed with, if all the Co-Owners who would have been entitled to vote upon the action, had such meeting been held, shall consent in writing to such action being taken.

ARTICLE III

BOARD OF DIRECTORS

i. Powers and Duties. The affairs and business of the Condominium shall be managed by a Board of Directors, sometimes hereinafter referred to as the "Board", which may exercise such powers and perform such duties and lawful acts as are not required by statute or these By-Laws to be performed by the Council or others. The Board of Directors shall have the power and authority to adopt rules and regulations from time to time for the administration of the affairs of the Condominium and the enjoyment of its Co-Owners, provided that no rule or regulation shall be in conflict with the

statutes or these By-Laws, and provided further that no rule or regulation shall be so construed as to impair in any manner the lien of any mortgagee or holder of a note secured by a mortgage or deed of trust if said rule or regulation is enacted after the execution of said mortgage or deed of trust.

2. Responsibilities of the Board. It shall be the responsibility of the Board of Directors:

- (a) To provide for the care, upkeep, protection, maintenance, and improvement of the common elements of the Condominium, and in connection therewith, to enter into service, employment, and other contracts incident thereto, and to employ, supervise and dismiss employees, agents and attorneys required therefor.
- (b) To prepare for submission to the annual meeting of the Council a budget to facilitate the establishment of the amount to be assessed against the Co-Owners for common expenses and limited common expenses.
- (c) To collect such assessments, deposit them in a bank, and utilize the same for administration of the Condominium.
- (d) To obtain insurance as hereinafter provided.
- (e) To enforce the provisions of the Master Deed, these By-Laws and any amendments thereto, and such rules and regulations as the Board may issue from time to time, including the right to sue on behalf of the Council and the Condominium.
- (f) To establish reasonable reserve funds for emergencies and unforeseen contingencies and the repair and replacement of common elements.

3. Management. The Condominium, by and through the Board, shall employ for the Council a professional Management Agent at a compensation to be established by the Board to perform such duties and services as the Board shall authorize including, but not limited to, the duties listed in section 2 of this Article III. The Condominium shall not employ any new Management Agent without thirty (30) days prior written notice to the institutional holders of all first mortgages on the Units and the Board shall not employ a Management Agent nor enter into a management contract, nor itself undertake management of the Condominium, unless the said institutional holders of such first mortgages approve in writing the proposed management contract, or other management arrangements. This section 3 of Article III of these By-Laws was adopted as an inducement to such institutional lenders to make loans to Co-Owners purchasing Units in the Condominium. In case of default, such lenders may apply to any appropriate court for specific performance of this condition and the Condominium shall be responsible for all costs connected with such action, including reasonable attorney's fees for counsel for such institutional holders of first mortgages.

4. Validity of Contracts. No contracts or other transaction between the Board and any other legal entity, and no act of the Board shall in any way be affected or invalidated by virtue of the fact that any of the officers or directors

of the Board are pecuniarily or otherwise interested in, or are directors or officers of, such other legal entity.

5. Number of Directors and Initial Selection of Board. The number of directors which shall constitute the whole Board shall be not less than three (3) nor more than seven (7). The initial Board of Directors shall be comprised of three (3) persons appointed by the Grantor named in the Master Deed, and shall serve until the election of the Board of Directors takes place at the first annual meeting of the Council. The Grantor's appointees need not be residents of, nor owners of, any Unit in the Condominium, and the Grantor shall have the right in its sole discretion to replace such directors and designate their successors if vacancies occur for any reason.

6. Election and Term of Office. At the first annual meeting of the Council seven (7) directors shall be elected. The term of office of four (4) directors shall be fixed at one (1) year and the term of office of three (3) directors shall be fixed at two (2) years. At the expiration of the initial term of office of each respective director, each successor shall be elected at subsequent annual meetings of the Council to serve a term of two (2) years. The directors shall hold office until their successors have been elected and hold their first meeting.

Anything contained in these By-Laws to the contrary notwithstanding, so long as the Grantor continues to be the owner of ten (10) or more Units in the Condominium, he shall have the right to select a majority of the Board of Directors and to fill any vacancy occurring from the death, resignation or removal, by Grantor or Council, of any director chosen by it, and so long as the Grantor continues to be the owner of five (5) Units in the Condominium, he shall have the right to select one member of the Board of Directors and to fill any vacancy occurring from the death, resignation or removal, by Grantor or Council, of any such director. This last paragraph of Article III, section 6, may not be changed except by unanimous vote of the Co-Owners.

7. Organization Meeting. The first meeting of a newly elected Board of Directors shall be held within ten (10) days of election at such place as shall be fixed by the directors at the meeting at which such directors were elected, and no notice shall be necessary to the newly elected directors in order legally to constitute such meeting, providing a majority of the whole Board shall be present.

8. Regular Meeting. Regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by a majority of the directors, but at least two such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each director, personally or by mail, telephone or telegraph, at least three (3) days prior to the day named for such meeting.

9. Special Meeting. Special meetings of the Board of Directors may be called by the President on three days' notice to each director. Such notice shall be given personally or by mail, telephone or telegraph, and such notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of at least three (3) directors.

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

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

12. Vacancies. Except as provided in Sections 5 and 6 of this Article III, vacancies in the Board of Directors caused by any reason other than removal of a director by a vote of the Council shall be filled by vote of the majority of the remaining directors, even though they may constitute less than a quorum of said Board; and each person so elected shall be a director until a successor is elected at the next annual meeting of the Council.

13. Removal of Directors. Except as provided in Sections 5 and 6 of this Article III, a director may be removed with or without cause, and his successor elected at any duly called meeting of the Council at which a quorum is present by an affirmative vote of a majority of the votes represented and voting. Any director whose removal has been proposed by the Co-Owners shall be given an opportunity to be heard at the meeting.

14. Compensation. Directors, as such, may receive for their services such compensation as shall be determined by the Board from time to time. Directors appointed by the Grantor shall serve without compensation for their services as directors. Nothing herein contained shall be construed to preclude any director from serving the Council in any other capacity and receiving additional compensation therefor.

15. Report of Board of Directors. The Board of Directors shall present at each annual meeting, and when called for by vote of the Council at any special meeting of the Council, a full and clear statement of the business and condition of the Condominium.

16. Fidelity Bonds. The Board of Directors may require that all officers, agents and employees of the Council handling or responsible for funds furnish adequate fidelity bonds. The premiums on such bonds shall be paid by the Council.

ARTICLE IV

OFFICERS

1. Designation. The principal officers of the Council shall be a President, a Vice President, a Secretary, and a Treasurer, all of whom shall be elected by the Board. The Board may appoint assistant secretaries

and such other officers as in its judgment may be necessary. With the exception of the President, no officer need be a member of the Board. Two or more offices may be held by the same person, save the President shall not hold any other office.

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

3. Removal of Officers. The officers shall hold office until their respective successors are chosen and qualify in their stead. Any officer elected or appointed by the Board of Directors may be removed at any time by the affirmative vote of a majority of the whole Board. If the office of any officer becomes vacant for any reason, the vacancy shall be filled by the Board of Directors.

4. President. The President shall be the chief executive officer; he shall preside at meetings of the Council of Co-Owners and the Board of Directors and shall be an ex-officio member of all committees; he shall have general and active management of the business of the Condominium and shall see that all orders and resolutions of the Board are carried into effect.

5. Vice President. The Vice President shall, in the absence or disability of the President, perform the duties and exercise the powers of the President, and shall perform such other duties as the Board of Directors shall prescribe. If neither the President nor the Vice President is able to act, the Board of Directors shall appoint a member of the Board to do so on an interim basis.

6. Secretary. The Secretary shall attend all sessions of the Board of Directors and all meetings of the Council and record all votes and the minutes of all proceedings in a book to be kept by him for that purpose and shall perform like duties for committees when required. He shall give, or cause to be given, notice of all meetings of the Council, the Board and committees and shall perform such other duties as may be prescribed by the Board or President. The Secretary shall compile and keep up to date at the principal office of the Council, a complete list of the Co-Owners and their last known post office addresses. This list shall be open to inspection by all Co-Owners and other persons lawfully entitled to inspect the same, at reasonable hours during regular business days. The Secretary shall also keep current and retain custody of the minute books of the Council, containing the minutes of all annual and special meetings of the Council and all sessions of the Board including resolutions adopted thereat.

7. Treasurer. The Treasurer shall have the custody of all funds and securities and shall keep full and accurate records of receipts and disbursements and shall deposit all moneys and other valuable effects in such depositories as may be designated by the Board. He shall disburse funds as ordered by the Board taking proper vouchers for such disbursements, and shall render to the President and directors, at the regular meetings of the Board, or whenever they may require it, an account of all of his transactions as Treasurer and of the financial condition of the Condominium.

If required by the Board, he shall give a bond, the premium therefor to be considered a common expense, in such sum, and with such surety or sureties as shall be satisfactory to the Board, for the faithful performance of

the duties of his office and for the restoration, in case of his death, resignation, retirement or removal from office, of all books, papers, vouchers, money and other property of whatever kind in his possession or under his control.

8. Annual Accounting. All books and records shall be kept in accordance with good accounting practices on a fiscal year basis beginning the first day in October in each year and the same shall be audited annually by a person or persons to be selected by the Board. The report of such audit shall be made available to the Council at each annual meeting.

9. Indemnification. Every director and every officer of the Council shall be indemnified by the Council against all expenses and liabilities, including counsel fees, reasonably incurred by or imposed upon him in connection with any proceeding to which he may be a party, or in which he may become involved, by reason of his being or having been a director or officer of the Council or any settlement thereof, whether or not he is a director or officer at the time such expenses are incurred, except in such cases wherein the director or officer is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties; provided that in the event of a settlement the indemnification herein shall apply only when the Board approves such settlement and reimbursement as being for the best interests of the Council. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such director or officer may be entitled.

ARTICLE V

OPERATION OF THE PROPERTY

1. Common Expenses. Common expenses, in general, shall include, but not necessarily be limited to, the costs of maintenance, repair or replacement of the common elements, garbage and trash collection, water, sewer and utility service to the common elements, the expenses of operation, administration and management, including, among other things, management fees, casualty and liability insurance premiums, the fees of the Insurance Trustee, service contracts and employee salaries. The common expenses may also include such amounts as the Board may deem proper for the operation and maintenance of the Condominium, including, without limitation, an amount for working capital, for a general operating reserve, for a reserve fund for replacements, and to make up any deficit in the common expenses for any prior year. The common expenses may also include such amounts as may be required for the purchase or lease by the Board or its designee, corporate or otherwise, on behalf of all the Co-Owners, of any Unit in the Condominium whose owner has elected to sell or lease such Unit or of any Unit which is to be sold at a foreclosure or other judicial sale.

2. Determination of Common Expenses and Fixing of Common Charges. At each annual meeting, the Council shall fix and determine the amount deemed necessary to provide for the costs of administration and common expenses in the then current year, and shall assess said amount against all Units in the Condominium in accordance with their individual percentage interests as set forth in paragraph FOURTH of the Master Deed. To assist the Council in determining such amount, the notice of the annual meeting mailed to Co-Owners shall be accompanied by the estimated budget prepared by the management agent and approved by the Board. Until the first annual meeting, common charges shall be based on the budget prepared by Cumberstone

Management Company, the initial management agent employed by the Condominium, and said is hereby fixed and assessed as a common charge on each Unit in accordance with the stated percentages.

3. Notification of Common Charges. The Board shall advise all Co-Owners promptly, in writing of the amount of common charges payable by each of them, respectively, and shall furnish copies of each budget on which such charges are based, to all Co-Owners and to their mortgagees.

4. Lien for Common Expenses. Each Co-Owner is obligated to pay the charges levied and assessed against his Unit for payment of common expenses, and such amount shall constitute a lien against said Unit from the day of assessment until the date of full payment. At the option of the Board, said amount shall be made payable in advance, in monthly, quarterly or other convenient installments.

The lien hereinabove set forth shall be inferior only to general and special assessments for real estate taxes and deeds of trust, mortgages, or other encumbrances recorded prior to the date of assessment of said lien, or recorded after receipt of a written statement from the Board that the payments on said lien were current as of the recordation date of such deed of trust, mortgage instrument or other encumbrance.

5. Payment of Lien After Transfer. Upon the voluntary sale or conveyance of a Unit, there shall be paid or provided from the sales proceeds, or by the grantee, an amount sufficient to satisfy any unpaid portion of assessments due and payable as of the date of conveyance. Any purchaser or lender in connection with any such sale or conveyance shall be entitled to a statement furnished by the Board of Directors, setting forth in detail the amount of any unpaid assessment owed by the seller, or borrower, and such purchaser or lender shall be entitled to rely on such statement and shall have no liability for, nor shall the Unit be encumbered with an amount of unpaid assessments greater than that shown in said statement. Upon an involuntary sale through foreclosure of a deed of trust, mortgage or encumbrance having a preference, a purchaser thereunder shall not be liable for any installments of such lien as became due subsequent to the recording of such deed of trust, mortgage or encumbrance.

No Co-Owner shall be liable for the payment of any part of the common charges assessed against his Unit subsequent to a sale, transfer or other conveyance by him (made in accordance with the provisions of these By-Laws) of such Unit. In addition, any Co-Owner may, subject to the terms and conditions specified in these By-Laws, provided that his Unit is free and clear of liens and encumbrances other than a first mortgage held by an institutional lender and the statutory lien for unpaid common charges, convey his Unit to the Board of Directors, or its designee, corporate or otherwise, on behalf of all other Co-Owners, and in such event be exempt from common charges thereafter assessed.

6. Default in Payment of Lien. In the event of default in the payment of any one or more installments of the assessments established for the payment of common expenses, the Board of Directors may declare any remaining balance of said lien at once due and payable.

The Board shall have the right and duty to take all appropriate actions and steps to collect any assessments which shall remain unpaid for a period

of more than thirty (30) days from the due date thereof. The Board may institute a suit to recover a money judgment for the same, together with interest thereon at a rate not to exceed eight percent (8%) and reasonable expenses of collection, including attorneys' fees, without foreclosing or waiving the lien hereinbefore provided.

7. Lien Enforcement. The lien for unpaid assessments may be enforced and foreclosed in such manner as may from time to time be provided by the laws of the State of Maryland.

Additionally, each Co-Owner, by the act of acquisition of a Unit in the Condominium, irrevocably agrees as follows: That the acquired Unit is impressed, not only with the aforesaid lien, but, as well, with a continuing trust for the purpose of enforcing and foreclosing the same; that the persons who shall be serving from time to time as President and Vice President of the Condominium shall likewise during their terms of office constitute the acting and qualified trustees of said trust; that, in the event of a default in the payment of any such unpaid assessment, and the continuation of such default for a period of thirty (30) days, the trustees shall have the right and power to enforce the lien therefor by selling the Unit at public auction for such price and upon such terms as the trustees shall deem advantageous and proper, provided that public advertisement of such sale setting forth the terms thereof, shall first be inserted in a newspaper of general circulation in Prince George's County, Maryland, not less than fifteen (15) days preceding the sale; that the trustees shall have the right and power at such sale to convey the said Unit in fee simple to a purchaser or purchasers thereof free and clear of any lien for unpaid assessments, and to apply the proceeds (a) in payment of all proper costs, charges and expenses of said proceedings, including attorneys' fees and a trustees' commission, (b) in discharge of any then unpaid and due and payable general or special assessments for real estate taxes, (c) in payment of any then due and payable deeds of trust, mortgages, or other encumbrances, (d) in payment of the lien for unpaid assessments plus interest, and (e) to remit to the former Co-Owner of such Unit any remaining balance; that the Board may purchase such Unit at the public auction for the benefit and interest of the Co-Owners; that the defaulting Co-Owner waives any notice to quit that may be required by the laws of the State of Maryland, and shall quit and surrender said premises not later than the day set for the sale.

If any Co-Owner fails or refused to vacate from his Unit after sale thereof in accordance with the above, then said Co-Owner shall pay all damages which may thereby be sustained by the Condominium, including a reasonable charge for the period of said occupancy.

8. Restrictions on Use of Units. To assist the Condominium in providing for congenial occupancy and the protection of the value of the Units, it is necessary that the Board of Directors have the right and authority to exercise reasonable controls over the use of the Units. Violation of the following shall be deemed prohibited uses or nuisances:

(a) No Co-Owner or other resident of the Condominium shall post any advertisements or posters of any kind in or on the Property except (i) temporary real estate signs not more than four square feet in area advertising a Unit for sale or rent, (ii) temporary signs in connection with the repair or renovation of a Unit, or (iii) as authorized by the Board. This restriction shall not apply to advertisements, signs or posters utilized by the Grantor, or its agents, in selling the Units.

(b) The Units shall be used only for private residential purposes except for such temporary non-residential uses as may be permitted by the Board of Directors from time to time. This provision shall not, however, be so construed as to prevent the Grantor from using any Unit for model or display purposes nor so as to prohibit the leasing of Units owned by the Grantor subject to all of the provisions of the Master Deed and these By-Laws.

(c) No clothing, laundry, rugs or wash shall be hung from or spread upon or from any patio, window or exterior portion of a Unit or in or upon any common element.

(d) No animal, other than common household pets, shall be kept or maintained in any Unit. Common household pets shall not be kept, bred or maintained for commercial purposes in any Unit. Pets shall not be permitted outside of Units unless they are accompanied by an adult person and carried or leashed. Any Co-Owner who keeps or maintains any pet in the development shall be responsible and may be assessed by the Board of Directors for any costs incurred by the Condominium in enforcing the Rules and Regulations prescribed or to be prescribed by the Board of Directors for the control and regulation of pets in the development.

(e) Co-Owners shall exercise extreme care to avoid unnecessary noise or the use of musical instruments, radios, television and amplifiers that may disturb other Co-Owners.

(f) No Co-Owner, resident or lessee shall install wiring for electrical or telephone installation, television antennae, machines or air conditioning units, etc., which protrudes through the walls or the roof of any building or is otherwise visible on the exterior of any building except as authorized by the Board.

(g) No elements of the Condominium may be used for any unlawful, immoral or improper purpose.

(h) No nuisances shall be allowed on the Condominium property nor shall any use or practice be allowed which is a source of annoyance to its residents or which interferes with the peaceful possession or proper use of the Condominium by its residents.

(i) A Co-Owner shall not place or cause to be placed in the public walkways, parking lots or other common areas or common facilities, any furniture, packages or objects of any kind. The public walkways shall be used for no purpose other than for normal transit through them.

(j) Co-Owners, residents and lessees may not install washing machines or clothes dryers in the Apartments. The existing laundry equipment contract will be continued by the Condominium in accordance with its terms and conditions.

(k) No Co-Owner, resident or lessee shall direct or engage any employee of the Condominium on any private business of such Co-Owner, resident or lessee, nor shall he direct, supervise or in any manner attempt to assert control over any such employee.

In the use of the common elements of the Condominium, Co-Owners shall obey and abide by all valid laws, ordinances and zoning and other governmental regulations affecting the same and all applicable rules and regulations adopted by the Board. The common elements shall be used only for the furnishing of the services and facilities for which they are reasonably suited and which are incident to the use and occupancy of the Units.

A Co-Owner shall grant a right of access to his Unit to the managing agents and/or any other person authorized by the Board for the purpose of making inspections or for the purpose of correcting any condition originating in his Unit and threatening another Unit or a common element, or for the purpose of performing installations, alterations or repairs to the mechanical or electrical services or other common elements in his Unit or elsewhere in the buildings, or to correct any condition which violates the provisions of any mortgage covering another Unit, provided that requests for entry are made in advance and that any such entry is at a time reasonably convenient to the Co-Owner. In case of an emergency, such right of entry shall be immediate whether the Co-Owner is present at the time or not.

Any owner of a Unit may lease said Unit for a period of not less than twelve (12) months provided that (i) a fully executed copy of said lease or renewal thereof shall be delivered to the Board of Directors within ten (10) days of execution; (ii) any such lease shall be consistent with the provisions of the Master Deed, these By-Laws, as the same may be amended from time to time, and with the rules and regulations of the Condominium as may be promulgated from time to time; and (iii) that the Board of Directors shall have the power to terminate such lease and/or to bring summary proceedings to evict the tenant in the name of the Landlord thereunder, in the event of a default by the tenant in the performance of such lease.

9. Abating and Enjoining Violations by Co-Owners. The violation of any rule or regulation adopted by the Board of Directors or the breach of any provision of the By-Laws contained herein, or the breach of any provision of the Master Deed, shall give the Board the right, in addition to any other rights set forth in these By-Laws: (a) to enter the Unit in which or as to which, such violation or breach exists and to summarily abate and remove, at the expense of the Co-Owner at fault, any structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions hereof, and the Board shall not thereby be deemed guilty in any manner of trespass; or (b) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach.

10. Maintenance and Repair. Each Co-Owner shall be responsible for the care, upkeep, protection and maintenance of his Unit, except to the extent that the obligation therefor is imposed on the Board of Directors by Article III, section 2(a). His responsibility shall include, but shall not be limited to, the following: the interior surfaces of the walls, floors and ceilings; kitchen and bathroom fixtures, appliances and equipment; refrigerator, range and air conditioning equipment and those parts of the plumbing, lighting, heating and air conditioning systems which are wholly contained within his Unit or which serve only his Unit and no other. Every Co-Owner must perform promptly all maintenance and repair work within his own Unit which, if omitted, would affect the Condominium in its entirety or in a part belonging to other Co-Owners, and every Co-Owner shall be expressly responsible for any damages and liabilities suffered by other Co-Owners'

failure to maintain or repair as herein provided. Each Co-Owner shall perform his responsibility in such manner as shall not unreasonably disturb or interfere with the other Co-Owners.

Each Co-Owner shall promptly report to the Council or its agent any defect or need for repairs; the responsibility for the remedying of which is with the Council. A Co-Owner shall promptly reimburse the Council for any expenditures incurred in repairing or replacing any common area and facility damaged through his fault or negligence.

Every Co-Owner shall be responsible for the maintenance of the Limited Common Elements restricted to the use and enjoyment of a particular Unit (including, without limitation, any stoop or patio appurtenant to such Unit) and shall keep the same free and clear of ice and snow; in good order, condition, appearance and repair.

11. Alterations, Additions and Improvements. Whenever in the judgment of the Board of Directors, the common elements shall require additions, alterations or improvements costing in excess of \$20,000, and the making of such additions, alterations or improvements shall have been approved by a majority of Co-Owners of the Condominium and by those mortgagees holding mortgages constituting first liens upon 30 or more Units, the Board shall proceed with such additions, alterations or improvements and shall assess all Co-Owners for the cost thereof as a common charge. Any additions, alterations or improvements costing \$20,000 or less may be made by the Board without approval of the Co-Owners or any mortgagees of Units and the cost thereof shall constitute part of the common expenses.

No Co-Owner shall make any alterations to any portion of the Condominium property which is to be maintained by the Council or remove any part or portion thereof; nor shall any Co-Owner make any additions thereto or do anything which would or might jeopardize the safety or soundness of the structure; nor shall any Co-Owner make any alteration to the water, gas, heating, electrical, plumbing or air conditioning systems, or make any structural addition, alteration, or improvement in or to his Unit, without the prior written consent thereto of the Board. The Board shall have the obligation to answer any written request by a Co-Owner for approval of a proposed structural addition, alteration or improvement in such Co-Owner's Unit, within thirty (30) days after such request, and failure to do so within the stipulated time shall constitute a consent by the Board to the proposed addition, alteration or improvement. Any application to any municipal department or to any other governmental authority for a permit to make an addition, alteration or improvement in or to any Unit shall be executed by the Board only, without however incurring any liability on the part of the Board or any of them to any contractor, subcontractor or materialman on account of such addition, alteration or improvement, or to any person having any claim for injury to person or damage to property arising therefrom. All repairs and replacements shall be substantially similar to the original construction and installation. The provisions of this paragraph shall not apply to Units owned by the Grantor until such Units shall have been initially sold by the Grantor and conveyed by Grantor to the purchaser.

INSURANCE, DESTRUCTION, RESTORATION AND DISTRIBUTION

1. Authority. The Board of Directors shall obtain and maintain casualty and liability insurance under such terms and for such amounts as shall be deemed necessary by the Board, but in no event less than the amount required by section 2 of this Article. The insurance premiums purchased by the Board shall be charged as items of common expense. Such insurance coverage shall provide for the issuance of certificates of insurance and mortgage endorsements to all mortgagees of the Units. Such insurance coverage shall be written on the Condominium and shall provide for the insurance proceeds covering any loss in excess of \$30,000.00, to be payable to the Insurance Trustee named, as hereinafter provided, or to its successor, for the benefit of each Co-Owner and his mortgagee according to his individual percentage interest in the Condominium, as set out in paragraph FOURTH of the Master Deed.

Provisions for such insurance shall be without prejudice to the right of each Co-Owner to insure his own Unit for his benefit, but such insurance shall not diminish the liability of the insurance carrier with whom contracts of insurance have been made by the Board on behalf of all Co-Owners. The Insurance Trustee at the time of the deposit of such policies and endorsements shall first acknowledge that the policies and any proceeds thereof will be held in accordance with the terms of the Master Deed and these By-Laws.

2. Coverage. The Condominium shall be insured, to the extent available, against casualty in a minimum amount equal to the maximum insurable replacement value (i. e. 100% of replacement costs) thereof (exclusive of excavations and foundations) as determined annually by the Board with assistance of the insurance company affording such coverage. The policy shall cover all the improvements on the property except those made by a Co-Owner at his expense. Such coverage shall afford protection against:

- (i) loss or damage by fire, vandalism, malicious mischief, windstorm, water damage and other hazards covered by the standard extended coverage endorsement; and
- (ii) such other risks as shall customarily be covered with respect to projects similar in construction, location and use.

Such coverage shall insure the buildings (including all of the Units and the bathroom and kitchen fixtures and equipment initially installed therein by the Grantor together with all air conditioning, heating and other equipment, but not including furniture, furnishings or other personal property supplied or installed by Co-Owners) and other Condominium property. The Condominium shall be insured against liability for personal injury and property damage in such amounts and in such forms as shall be required by the Board which, however, in no event shall be less than \$300,000 with respect to any individual and \$1,000,000 with respect to any one accident or

occurrence and \$50,000' with respect to any claim for property damage. All liability insurance shall contain cross-liability endorsements to cover liabilities of the Council as a group, the Board and each individual Co-Owner. Workmen's Compensation Insurance shall be obtained where necessary to meet the requirements of law. In addition to the foregoing, the Board of Directors may obtain such additional insurance coverage as it may in its sole discretion deem advisable and appropriate.

3. Limitations. Any insurance obtained pursuant to the requirements of this Article shall be subject to the following provisions:

(a) All policies shall be written with a company or companies licensed to do business in the State of Maryland and holding a rating of "BBB+" or better in Best's Insurance Guide.

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

(c) All policies shall provide that such policies may not be cancelled or substantially modified without at least thirty (30) days prior written notice to any and all insureds named thereon, including any and all mortgagees.

(d) All policies of casualty insurance shall provide that, notwithstanding any provisions thereof which give the carrier the right to elect to restore or repair damage or reconstruct in lieu of making a cash settlement, such option shall not be exercisable without the prior written approval of the Board of Directors (or any Insurance Trustee) or when in conflict with the provisions of these By-Laws or the provisions of the Horizontal Property Act of the State of Maryland.

(e) All policies shall contain a waiver of subrogation by the insurer as to any and all claims against the Co-Owners, the Council, the Board, the managing agent, if any, and their respective agents, employees or invitees, and of any defenses based upon co-insurance or invalidity arising from the acts of the insured.

(f) Each of the policies of insurance obtained by the Council shall contain provisions (i) that they may not be cancelled, invalidated, or suspended on account of the conduct of one or more of the individual Co-Owners; (ii) that they may not be cancelled, invalidated or suspended on account of the conduct of any officer or employee of the Council without a prior demand in writing that the Council cure the conduct of such officer or employee with appropriate time to effect such cure; and (iii) if the Council fails to cure the conduct of an officer or employee within the allotted time, the policies may still not be cancelled or substantially modified without at least ten (10) days prior written notice to all of the insureds, including all mortgagees, and Co-Owners.

4. Individual Policies. Any Co-Owner (including the holder of any mortgage thereon) may obtain additional insurance (including a "condominium unit-owner's endorsement" for improvements and betterments to a Unit made or acquired at the expense of the Co-Owner) at his own expense. Such insurance should contain the same waiver of subrogation provision as that set forth in Section 3(e) of this Article. It is recommended that each Co-Owner in the project obtain, in addition to the insurance hereinabove provided to be obtained by the Board of Directors, a "Tenant's Homeowners Policy", or equivalent, to insure against loss or damage to personal property used or incidental to the occupancy of the Unit, additional living expense, vandalism or malicious mischief, theft, personal liability and the like. Such policy should include a "condominium unit-owner's endorsement" covering losses to improvements and betterments to the Unit made or acquired at the expense of the Co-Owner.

No Co-Owner shall maintain insurance coverage which will tend to decrease the amount which the Council may realize under any insurance policy which it may have in force at any particular time; the Board of Directors may require that each Co-Owner shall file with the Council a copy of each individual policy of insurance purchased by the Co-Owner within thirty (30) days after its purchase; the Board may also require that each Co-Owner shall also notify the Council of all improvements made by him to his Unit having a value in excess of \$1,000.00.

5. Insurance Trustee. The Board of Directors shall from time to time designate a bank or trust company in the State of Maryland as an Insurance Trustee. All insurance policies purchased by the Board shall be for the benefit of the Council, each Co-Owner and his mortgagee, as their respective interests may appear, and shall provide that all proceeds payable as a result of casualty losses shall be paid to the Insurance Trustee, except that if the net proceeds are \$30,000 or less, they shall be payable directly to the Board. All policies shall provide that adjustment of loss shall be made by the Board or designee with the approval of the Insurance Trustee.

The Insurance Trustee shall not be liable for payment of premiums, nor for the renewal of the policies, nor for the sufficiency of coverage, nor for the form or content of the policies, nor for the failure to collect any insurance proceeds. The sole duty of the Insurance Trustee shall be to receive such proceeds as are paid and to hold the same in trust for the purposes elsewhere stated herein, and for the benefit of the Council and the Co-Owners and their respective mortgagees, in shares equal to the aforementioned individual percentage interest of each Co-Owner, but such shares need not be set forth upon the records of the Insurance Trustee. Nor shall the Insurance Trustee have any obligation to inspect the property to determine whether a loss has been sustained or to file any claim or claims against any insurer or any other person.

6. Covenants for Benefit of Mortgagees. Proceeds of insurance policies received by the Insurance Trustee shall be distributed to or for the benefit of the Co-Owner entitled thereto, after first paying or making provision for the payment of the expenses of the Insurance Trustee, in the following manner:

(a) Proceeds are to be paid first to repair or restore damage or destruction, as elsewhere provided herein. After defraying the cost of the repair or restoration, all remaining proceeds shall be payable jointly to the Co-Owners and Mortgagees, if any, entitled thereto. This covenant is for the benefit of any mortgagee of a Unit and may be enforced by him.

(b) If it is determined in the manner elsewhere provided herein that the damage for which the proceeds are paid shall not be reconstructed or repaired, then and in that event, the project shall be deemed to be owned in common by the Co-Owners and shall be subject to an action for partition upon the suit of any Co-Owner or mortgagee in which event the net proceeds of sale together with the net proceeds of any insurance shall be distributed pro rata to the Co-Owners, after first paying off, out of the respective share of each Co-Owner, to the extent sufficient for that purpose, all liens, including mortgage liens, on the Unit of each Co-Owner. This is a covenant for the benefit of any mortgagee of a Unit and may be enforced by him.

(c) In making distribution to Co-Owners and their mortgagees, the Insurance Trustee may rely upon a certificate of the Council or Board as to the names of the Co-Owners and their respective shares of the distribution. Upon request of the Insurance Trustee, the Council or Board shall deliver such certificate forthwith. The Insurance Trustee shall not incur any liability to any Co-Owner, mortgagee, or other person for any disbursements made by it pursuant to and in accordance with any such certificates or written authorizations.

(d) All insurance policies shall continue in force for ten (10) days following notice to the mortgagee of cancellation by either the company or the insured.

(e) The Board of Directors shall notify: (1) the mortgagee of a Unit whenever damage to the Unit covered by the mortgage exceeds \$1,000; and (2) all mortgagees whenever damage to the common elements exceeds \$10,000.

7. Reconstruction. If any part of the Condominium shall be damaged by casualty, the determination of whether or not to reconstruct or repair the same shall be made as follows:

(a) Where there is partial destruction, which shall be deemed to mean destruction which does not render two-thirds or more of the Units untenable, there shall be compulsory reconstruction or repair.

(b) Where there is total destruction, which shall be deemed to mean destruction which does render more than two-thirds of the Units untenable, reconstruction or repair shall not be compulsory unless at a meeting which shall be called within ninety (90) days after the occurrence of the casualty, or, if by such date, the insurance loss has not been finally adjusted, then within thirty (30) days thereafter, all of the Co-Owners unanimously vote in favor of such reconstruction or repair.

(c) Any such reconstruction or repair shall be substantially in accordance with the plans and specifications of the Condominium with the proceeds of insurance available for that purpose, if any.

(d) Encroachments upon or in favor of Units which may be created as a result of such reconstruction or repair shall not constitute a claim or

basis for action by the Co-Owner upon whose property such encroachment exists, provided that such reconstruction was substantially in accordance with the plans and specifications of the Condominium. Such encroachments shall be allowed to continue in existence for so long as the buildings stand.

(e) The Insurance Trustee may rely upon a certificate of the Council or the Board which certifies whether or not the damaged property is to be reconstructed or repaired. The Council or the Board, upon request of the Insurance Trustee, shall deliver such certificate as soon as practicable.

If the damage is only to those parts of one Unit for which the responsibility of maintenance and repair is borne by the Co-Owner, then the Co-Owner shall be responsible for reconstruction and repair after casualty. In all other instances the responsibility of reconstruction and repair after casualty shall be that of the Council.

8. Assessments if Insurance is Inadequate. Immediately after a casualty causing damage to property for which the Council has the responsibility of maintenance and repair, the Board shall obtain reliable and detailed estimates of the cost to place the damaged property in as good a condition as it was before the casualty. Such costs may include professional fees and premiums for such bonds as the Board desires. If the proceeds of insurance are not sufficient to defray such estimated costs, a special assessment shall be made against all the Co-Owners in proportion to their aforementioned individual percentage interests in sufficient amounts to provide funds to pay the estimated costs. If at any time during reconstruction and repair, or upon completion of reconstruction or repair, the funds for the payment of the costs thereof are insufficient, assessments shall be made against all the Co-Owners in proportion to their individual percentage interests in sufficient amounts to provide funds for the payment of such costs.

9. Disbursements. Any and all disbursements of funds, whether such funds consist of insurance proceeds, special assessments, sales proceeds, or any combination thereof, to be made by the Insurance Trustee for any purpose whatsoever, shall be made pursuant to and in accordance with a certificate of the Council or the Board.

ARTICLE VII

MORTGAGES

1. Notice to Board. A Co-Owner who mortgages his Unit, shall notify the Board through the Management Agent of the name and address of his mortgagee, if any; the Board shall maintain such information in a book entitled "Mortgagees of Units."

2. Notice of Unpaid Common Charges. The Board whenever so requested in writing by a mortgagee of a Unit, shall promptly report any then unpaid common charges due from, or any other default by the owner of the mortgaged Unit.

3. Notice of Default. The Board when giving notice to a Co-Owner of a default in paying common charges or other default, shall send a copy of such notice to each holder of a mortgage covering such Unit whose name and address has theretofore been furnished to the Board.

4. Examinstion of Books. Each Co-Owner and each mortgagee of a Unit shall be permitted to examine the books of account of the Condominium at reasonable times, on business days, but not more often than once a month.

5. "Mortgagee" and "Mortgage". As used in this title and generally in the Master Deed and By-Laws, the term "mortgagee" includes the holder of a note secured by a deed of trust or mortgage recorded among the land records of Prince George's County, Maryland; and the term "mortgage" includes any deed of trust recorded among the said land records.

ARTICLE VIII

NOTICE

1. Manner of Notice. Whenever any notice is required to be given under the provisions of applicable statutes or of the Master Deed or these By-Laws to any mortgagee, director or Co-Owner, it shall not be construed to require personal notice, but such notice may be given in writing, by mail, by depositing the same in a post office or letter box, in a post-paid sealed wrapper, addressed to such mortgagee, director or Co-Owner at such address as appears on the books of the Condominium, and such notice shall be deemed to be given at the time when the same shall be thus mailed.

2. Waiver of Notice. Whenever any notice is required to be given under the provisions of the statutes or of these By-Laws, a waiver thereof, in writing, signed by the person or persons entitled to such notice, whether signed before or after the time stated therein, shall be deemed equivalent thereto.

ARTICLE IX

AMENDMENT OF BY-LAWS

These By-Laws may be amended by the affirmative vote of Co-Owners representing at least 75 percent of the total votes in the Condominium, at a meeting of the Council called for that purpose; provided, however, that no amendments affecting express rights of any mortgagees shall be valid unless they are approved in writing by such mortgagees. No amendments to the By-Laws shall become effective until recorded among the land records of Prince George's County, Maryland.

ARTICLE X

COMPLIANCE, CONFLICT, AND MISCELLANEOUS PROVISIONS

1. Compliance. These By-Laws are set forth in compliance with the requirements of the Horizontal Property Act of the State of Maryland (hereinafter referred to as the "Act").

2. Conflict. These By-Laws are subordinate and subject to all provisions of the Master Deed and to the provisions of the Act. All of the terms hereof, except where clearly repugnant to the context, shall have the same meaning as they are defined to have in the Master Deed or the Act. In the event of any conflict between these By-Laws and the Master Deed, the provisions of the Master Deed shall control; and in the event of any conflict between the Master Deed and the Act, the provisions of the Act shall control.

3. Severability. These By-Laws are set forth to comply with the requirements of the State of Maryland. In case of any of the By-Laws

are in conflict with the provisions of any of its statutes, the provisions of the statutes will apply. If any provisions of these By-Laws or any section, sentence, clause, phrase, or word, or the application thereof in any circumstance is held invalid, the validity of the remainder of these By-Laws, shall not be affected thereby and to this end, the provisions hereof are declared to be severable.

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

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

6. Gender, etc. Whenever in these By-Laws the context so requires, the singular number shall include the plural and the converse; and the use of any gender shall be deemed to include all genders.

ARTICLE XI

RESIDENT AGENT

1. Resident Agent. Marco A. DeCesaris, Jr. of 8703 Central Avenue, District Heights, Maryland 20027 is hereby appointed initial Resident Agent of the Condominium pursuant to and for the purposes of Sec. 11-123 of the Act.

2. Change of Resident Agent. The Board of Directors may from time to time designate a successor resident agent and same shall be evidenced by an instrument duly executed and filed with the Department of Assessments and Taxation of the State of Maryland in accordance with the requirements of the said Department.