

BY-LAWS OF SUSSEX SQUARE CONDOMINIUM

ARTICLE I

PLAN OF CONDOMINIUM OWNERSHIP

Section 1. Condominium Regime. The project, located in Anne Arundel County, State of Maryland, known as Sussex Square Condominium, is subject to the provisions of the Maryland Condominium Act, Title 11 of the Real Property Article of the Annotated Code of Maryland.

Section 2. By-Laws Applicability. The provisions of these By-Laws are applicable to the Condominium as from time to time constituted. (The term "Condominium" as used herein shall include the land, the buildings, and all improvements and structures thereon, as well as all easements, rights and appurtenances thereunto belonging.) All owners of any interest, all occupants or users of the premises, and the agents and servants of any of them are subject to the provisions of the Declaration, these By-Laws, and the applicable laws of the State of Maryland.

Section 3. Personal Application. All present or future owners, tenants, future tenants, their guests, licensees, servants, agents, or their employees, or any other person(s) that might use the facilities of the Condominium in any manner, are subject to the rules and regulations set forth in these By-Laws, and the rules and regulations issued by the Council of Unit Owners to govern the conduct of its members. The mere acquisition or rental of any of the family units (hereinafter referred to as "units") of the Condominium or the mere act of occupancy of any of said units will signify conclusively that the Declaration, these By-Laws, and the provisions of the rules and regulations of the Council are accepted, ratified, and will be complied with.

ARTICLE II

VOTING, MAJORITY OF OWNERS, QUORUM, PROXIES

Section 1. Constitution. There is hereby constituted the Council of Unit Owners, sometimes herein referred to as the "Council", which shall be comprised of every person, firm or corporation which owns, severally or with others, any unit.

Section 2. Corporate Name, etc. The name of the Council of Unit Owners shall be Sussex Square Condominium Council, Inc. and the Council shall be incorporated pursuant to the Corporations and Associations Article of the Annotated Code of Maryland. The principal place of business and the mailing address of the Council shall initially be located at 14 Straw Hat Road, Owings Mills, Maryland 21117, but may later be relocated as determined from time to time by the Board of Directors.

Section 3. Voting. Voting in person or by proxy shall be on a unit basis, with each unit being entitled to cast one (1) vote. Where a unit is owned by more than one person, all the owners thereof shall be collectively entitled to the vote assigned to such unit, and such owners shall, in writing, designate an individual who shall be entitled to cast the vote or

votes on behalf of the owners of such unit of which he is a part. No Lessee, lienholder, mortgagee, pledgee or contract purchaser shall have any voting rights with respect to the affairs of the Condominium unless such person or entity has been granted such rights pursuant to a valid proxy. The owners of units in the Condominium are sometimes herein referred to as "owners" or "co-owners".

Section 4. Majority for Decisions. Unless otherwise provided in the Declaration, these By-Laws or the Maryland Condominium Act, decisions of the Council will be made by a majority of votes of the unit owners present and voting, in person or by proxy. A majority is hereby defined to be any percentage of votes in excess of fifty per cent (50%).

Section 5. Quorum. Except as otherwise provided in the Declaration or these By-Laws, the presence in person or by proxy of thirty percent (30%) of the owners as from time to time constituted shall constitute a quorum at any annual or special meeting of owners. If any meeting of owners cannot be organized because a quorum has not attended, the owners present, either in person or by proxy, may adjourn the meeting to a time not less than sixteen (16) days from the time the original meeting was called. In the event of any such adjourned meeting, the owners present in person or by proxy shall constitute a quorum. 39

Section 6. Proxies. Votes may be cast either in person or by proxy. Proxies must be in writing and filed with the Secretary of the Council at least two days before the time appointed for each meeting in the notice thereof. Except as stated on the face thereof, proxies may be revoked at any time.

ARTICLE III

ADMINISTRATION

Section 1. Council Responsibilities and Powers. The owners of the units will constitute the Council which will have the responsibility for administering the Condominium, electing members of the Board of Directors, establishing assessments and arranging for the management of the Condominium pursuant to an agreement containing provisions relating to the duties, obligations, removal and compensation of the management agent, if any. The Council shall have such powers as are provided by applicable law.

Section 2. Place of Meetings. Meetings of the Council shall be held at the principal office of the Condominium, 14 Straw Hat Road, Owings Mills, Maryland 21117, or such other suitable place convenient to the Council as may be designated by the Board of Directors.

Section 3. Annual Meeting. The first annual meeting of the Council shall be held at such time as the Board of Directors shall determine but, in any event, within six (6) months of the creation of the Condominium, or within sixty (60) days from the date that fifty per cent (50%) of the percentage interests in common elements of the Condominium have been conveyed by the Developer to initial purchasers of units, whichever first occurs. Thereafter, the annual meetings of the Council

shall be held on the fourth (4th) Tuesday in the month of March of each succeeding year unless such day shall be a legal holiday in which case said meeting shall be held on the next day thereafter not a legal holiday. At such meetings there shall be elected by ballot of the owners, a Board of Directors in accordance with the requirements of Section 5 of Article IV of these By-Laws. The owners may also transact such other business of the Council as may properly come before them.

Section 4. Special Meetings. It shall be the duty of the President of the Council, elected in accordance with the provisions of Article V hereof, to call a special meeting of the Council as directed by resolution of the Board of Directors or upon a petition signed by a majority of the owners and having been presented to the Secretary. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

Section 5. Notice of Meetings. It shall be the duty of the Secretary of the Council, elected in accordance with the provisions of Article V hereof, to mail a notice of each annual or special meeting, stating the purpose thereof as well as the time and place where it is to be held, to each owner of record, at least fifteen (15) days prior to such meeting. Such notice will be mailed to the address of the owner as set forth in the current roster of owners. Notices shall also be posted in such conspicuous areas as the Board shall determine.

Section 6. Adjourned Meetings. If any meeting of owners cannot be organized because a quorum has not attended, the owners who are present, either in person or by proxy, may adjourn the meeting to a time not less than sixteen (16) days from the time the original meeting was called, and may proceed as provided in Article II, Section 5, but notice of said adjourned meeting shall be mailed to each owner at least fifteen (15) days prior thereto.

Section 7. Order of Business. The order of business at all meetings of the owners of units shall be as follows:

- (a) Roll call and certification of proxies.
- (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 directors, if applicable.
- (g) Unfinished business.
- (h) New Business.
- (i) With respect to a special meeting, items (a) through (e) above and the items or matters which are the subject of the special meeting.

Section 8. Lists of Members. The Secretary on behalf of the Council, shall compile and keep up to date at the principal office of the Council, a current roster of the owners and their last known post office addresses. This roster shall be open to inspection by all owners and other persons lawfully entitled to inspect the same at reasonable hours during regular business days. The Secretary shall keep current and retain custody of the minute book of the Council, containing the minutes

of all annual and special meetings of the Council and all resolutions of the Directors. The Secretary shall also keep an up-to-date record of the names and addresses of all mortgagees and trustees and beneficiaries who are secured by any unit, which record shall indicate the owner of such encumbered unit.

Section 9. Voting Requirements. No owner shall be entitled to vote at a meeting of the Council if (a) such owner has failed to furnish the Council with his name and current address and the names and current addresses of all lessees and all mortgagees and trustees and beneficiaries of deeds of trust who are secured by the owner's unit, or (b) the Council has recorded a statement of condominium lien for unpaid assessments against the owner's unit and if the amount necessary to release the lien has not been paid at the time of the meeting.

Section 10. Rules of Order and Procedure. All annual and special meetings of the Council shall be conducted pursuant to the then current edition of Robert's Rules of Order, except to the extent that such Rules conflict with the Declaration, these By-Laws or other rules hereafter adopted by the Directors or the Council for the conduct of meetings.

Section 11. Inspectors of Election. The Board of Directors may, in advance of any annual or special meeting of the Council appoint an uneven number of one or more inspectors of election to act at the meeting and at any adjournment thereof. In the event inspectors are not so appointed, the Chairman of any annual or special meeting shall appoint such inspectors of election. No officer or director of the Council of Unit Owners, and no candidate for Director of the Council of Unit Owners, shall act as an inspector of election at any meeting of the Council if one of the purposes of such meeting is to elect Directors.

Section 12. Fiscal Year. The fiscal year of the Council shall be such as may from time to time be determined by the Board of Directors.

ARTICLE IV

BOARD OF DIRECTORS

Section 1. Number and Qualification. The affairs of the Council shall be governed by a Board of Directors composed of five (5) persons who must be owners of units in the Condominium or authorized representatives of any entity which may be an owner of a unit in the Condominium. Notwithstanding the preceding sentence the Board shall initially be composed of three (3) persons, Herbert J. Siegel, Andrew N. Siegel and Louis Siegel, until they are removed as provided in Article IV, Section 7, until their successors are elected at an annual meeting of the Council or until they shall resign. The Directors shall serve without compensation except that they shall be entitled to reimbursement for reasonable expenses incurred on behalf of the Council or while engaged in Council business.

Section 2. Powers and Duties. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Council and the Condominium and may do all such acts and things as are not by law or by these By-Laws directed to be exercised and done by the owners of Units.

Section 3. Other Duties. In addition to duties imposed by these By-Laws or by resolutions of the Council, the Board of Directors shall be responsible for the following:

(a) Care, upkeep and surveillance of the Condominium and its general common elements and services in a manner consistent with law and the provisions of these By-Laws and the Declaration; and

(b) Establishment, collection, use and expenditure of assessments and carrying charges from the unit owners and for the assessment, the filing and enforcement of Statement of Condominium Liens therefor in a manner consistent with law and the provisions of these By-Laws and the Declaration; and

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

(d) Promulgation and enforcement of such rules and regulations and such restrictions on or requirements as may be deemed proper respecting the use, occupancy and maintenance of the Condominium and the use of the general and limited common elements and as are designated to prevent unreasonable interference with the use and occupancy of the Condominium and of the general and limited common elements by the unit owners and others, all of which shall be consistent with law and the provisions of these By-Laws and the Declaration; and

(e) Upon the approval of sixty-six and two-thirds per cent ($66 \frac{2}{3}\%$) of the entire membership entitled to vote, entering into agreements whereby the Council of Unit Owners acquires leaseholds, memberships and other possessory or use interests in real or personal property for the purpose of promoting the enjoyment, recreation or welfare of the unit owners and to declare expenses incurred in connection therewith to be common expenses of the Council of Unit Owners, but so long as Developer controls the Council of Unit Owners or the Board of Directors, Developer will enter into no such contracts without the consent of a majority of the non-Developer owners.

(f) Purchasing insurance upon the Condominium in the manner provided for in these By-Laws; and

(g) Repairing, restoring or reconstructing all or any part of the Condominium after any casualty loss in a manner consistent with law and the provisions of these By-Laws and the Declaration and otherwise improving the Condominium; and

(h) Leasing, granting licenses, easements, rights-of-way and other rights of use in all or any part of the common elements of the Condominium; and

(i) Purchasing Condominium units in the Condominium and leasing, mortgaging or conveying the same, subject to the provisions of these By-Laws and the Declaration.

Section 4. Management Agent. The Board of Directors may employ for the Council, a professional management agent at a compensation established by the Board to perform such duties and

services as the Board shall authorize, including but not limited to, some or all of the duties listed in Section 3 of this Article. Such management agent shall be a licensed real estate broker and shall have been a member in good standing of the Real Estate Board of Greater Baltimore for at least three (3) years in length. All first mortgagees of units shall be given thirty (30) days' notice of any contemplated change of the Management Agent. Any management contract shall be terminable for cause upon thirty (30) days' notice, without cause upon ninety (90) days' notice, and no such contract shall be for a term in excess of three (3) years.

Section 5. Election and Term of Office. At the first annual meeting of the Council, the term of office of the Director receiving the greatest number of votes shall be fixed for three (3) years. The term of office of the Director receiving the second greatest number of votes shall be fixed for two (2) years, and the term of office of the other Director or Directors shall be fixed at one (1) year. At the expiration of the initial terms of office of each respective Director, his successor shall be elected to serve a term of three (3) years. The Directors shall hold office until their successors have been elected and held their first meeting.

Section 6. Vacancies. Vacancies in the Board of Directors caused by any reason other than the 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.

Section 7. Removal of Directors. At any regular or special meeting duly called, any one or more of the Directors may be removed with or without cause by a majority of the owners and a successor may then and there be elected to fill the vacancy thus created. The successor shall serve for the remainder of the term of the Director whom he has replaced. Any Director whose removal has been proposed by the owners shall be given an opportunity to be heard at the meeting.

Section 8. Organizational Meeting. The first meeting of a newly elected Board of Directors shall be held within ten (10) days of election at such place as 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.

Section 9. Regular Meetings. 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 (2) such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each Director, personally or by mail, telephone or telegraph, at least six (6) days prior to the day named for such meeting. Prior to the first regular meeting of the Board of Directors in any fiscal year, notice of all regular meetings to be held during such year shall be sent to each owner of record in the time and manner set forth in Section 5 of Article III of these By-Laws; additionally, the Board may require that notice

be made by posting such notice in conspicuous areas as the Board shall determine.

Section 10. Special Meetings. Special meetings of the Board of Directors may be called by the President on three (3) days' notice to each Director. Such notice shall be given personally or by mail, telephone or telegraph, and such notice shall state the time, place and purpose of 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 two (2) Directors.

Section 11. 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.

Section 12. 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 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.

Section 13. Fidelity Bonds. The Board of Directors shall require that all officers, Directors and employees of the Council handling or responsible for funds shall furnish adequate fidelity bonds, provided that the original Directors shall not be required to furnish such bonds. The premiums on such bonds shall be paid by the Council.

Section 14. Common or Interested Directors. The Directors shall exercise their powers and duties in good faith and with a view to the interests of the Council of Unit Owners and the Condominium. No contract or other transaction between the Council of Unit Owners and one or more of its Directors or between the Council of Unit Owners and any corporation, firm or association (including the Developer) in which one or more of the Directors of the Council of Unit Owners are directors or officers or are pecuniarily or otherwise interested, is either void or voidable because such Director or Directors are present at the meeting of the Board of Directors or any committee thereof which authorizes or approves the contract or transaction, or because his or their votes are counted for such purpose, if any of the conditions specified in any of the following subparagraphs exist:

(a) the fact of the common directorate or interest is disclosed or known to the Board of Directors or a majority thereof or noted in the minutes, and the Board of Directors authorizes, approves, or ratifies such contract or transaction by a vote sufficient for the purpose; or

(b) the fact of the common directorate or interest is disclosed or known to the unit owners, or a majority thereof,

and they approve or ratify the contract or transaction by a vote sufficient for the purpose; or

(c) the contract or transaction is commercially reasonable to the Council of Unit Owners at the time it is authorized, ratified, approved or executed.

Common or interested Directors may be counted in determining the presence of a quorum of any meeting of the Board of Directors or committee thereof which authorizes, approves or ratifies any contract or transaction, and may vote thereat to authorize any contract or transaction with like force and effect as if he were not such director or officer of such other corporation or not so interested.

Section 15. Informal Action by Directors. Any action required or permitted to be taken at any meeting of the Board of Directors may be taken without a meeting if a written consent to such action is signed by all members of the Board and such written consent is filed with the minutes of the proceedings of the Board.

Section 16. Character of Meetings.

(a) Open Meetings. Except as provided in subsection (b) of this Section, the meetings of the Board of Directors shall be "open" as such term is used in the Maryland Condominium Act and shall be held at a time and location as provided in the notice or the By-Laws. Notwithstanding that such meetings shall be open, no persons other than the members of the Board of Directors shall be entitled to seek recognition, vote or otherwise participate at the meetings. The Board shall have the power to expel from any meeting any and all persons who refuse to comport themselves appropriately while attending such meeting or who disrupt the proceedings of the Board.

(b) Closed Meetings. A meeting of the Board of Directors may be held in closed session only for the following purposes:

- (i) discussion of matters pertaining to employees and personnel;
- (ii) protection of the privacy or reputation of individuals in matters not related to the Council of Unit Owners' Business;
- (iii) consultation with legal counsel;
- (iv) consultation with staff personnel, consultants, attorneys, or other persons in connection with pending or potential litigation;
- (v) investigative proceedings concerning possible or actual criminal misconduct;
- (vi) complying with a specific constitutional, statutory, or judicially imposed requirement protecting particular proceedings or matters from public disclosure;
- (vii) on an individually recorded affirmative vote of two-thirds of the board members present, for some other exceptional reason so compelling as to override the general public policy in favor of open meetings; or

(viii) for such other purpose as may be permitted by the Maryland Condominium Act.

If a meeting is held in closed session under this subsection (b):

(1) an action may not be taken and a matter may not be discussed if it is not permitted in this subsection; and

(2) a statement of the time, place, and purpose of any closed meeting, the record of the vote of each Board member by which any meeting was closed, and the authority under this section for closing any meeting shall be included in the minutes of the next meeting of the Board of Directors.

ARTICLE V

OFFICERS

Section 1. Designation. The principal officers of the Council shall be a President, a Vice President, a Secretary, and a Treasurer, all of whom shall be elected by and from the Board of Directors. The offices of Secretary and Treasurer may be held by the same person. The Directors may appoint assistants and such other officers as in their judgment may be necessary. Herbert J. Siegel shall serve as President, Andrew N. Siegel shall serve as Vice-President and Assistant Secretary and Louis Siegel shall serve as Secretary-Treasurer until their successors are elected as herein provided, or until they resign.

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

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

Section 4. President. The President shall be the chief executive officer of the Council. He shall preside at all meetings of the Council. He shall have all of the general powers and duties which are usually vested in the office of president of a council, including, but not limited to, the power to appoint committees from among the owners from time to time as he may in his discretion decide is appropriate, to assist in the conduct of the affairs of the Council. He shall execute such deeds, contracts and other instruments, in the name and on behalf of the Council, except when such documents are required or permitted by law to be otherwise executed and except when the signing and execution thereof shall be delegated by the Board of Directors to another officer or agent of the Council.

Section 5. Vice-President. The Vice-President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If neither the President nor the Vice-President is able to act, the Board of

Directors shall appoint a member of the Board to do so on an interim basis. The Vice-President shall also perform such other duties as shall from time to time be assigned to him by the Board of Directors or the President.

Section 6. Secretary and Assistant Secretaries. The Secretary shall attend all meetings of the Board of Directors and all meetings of the members, and record all votes and the minutes of all meetings and proceedings, including resolutions, in a minute book to be kept for that purpose and shall perform like duties for any committees when required. He shall have charge of the minute book and such records and papers as the Board shall direct, and perform all duties incident to the office of Secretary, including the sending of notices of meetings to the members, the Board of Directors and committees and such other duties as may be prescribed by the By-Laws or by the Board of Directors or the President. One or more assistant secretaries may be elected and they shall perform such duties as may be assigned to them by the President.

Unless inspectors of election are appointed to count votes pursuant to Section 11 of Article III, the votes at the meeting of the Council will be counted by the Secretary, but if the Secretary shall be a candidate for election to the Board of Directors, the President shall designate a person or persons not a candidate to count votes for such election.

Section 7. Treasurer. The Treasurer shall have responsibility for the Council funds and securities and shall keep full and accurate accounts of all receipts and disbursements in accordance with good accounting practices on a consistent basis in books belonging to the Council, and deposit all monies, checks, and other valuable effects in the name, and to the credit, of the Council in such depositories as may from time to time be designated by the Board of Directors. He shall disburse the funds of the Council as may from time to time be ordered by the Board or by the President, making proper vouchers for such disbursements and shall render to the President and Directors, at the regular meetings of the Board whenever they or either of them shall require, an account of his transactions as Treasurer and of the financial condition of the Council.

Section 8. 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 of the Council 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 of Directors 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.

Section 9. Books and Records. Every record kept by the Council of Unit Owners or by the Directors or Officers shall be

maintained at the principal place of business of the Council and shall be available for examination and copying by any unit owner, his duly authorized agents or attorneys, at the expense of such unit owner, during normal business hours and after reasonable notice.

ARTICLE VI

BUDGET, MANAGEMENT AND ASSESSMENTS

Section 1. Management and Common Expenses. The Board Directors shall adopt at a regular open meeting, a budget for each fiscal year. At least thirty (30) days prior to the adoption by the Board of Directors of a proposed annual budget, the Board shall cause such proposed annual budget to be mailed to each unit owner of record. To the extent reasonably feasible, budget items shall be divided into the following categories: income; administration; maintenance; utilities; general expenses; reserves; and capital items. Such budget shall contain estimates of the costs to perform the functions of the Council, including, but not limited to, the following items:

(a) The cost of providing water, sewer, garbage and trash collection, electrical, gas and other necessary utility services for the common elements, including recreational facilities, if any, used by the Condominium or the owners of units therein, and, to the extent that the same are not separately metered or billed, for the Condominium units.

(b) The cost of fire and extended coverage, liability and other insurance on the project and the cost of such other insurance as the Council may effect as hereafter provided.

(c) The cost of the services of a person or firm to professionally manage the project together with the services of such other personnel as the Board of Directors of the Council shall consider necessary for the operation of the Condominium.

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

(e) The cost of painting, maintaining, repairing and snow removal of the common elements and such furnishings and equipment for the common elements as the Board of Directors shall determine are necessary and proper.

(f) The cost of any and all other materials, supplies, labor, services, maintenance, repairs, taxes, assessments or the like which the Council is required to secure or pay for by law, or otherwise, or which in the discretion of the Board of Directors shall be necessary or proper for the operation of the general common elements; provided, however, that if any of the aforementioned are provided or paid for the special benefit of a particular unit or units, the cost thereof may, in the Directors' discretion, be specially assessed to the owner or owners thereof.

(g) The amounts necessary to establish and maintain the reserves required under Article XIV hereof.

(h) Any amount necessary to discharge any lien or encumbrance levied against the Condominium, or any portion thereof, which may, in the opinion of the Board of Directors, constitute a lien against any of the common elements rather than against the interest of the owner of an individual unit.

(i) Any amount necessary for a contingency fund for emergencies and unforeseen expenses.

(j) Any amount for such other services and expenses as shall be necessary or proper for the Condominium.

(k) The cost of payments or contributions required for the maintenance, repair, upkeep, improvement, operation and replacement of community areas or facilities, roads and other areas whether such payments or contributions are required by the Declaration, these By-Laws or any other instrument or agreement, whether recorded or unrecorded, imposing such obligation on the Council of Unit Owners or directly on the owners themselves.

(l) Such other items as may be required by the Maryland Condominium Act.

Any expenditure made other than those made because of conditions which, if not corrected, could reasonably result in a threat to the health or safety of the unit owners or a significant risk of damage to the Condominium, that would result in an increase in an amount of assessments for the current fiscal year of the Condominium in excess of 15 percent of the budgeted amount previously adopted for such year, shall be approved by an amendment to the budget adopted at a special meeting, upon not less than 10 days written notice to the Council of Unit Owners.

The adoption of a budget shall not impair the authority of the Council of Unit Owners to obligate the Council of Unit Owners for expenditures for any purpose consistent with any provision of the Maryland Condominium Act, the Declaration or these By-Laws.

Section 2. Assessments. Each owner shall pay to the Council a sum (hereinafter sometimes referred to as "assessments") of the owner's proportionate share of common area expenses. The owner's proportionate share of common expenses shall be the product of such owner's percentage interest in common expenses and profits multiplied by the total amount of estimated common area expenses, determined by the Board of Directors, necessary to meet the Council's annual expenses. Said assessment shall be paid on a monthly basis unless the Directors shall decide on some other interval for such payments.

The Board of Directors of the Council shall make reasonable efforts to fix the amount of the assessment against each member for each fiscal year at least thirty (30) days in advance of each such date or period and shall, at that time, prepare a roster of the membership and assessments applicable thereto which shall be kept at the office of the Council and shall be open to inspection by any owner upon reasonable notice to the Board. Written notice of the assessment shall thereupon be sent to the members. The omission of the Board of Directors, before the expiration of any assessment period, shall not be deemed a waiver or modification in any respect of the provisions

of this Article, or a release of any member from the obligation to pay the assessment, or any installment thereof, for that or any subsequent assessment period, but the assessment fixed for the preceding period shall continue until a new assessment is fixed. No member may exempt himself from liability for assessments by a waiver of the use or enjoying of any of the common elements or by abandonment of the condominium unit belonging to him.

Except as otherwise provided by law, the Board shall have the power to raise or lower the total amount of estimated common area expenses at any time during the fiscal year as the Board shall determine.

Section 3. Special Assessments. In addition to the regular assessments authorized by this Article, the Council may levy in any fiscal year, a special assessment or assessments, to finance in whole or in part, the cost of any construction or reconstruction, unexpected repair, replacement of a described capital improvement located upon the project, including the necessary fixtures and personal property related thereto, or for such other purpose as the Board of Directors may consider appropriate; provided that if any such assessment shall be in an amount which exceeds fifteen percent (15%) of the annual budget for the previous fiscal year, such assessment shall have the assent of sixty-six and two-thirds percent (66-2/3%) of the members present and voting at a special meeting of the Council called for this purpose, written notice of which shall be sent to all members at least fifteen (15) days in advance of such meeting, which notice shall set forth the purpose of the meeting.

Notwithstanding the above, the Board may impose a special assessment without membership approval in an amount sufficient to bring the Condominium into compliance with any law, rule, order or regulation of any governmental or quasi governmental agency.

Section 4. Non-Payment of Assessment. Any assessment or any installment thereof, levied pursuant to these By-Laws, which is not paid on the date when due shall be delinquent and shall, together with interest at the rate of eighteen per cent (18%) per annum, and the maximum late charge permitted to be imposed thereon by law and the cost of collection thereof, including reasonable attorney's fees, upon the taking of such action as is required by the Maryland Condominium Act, become a continuing lien upon the unit or units belonging to the member against whom such assessment is levied and shall bind such unit or units in the hands of the then owner, his heirs, successors, personal representatives and assigns. Such lien shall have preference over any other assessment, lien, judgment or charge of any nature whatsoever except (i) real estate taxes imposed by governmental authority and (ii) any first mortgage covering the unit recorded prior to the imposition of the assessment lien against the unit. The obligation of an owner to pay such assessment shall, however, remain the personal obligation of such owner and a suit to recover a money judgment for non-payment of any assessment or any installment thereof levied pursuant to these By-Laws, may be maintained without foreclosing or waiving the lien herein and by the aforesaid statute created to secure the same. Additionally, if a unit owner fails to pay when due a monthly installment of the annual assessment, the Council may, upon fifteen (15) days written notice, demand payment of the remaining annual assessment due within that fiscal year and such

remaining annual assessment may become a lien against the owner's unit and be subject to foreclosure as herein provided.

Section 5. Foreclosure of Lien. The lien may be enforced and foreclosed by the Council of Unit Owners or any other person designated by the Board in the manner provided in the Maryland Condominium Act. Suit for any deficiency following foreclosure may be maintained in the same proceeding and suit to recover a money judgment for unpaid assessment may be maintained without waiving the lien securing the same. An action may not be brought to foreclose the lien except after ten days written notice to the unit owner given by registered mail, return receipt requested to the address of the unit owner shown on the books of the Council.

Section 6. Assessment Certificates. The Council shall upon demand at any time, furnish to any member liable for any assessment levied pursuant to these By-Laws (or any other party legitimately interested in the same) a certificate in writing signed by an officer of the Council, setting forth the status of said assessment; i.e., whether the same is paid or unpaid. Such certificate shall be conclusive evidence of the payment of any assessment therein stated to have been paid, and the Council may charge a reasonable fee for such certificate.

ARTICLE VII

MAINTENANCE AND REPAIR OF UNITS AND
USE OF COMMON ELEMENTS

Section 1. Maintenance and Repair.

(a) The owner of any unit shall, at his own expense, maintain his unit and any limited common elements appurtenant thereto, and shall keep same in good order, condition and repair, free and clear of ice and snow, and in a clean and sanitary condition, and shall do all redecorating, painting and the like which may at any time be necessary to maintain the good appearance of his unit and the appurtenant limited common elements. Any maintenance, repair and/or replacement shall be done in conformity with the original architecture, color and decor of the Condominium. Maintenance and replacement of patio privacy fences, grass, trees, plants and shrubs within the foundation planting area adjacent to an owner's unit shall be of the same type, height, color and variety as originally landscaped.

(b) The owner of any unit shall, at his own expense, clean and maintain both the interior and exterior surface of all windows of such unit and shall, at his own expense, clean and maintain both the interior and exterior surfaces of all entry doors of the unit, including the interior and exterior surfaces of any door leading to any balcony, deck, terrace, fenced area, courtyard, patio or the like appurtenant to such unit and designated herein or in the Declaration or the Condominium Plat as a limited common element reserved for the exclusive use of the owner of that particular unit. Each unit owner will be responsible for the painting of the front door, door frame/jam, moldings and millwork of the unit and for repair, maintenance and replacement of the roof thereof. Every unit owner shall be expressly responsible for any damages and liabilities suffered by other unit owners or the Council resulting from or caused by said owner's failure to maintain or repair as herein provided.

(c) In the event that an owner does not perform the repair and maintenance which is such owner's responsibility, Directors may, after reasonable notice and opportunity to cure to the owner, decide to have said work performed at the expense of the owner, and such owner shall immediately pay to the Council the cost for such work; upon failure of such owner to pay the Council for the cost of such work, such cost shall constitute a lien on the unit and may be collected as provided in the Declaration, these By-Laws or the Maryland Condominium Act. The persons performing such work shall have the right and easement to enter any unit or limited common elements for such purpose, and such entry shall not be deemed a trespass.

(d) An owner shall reimburse the Council for any expenditures incurred in repairing or replacing any common area and facility damaged through his fault. Such expense shall constitute a lien on the unit and may be collected as provided in the Maryland Condominium Act.

Section 2. Use of Common Elements. Subject to the provisions hereof, the Declaration, all restrictions of record, and the laws of Maryland, each owner shall have the right to reasonably enjoy the general common elements of the Condominium, in

accordance with the ordinary and use purposes for which they are intended and in common with all other owners. The Board may adopt rules and regulations further limiting the use and enjoyment of the general common elements.

ARTICLE VIII

USE RESTRICTIONS

Section 1. Residential Use. Except for such units as may be designated in the Declaration or on the Condominium Plat for commercial or other non-residential purposes, if any, and except for such non-residential uses as may be permitted by the Board of Directors from time to time, all units shall be used for private residential purposes exclusively. Nothing in this Section, or hereinelsewhere, shall be construed to prohibit the Developer from the use of any units which the Developer owns for promotional or display purposes, as "model apartments", a sales office or the like, or from leasing any unit or units which the Developer owns except that Developer shall, nevertheless, be bound by the provisions of Section 2 of this Article.

Section 2. Leasing. No portion of any unit (other than the entire unit) shall be leased for any period. No unit shall be leased for a period of ninety (90) days or less without prior written approval of the Board. Any owner of any unit who shall lease such unit shall, promptly following the execution of any such lease, forward a conformed copy thereof to the Board of Directors, together with statement notifying the Board of Directors of the current names and mailing addresses of both the owner and the unit lessee. All leases shall be in writing. Any such lease shall contain a provision to the effect that the rights of the tenant to use and occupy the unit shall be subject and subordinate in all respects to the provisions of the Declaration and these By-Laws and to such other reasonable rules and regulations relating to the use of the common elements, or other "house rules", as the Board of Directors may from time to time promulgate, and shall provide, further, that any failure by the tenant to comply with the provisions of such documents shall be a default under the lease. The provisions of this subsection shall not apply to any institutional first mortgagee of any unit who comes into possession of the unit by reason of any remedies provided by law or in such mortgage or as a result of a foreclosure sale or other judicial sale or as a result of any proceeding, arrangement, assignment or deed in lieu of foreclosure.

Section 3. Prohibited Uses and Nuisances. Except for the activities of the Developer and its agents in connection with the construction of the condominium, and except as may be reasonable and necessary in connection with the maintenance, improvement, repair or reconstruction of any portion of the condominium by the Developer or the Council of Unit Owners:

(a) No noxious or offensive trade or activity shall be carried on within the Condominium or within any unit, nor shall anything be done therein or thereon which may be or become an annoyance to the neighborhood or the other unit owners. No nuisances shall be permitted within the Condominium nor shall any use or practice be permitted which is or becomes a source of annoyance to the unit owners or which interferes with the peaceful use and possession thereof by the unit owners.

(b) There shall be no obstruction of any of the common elements. Nothing shall be stored upon any of the common elements, excepting those areas designated for storage of personal property by the owners of the units. Nothing shall be done within the Condominium which impairs any easement or right-of-way or which alters the natural flow of surface water.

(c) Nothing shall be done or maintained in any unit or upon any of the common elements which will increase the rate of insurance on any unit or the common elements, or result in the cancellation thereof, without the prior written approval of the Board of Directors. Nothing shall be done or maintained in any unit or upon the common elements which would be in violation of any law. No waste shall be committed upon any of the common elements.

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

(e) The maintenance, keeping, breeding, boarding and/or raising of animals, livestock, or poultry of any kind, regardless of number, shall be and is hereby prohibited within any unit or upon any of the common elements, except that this shall not prohibit the keeping by an owner of one dog or one cat or caged birds as domestic pets provided that they are not kept or maintained for commercial purposes or for breeding. Pets shall not be permitted upon the general common elements of the Condominium unless accompanied by an adult and unless they are carried or leashed. Any unit owner who keeps or maintains any pet upon any portion of the Condominium shall be deemed to have indemnified and agreed to hold the Council of Unit Owners, each of the unit owners and the Developer and Management Agent free and harmless from any loss, claim or liability of any kind or character whatever arising by reason of keeping or maintaining such pet within the Condominium. All pets shall be registered with the Board of Directors and shall otherwise be registered and inoculated as required by law. The Board of Directors shall have the right to order any person whose pet is a nuisance, to remove such pet permanently from the Condominium and the Board of Directors, after affording the right to a hearing to the unit owner affected, shall have the exclusive authority to declare any pet a nuisance. The owner of a pet shall have the sole and absolute obligation to clean and/or otherwise remove from the common elements any excrement deposited by such owner's pet. The provisions of Article XVI shall apply to any hearing pursuant to this Section.

(f) Except for such signs as may be posted by the Developer or the Council of Unit Owners for promotional or marketing purposes, traffic control or the like, no signs of any character shall be erected, posted or displayed upon, in, from or about any unit or the common elements without the prior consent in writing of the Board of Directors and under such conditions as they may establish. The provisions of this subsection shall not be applicable to the institutional holder of any first mortgage which comes into possession of any unit by reason of any remedies provided by law or in such mortgage or as a result of a foreclosure sale or other judicial sale or other proceeding, arrangement, assignment or deed in lieu of foreclosure.

(g) Except in case of prior written permission of the Board of Directors and in an area designated by the Board, and except as hereinelsewhere provided, no junk vehicle or other vehicle on which current registration plates are not displayed, trailer, truck, camper, camp truck, house trailer, boat or the like shall be kept upon any of the common elements, nor shall the repair or extraordinary maintenance of automobiles or other vehicles be carried out on any of the common elements or within or upon any unit. No vehicle which cannot operate on its own power shall remain on the common elements or in any unit for more than forty-eight (48) hours.

(h) Except as hereinelsewhere provided, no part of the common elements shall be used for commercial activities of any character. This subsection shall not apply to the use of the common elements and of condominium units by the Developer for display, marketing, promotional or sales purposes or as "model" condominium units.

(i) No burning of any trash and no unreasonable or unsightly accumulation or storage of litter, new or used building materials (except those belonging to Developer), or trash of any other kind shall be permitted within any condominium unit or upon any of the common elements. Trash and garbage containers shall not be permitted to remain in public view, except on days of collection. All refuse shall be deposited with care in containers.

(j) No structure of a temporary character, trailer, tent, shack, barn or other outbuilding shall be maintained upon any common elements at any time, except that this shall not apply to structures utilized by Developer for construction, sales, display or promotional purposes. Outdoor clothes dryers or clothes lines shall not be maintained upon any of the common elements at any time. No clothing, laundry or the like shall be hung from any part of any unit or upon any of the common elements or from or upon any balcony or patio.

(k) No outside television or radio aerial or antenna, or other aerial or antenna, for reception or transmission, shall be maintained upon any unit or upon any of the common elements without the prior written consent of the Board of Directors.

(l) Nothing shall be stored upon any balcony or patio or upon any portion of the general common elements of the Condominium, except with the prior written consent of the Board of Directors. In the event that the Board of Directors determines that cooking or food preparation on balconies or patios is a nuisance, the Board may prohibit such activity.

(m) No unlawful use shall be made of any unit or any portion of the common elements and all laws, zoning and other ordinances, regulations of governmental and other municipal bodies and the like shall be observed at all times.

(n) No unit owner shall engage or direct any employee of the Council of Unit Owners or the Management Agent on any private business of the unit owner during the hours such employee is employed by the Council of Unit Owners or the

Management Agent nor shall any member direct, supervise or in any manner attempt to assert control over any such employee.

(o) There shall be no violation of any rules for the use of the common elements, or other "house rules" which may from time to time be adopted by the Board of Directors and promulgated among the unit owners by them in writing, and the Board of Directors is hereby and elsewhere in these By-Laws authorized to adopt and promulgate such rules.

(p) No exterior speakers, horns, whistles, bells or other sound devices except security devices used exclusively for security purposes shall be placed or used in any unit or any common element without the prior written consent of the Board of Directors.

Section 4. Demonstrations, etc. There shall be no demonstrations, picketing or the carrying of any signs for any purpose whatsoever on any portion of the Condominium.

ARTICLE IX

INSURANCE

Section 1. Insurance. Commencing not later than the time of the first conveyance of a unit to a person other than the Developer, the Council of Unit Owners shall obtain and maintain to the extent reasonably available at reasonable rates, at least the following insurance coverages:

(a) Casualty or physical damage insurance in an amount equal to the full replacement value (i.e. 100% of "replacement cost" exclusive of land, foundation and excavation) of the common elements and units exclusive of improvements and betterments installed in units by unit owners and all property of the Council (including all building service equipment and the like) with an "Agreed Amount Endorsement" or its equivalent, and a "Loss of Maintenance Fee Endorsement", or its equivalent, without deduction or allowance for depreciation, as determined annually by the Council with the assistance of the insurance company affording such coverage, such coverage to be the standard all risk coverage; provided, that at the option of the Council, such policy may contain a "deductible" provision in an amount determined by the Council, but said deductible shall not exceed One Thousand Dollars (\$1,000.00); and

(b) Comprehensive general liability insurance including medical payments insurance insuring each owner, the Council, and each Director, officer, agent and employee of the Council with a "Severability of Interest Endorsement" or its equivalent in such amounts and in such forms as may be considered appropriate by the Council, (but not less than One Million Dollars (\$1,000,000.00) covering all claims for death, bodily injuries and/or property damage arising out of a single occurrence) including, but not limited to, water damage liability, legal liability, hired automobile liability, non-owned automobile liability, liability for property of others, garage keeper's liability and such other risks as shall customarily be covered with respect to projects similar in construction, location and use, including any and all other liability incident to the ownership, use and maintenance of the condominium or any por-

tion thereof; and

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

(d) Directors' and Officers' Liability Policy including a "Legal Expense Indemnity Endorsement", or its equivalent, affording protection for the officers and Directors of the Council of Unit Owners for expenses and fees incurred by any of them in defending any suit or settling any claim, judgment or cause of action to which any such officer or Director shall have been made a party by reason of his or her services as such; and

(e) Such other policies of insurance, including insurance for other risks of a similar or dissimilar nature and fidelity coverage as are or shall hereafter be considered appropriate by the Council of Unit Owners. The Council shall maintain adequate fidelity coverage to protect against dishonest acts on the part of officers and Directors of the Council of Unit Owners, trustees for the Council of Unit Owners and such employees and agents of the Council of Unit Owners who handle or are responsible for the handling of funds of the Council of Unit Owners, including, but not limited to, employees of the management agent, if any. Such fidelity coverage shall meet the following requirements:

- (i) all such fidelity bonds and policies of insurance shall name the Council of Unit Owners as obligee or named insured, as the circumstances may require; and
- (ii) all such fidelity bonds and policies of insurance shall be written in an amount equal to at least one hundred fifty percent (150%) of the estimated annual operating budget of the Condominium, including reserves; and
- (iii) all such fidelity bonds and policies of insurance shall contain waivers of any defense based upon the exclusion of persons who serve without compensation from any definition of "employee" or similar expression; and
- (iv) all such fidelity bonds and insurance shall provide that they may not be cancelled or substantially modified (including cancellation for non-payment of premium) without at least thirty (30) days' prior written notice to any and all obligees and insureds named thereon and to any mortgagee of any unit who requests such notice in writing.

(f) Such other insurance as may be required by the Maryland Condominium Act.

The Council of Unit Owners shall give notice to all unit owners of the termination of any insurance policy named in Section 1 of this Article XX within ten (10) days of any such termination. The Council of Unit Owners shall maintain and make available for inspection a copy of all insurance policies maintained by the Council of Unit Owners.

Section 2. Insurance policies carried pursuant to these By-Laws shall provide that:

(a) each owner is an insured person under the policy with respect to liability arising out of his ownership of an undivided interest in the common elements or membership in the Council of Unit Owners;

(b) the insurer waives its right to subrogation under the policy against any owner of the Condominium or members of his household;

(c) an act or omission by any owner, unless acting within the scope of his authority on behalf of the Council owners, does not void the policy and is not a condition to recovery under the policy; and

(d) if, at the time of the loss under the policy, there is other insurance in the name of the owner covering the same property covered by the policy, the policy is primary insurance not contributing with the other insurance.

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

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

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

(h) all policies of casualty insurance 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 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 any Insurance Trust Agreement to which the Council of Unit Owners may be a party, these By-Laws or the provisions of the Condominium Act.

(i) all policies of casualty insurance shall contain the standard mortgagee clause except that any loss or losses payable to named mortgagees shall be payable in the manner set forth in these By-Laws. Such mortgagee clause shall provide for notice in writing to the mortgagee of any loss paid as aforesaid.

Section 3. Insurance to be Maintained by Unit Owners.
Each owner of a unit (including the holder of any mortgage

thereon) may obtain additional 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 or within 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. Such insurance shall be written by the same carrier as that purchased by the Board of Directors pursuant to this Article or shall provide that it shall be without contribution as against the same. Such insurance shall contain the same waiver of subrogation provision as that set forth in Section 2(b) of this Article.

The owner of any unit shall notify the Board of Directors in writing of any and all improvements and betterments made to the unit at the expense of such unit owner, the value of which, in the aggregate, is in excess of One Thousand Dollars (\$1,000.00). The Board shall have the right to change this amount without the need for a By-Law amendment.

Unit owners are hereby notified that the casualty insurance coverage provided by the Council pursuant to Section 1 of this Article XI is based upon the average value of all units in the Condominium. To the extent that a given unit's value exceeds the average value of all units in the Condominium, it is the responsibility of the owner of such unit to procure additional casualty insurance coverage to fully insure his unit.

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

Section 5. Insurance Trustee. In the event of fire or other casualty, subsequent to which the Condominium is to be reconstructed as provided in Section 11-114 of the Maryland Condominium Act, and if the cost of reconstruction or repair (as estimated by the Board of Directors) shall exceed an amount equal to two and one-half percent (2-1/2%) of the full replacement value of the Condominium, as estimated by the Board of Directors, and the institutional holder or holders of any mortgages or other obligations secured by any unit or units in the aggregate principal sum of more than \$150,000.00 (hereinafter in this Section 5 called the "mortgagee") shall so require, all proceeds of insurance shall be paid over to a trust company or bank (the "Insurance Trustee") having trust powers and authorized to engage in trust business in the County wherein the Condominium is located, selected by the Board of Directors with the approval of the mortgagee, and shall be paid out from time to time as the reconstruction or repair progresses in accordance with the provisions of an Insurance Trust Agreement satisfactory in form and substance to the mortgagee and which shall contain inter alia, the following provisions:

(a) The reconstruction or repair shall be in the charge of an architect or engineer, who may be an employee of the Council of Unit Owners, satisfactory to the mortgagee, and hereinafter in this Section 5 called the

"architect".

(b) Prior to the commencement of the reconstruction or repair, other than such work as may be necessary to protect the Condominium from further damage, the mortgagee shall have approved the plans and specifications for such reconstruction or repair, which approval shall not be unreasonably withheld or delayed.

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

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

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

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

Upon completion of the reconstruction or repair and payment in full of all amounts due on account thereof, any proceeds of insurance then in the hands of the Insurance Trustee shall be paid to the Council of Unit Owners and shall be considered as one fund and shall be divided among the owners of all of the units in the same proportion as their interest in common elements.

In the event there is more than one mortgagee as defined in this Section 5, all of said mortgagees shall promptly designate one mortgagee to act in said capacity pursuant to this Section 5, and if they fail to agree as to the

designation of the mortgagee, the Board shall designate a mortgagee to act in said capacity.

Section 6. Annual Review of All Insurance. The Board of Directors at least annually shall review all insurance policies and the insurance needs of the Council, and shall, if necessary, purchase additional or supplementary insurance or shall terminate unnecessary insurance, but no insurance required by these By-Laws or by applicable law shall be terminated.

ARTICLE X

AMENDMENT OF BY-LAWS

These By-Laws may be amended by the affirmative vote of unit owners having sixty-six and two-thirds percent (66-2/3%) or more of the votes. Each particular set forth in §11-104 of the Maryland Condominium Act shall be expressed in the By-Laws as amended. The person counting the votes at the meeting of the Council of Unit Owners at which such amendment was approved shall certify such approval by at least sixty-six and two-thirds percent (66-2/3%) of the votes, and the amendment shall thereafter be immediately recorded among the Land Records of Anne Arundel County, accompanied by such certificate.

Except as otherwise specifically provided for to the contrary in the Declaration and By-Laws, in addition to the other provisions of the Declaration and By-Laws which may require various acts to receive the prior approval of a specified percentage of holders of first mortgages on units, the By-Laws may not be amended with respect to the following matters without the approval of sixty-seven percent (67%) of holders of first mortgages of units: voting rights; assessments, assessment liens, or subordination of assessment liens; reserves for maintenance, repair and replacement of common areas; responsibility for maintenance and repairs; reallocation of interests in the general or limited common areas, or right to their use; boundaries of any unit; convertibility of units into common areas or vice versa; expansion or contraction of the project, or the addition, annexation or withdrawal of property to or from the project; insurance or fidelity bonds; leasing of units; imposition of any restrictions on a unit owner's right to sell or transfer his or her unit; a decision by the owner's association to establish self management when professional management had been required previously by an eligible mortgage holder; restoration or repair of the project (after a hazard damage or partial condemnation) in a manner other than that specified in the By-Laws; any action to terminate the legal status of the project after substantial destruction or condemnation occurs; or any provisions that expressly benefit mortgage holders, insurers or guarantors.

ARTICLE XI

MORTGAGEES

Section 1. Definition. As used in this Article, the term "mortgagee" shall mean any mortgagee or trustee under a deed of trust which is a lien upon a unit or the party secured or beneficiary of any recorded deed of trust, and shall not be

limited to institutional mortgagees; and the term "mortgage" shall include a deed of trust. As used generally in these By-Laws, the term "institutional holder" or "institutional mortgagee" shall include banks, mortgage insurance companies, mortgage companies, credit unions, saving and loan associations, pension funds, FNMA, GNMA, FHLMC, and any corporation, including a corporation of, or affiliated with, the United States Government, or any agency thereof. "First Mortgage" shall mean a mortgage with priority over all other mortgages.

Section 2. Notice to Board of Directors. A unit owner who mortgages his unit shall, in writing, notify the Board of Directors of the name and address of his mortgagee, and shall file a conformed copy of the note and mortgage with the Board of Directors. The Board of Directors, or such person as they might designate, shall maintain such information in a book entitled "Mortgagees of Units".

Section 3. Notice of Unpaid Common Charges or Other Default. The Board of Directors, whenever so requested in writing by a mortgagee of a unit shall promptly report any then unpaid common expenses due from, or any other default by the owner of the mortgaged unit.

Section 4. Notice of Default. The Board of Directors, after giving notice to a unit owner of a default in paying common expenses or other default, shall, in the event that any such default has not been cured within sixty (60) days, send a copy of such notice to each mortgagee of such unit who has previously filed with the Board a written request to be notified of such default.

Section 5. Notice of Loss to or Taking of Common Elements. The Board of Directors shall give notice to each first mortgagee of any loss to or taking of the common elements of the Condominium if such loss or taking exceeds Ten Thousand Dollars (\$10,000.00).

Section 6. Rights of Mortgagees. Any institutional mortgagee of any unit in the Condominium who desires notice of the annual and special meetings of the Council of Unit Owners and the Board of Directors shall notify the Secretary to that effect by registered mail, return receipt requested. Any such notice shall contain the name and post office address of such institutional mortgagee and the name of the person to whom notice of the annual and special meetings should be addressed. The Secretary of the Council of Unit Owners shall maintain a roster of all institutional mortgagees from whom such notices are received and it shall be the duty of the Secretary to mail or otherwise cause the delivery of a notice of each annual or special meeting, as aforesaid, to each such institutional mortgagee, in the same manner and subject to the same requirements and limitations as are provided for with respect to notice of such meetings to the Unit Owners or the Board of Directors, as the case may be. Any such institutional mortgagee shall be entitled to designate a representative to attend any such annual or special meeting and such representative may participate in the discussion at any such meeting and may, upon his request made to the chairman of the meeting in advance of the meeting, address the Unit Owners or the Board of Directors, as the case may be, present at any such meeting. Such representative shall have no voting rights at any such meeting. Such representative shall be entitled to a copy of

the minutes of all meetings of the Council and the Board of Directors upon request made in writing to the Secretary.

Section 7. Mortgagees in Possession; Limitations. Any holder of the mortgage on any unit which comes into possession of the unit pursuant to the remedies provided in the mortgage, by foreclosure of the mortgage or deed in lieu of foreclosure, shall take the unit free of any claims for unpaid assessments or charges against the mortgaged unit which accrued prior to the time that such mortgage holder comes into possession of the unit.

Section 8. Mortgagee Approval. Except as otherwise provided to the contrary in the Declaration or the By-Laws, unless all holders of mortgage liens on the individual units have given their prior written approval, the Council of Unit Owners shall not be entitled to: (1) change the percentage interest in common elements or the percentage interest in common elements or the percentage interest in common expenses appurtenant to any unit; (2) partition or subdivide any unit or the common elements of the Condominium; or (3) by act or omission, seek to abandon, partition, subdivide, encumber, sell or transfer the common elements. The provisions of this Section 8 shall not apply to the annexation of additional phases to the Condominium pursuant to Article XIII of the Declaration, nor to a change in the Declaration or By-Laws or termination of the Condominium regime due to condemnation or substantial damage or destruction to the Condominium or parts thereof, nor shall the granting of easements for public utilities or for other public purposes consistent with the intended use of the common elements be deemed a transfer within the meaning of this section.

Nothing herein contained, however, shall be construed to grant to the holders of mortgage liens any right or power prohibited or not granted by the Declaration, By-Laws or the Maryland Condominium Act.

Section 9. Right to Inspect Records. Any first mortgagee may examine the books and records of the Council during reasonable business hours and may require submission of audited or unaudited annual reports and other reasonable financial data.

ARTICLE XII

COMPLIANCE AND MISCELLANEOUS

Section 1. Compliance with Laws. These By-Laws are set forth to comply with the requirements of the laws of the State of Maryland. In case any of the By-Laws are in conflict with the provisions of said laws, the provisions of the laws 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.

Section 2. Captions. The captions contained in these By-Laws are for convenience only and are not part of these By-Laws and are not intended in any way to limit or enlarge the terms and provisions of these By-Laws.

Section 3. Singular, Plural and Gender. 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.

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

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

ARTICLE XIII

ARCHITECTURAL CONTROL

Except for the original renovation of the units situate within the Condominium by the Developer and any improvements to any common elements accomplished concurrently with said renovation, and except for purposes of proper maintenance and repair (in the same decor, color, stain, material, etc.) or as otherwise provided in these By-Laws or the Declaration, it shall be prohibited to install, erect, attach, apply, paste, hinge, screw, nail, build, alter, remove or construct any lighting, shades, screens, awnings, patio covers, decorations, fences, aerials, antennas, radio or television broadcasting or receiving devices, slabs, sidewalks, curbs, gutters, porches, driveways, walls, or to make any change or otherwise alter (including any alteration in color) in any manner whatsoever to the exterior of any unit or upon any of the common elements within the project until the complete plans and specifications, showing the location, nature, shape, height, material, color, type of construction and/or any other proposed form of change (including, without limitation, any other information specified by the Board of Directors or its designated committee) shall have been submitted to and approved in writing as to harmony or external design, color and location in relation to surrounding structures and topography by the Board of Directors of the Council, or by an architectural control committee designated by it.

In the event the Board of Directors, or its designated committee, fails to approve or disapprove such design and location within sixty (60) days after said plans and specifications have been submitted to it, approval will not be required and this Article XIII will be deemed to have been fully complied with.

The Board of Directors shall have the power from time to time to adopt and promulgate such rules and regulations regarding the form and content of the plans and specifications to be submitted for approval and may publish such statements of policy, standards, guidelines and establish such criteria relative to architectural styles or details, or other related matters, as it may consider necessary or appropriate. No such rules, regulations, statements, criteria or the like shall be construed as a waiver of the provisions of this Article or any other provision or requirement of these By-Laws. The Board of Directors or the designated architectural control committee may charge and collect a reasonable fee for the examination of any plans and specifications submitted for approval pursuant to the provisions of this Article. The decisions of the Board of Directors or its

designated architectural control committee shall be final and there shall be no appeal from such decision to the Maryland courts.

ARTICLE XIV

RESERVES

Section 1. Reserve for Replacement. The Council shall establish and maintain a reserve fund for replacement by the allocation and payment monthly to such reserve fund of any amount to be designated from time to time by the Board of Directors. The reserve for replacements may be expended only for the purpose of effecting the replacement of the common elements and equipment of the Condominium, for start-up costs and operation contingencies of a non-recurring nature.

Section 2. Working Capital Funds. The Council shall establish and maintain a working capital fund for the initial months of operation of the project, equal to a minimum of two (2) monthly estimated assessments for each unit in the Condominium as initially constituted. The contributions to the working capital fund shall be made by each owner at the settlement at which such owner acquires legal title to the unit and shall be deemed a prepayment of such owner's first two month's regular assessments. Within sixty (60) days after closing has been held for the first unit sold, the Developer shall pay each unsold unit's share of the working capital fund to the Council; any sum so paid by the Developer on behalf of any such unsold unit shall be reimbursed to the Developer upon closing of the sale of such unit. The Board of Directors may transfer the contents of said fund to the reserve for replacements, but such transfer shall not be made until one hundred eighty (180) days after the recording of the Declaration establishing the Condominium.

ARTICLE XV

RESOLUTION OF DISPUTES

In addition to other powers granted to the Council of Unit Owners and the Board of Directors, the Board of Directors shall have the power to enforce the Declaration, By-Laws and Rules and Regulations of the Condominium pursuant to this Article.

Section 1. Abatement Notice. Upon information that a unit owner or occupant is in violation of any provisions of the Declaration, By-laws or Rules and Regulations of the Condominium, the Board of Directors, or its designated representative, shall have the power to notify such unit owner or occupant that such violation must be ceased (the "Abatement Notice"). The Abatement Notice shall be written and shall be hand-delivered or mailed, certified mail--return receipt requested, to the unit owner and/or occupant. The Abatement Notice shall contain:

- (1) A written demand to cease and desist from the alleged violation;
- (2) The nature of the alleged violation;

(3) The action required to abate the alleged violation; and

(4) If the alleged violation is of a continuing nature, a time period of not less than ten (10) days (the "Abatement Period"), from the date of the notice during which the violation may be abated without further sanction or, if the alleged violation is not of a continuing nature, a statement that any further violation of the same rule (or regulation or provision of the Declaration or By-Laws) may result in the imposition of a sanction after notice and hearing.

Section 2. Hearing Notice. If the alleged violation continues past the Abatement Period in the case of an alleged continuing violation, or if the same rule (or regulation or provision of the Declaration or By-Laws) is subsequently violated, the Board of Directors, or its designated agent, shall have the power to notify the alleged violator that it intends to hold a hearing in session on such violation and that such hearing may result in sanctions being imposed against the alleged violator. The notice provided for in this Section (the "Hearing Notice") shall be written and shall be hand-delivered or mailed, certified mail--return receipt requested, to the unit owner and/or occupant. The Hearing Notice shall contain:

- (i) The nature of the alleged violation;
- (ii) The time and place of the hearing, which time may be not less than 10 days from the giving of the notice;
- (iii) An invitation to attend the hearing and produce any statement, evidence, and witnesses on his or her behalf; and
- (iv) The proposed sanction to be imposed.

Section 3. Hearing. The Board of Directors shall have the power to hold a hearing in executive session (the "Hearing") on the date designated in the Hearing Notice. The provisions of Section 12 of Article IV of these By-Laws shall govern the acts of the Board of Directors. The Hearing shall be held by the Board of Directors in executive session and shall afford the alleged violator or reasonable opportunity to be heard; the alleged violator shall have the right to present evidence and present and cross-examine witnesses. The Hearing shall be conducted in an orderly fashion and shall not be governed by technical rules of evidence.

Prior to the effectiveness of any sanction imposed pursuant to this Article, proof of the Abatement Notice and the Hearing Notice shall be placed in the minutes of the meeting. This proof shall be deemed adequate if a copy of the Notices, together with a statement of the date and manner of delivery, is entered by the officer, director or agent who delivered or mailed such notice. The notice requirement shall be deemed satisfied if the alleged violator appears at the meeting. The minutes of the meeting shall contain a written statement of the results of the hearing and the sanction, if any, imposed.

Section 4. Notification of decision. After hearing evidence presented at the Hearing, the Board of Directors shall, at the end of such Hearing, or within three (3) days thereafter,

notify the alleged violator of its decision. Such decision shall be entered into the minutes and shall specify the violations, if any, found by the Board of Directors and the sanction, if any, imposed. The decision of the Board of Directors, pursuant to this Article, shall be final and binding, and there shall be no appeal from such decision to the courts of Maryland.

Section 5. Sanctions. If the Board of Directors finds, by a preponderance of evidence presented at the Hearing, that a unit owner or occupant has violated any provision of the Declaration, By-Laws or Rules and Regulations of the Condominium, the Board of Directors shall have the power to impose the following sanctions, cummulatively or alternatively:

(a) a fine of Twenty Dollars (\$20.00) for each violation; and/or

(b) suspension of the violator's voting privileges for a period not to exceed ninety (90) days for each violation; and/or

(c) an assessment of Twenty-Five Dollars (\$25.00) to defray the costs and expenses attendant to the dispute settlement procedure of this Article; and/or

(d) such other reasonable sanction as the Board may determine, including a fine in excess of that amount set forth in (a) above.

In the case of a violation which is of a continuing nature, a separate violation shall be deemed to exist for every day such violation shall continue past the period set forth in the Abatement Notice.

Any fine or assessment levied by the Board of Directors pursuant to this Article, shall be deemed an "assessment" within the terms of the Declaration and By-Laws of the Condominium and shall be due and payable within ten (10) days after the date of the Board of Directors' decision. Any such assessment, if not paid within the ten (10) day period aforesaid, shall accrue interest, constitute a lien against such owner's unit and be subject to foreclosure thereof, all as more fully provided in the Declaration and Article VI of these By-Laws.

Section 6. Applicability.

(a) The provisions of this Article XV in no way limit the rights of the Council of Unit Owners, the Board of Directors or their designated agents, as hereinelsewhere set forth in these By-Laws or the Declaration, to enter upon any unit or the common elements, to perform any obligation of a unit owner defaulting in same, and to hold such defaulting unit owner fully liable for all expenses incurred in connection with such performance.

(b) Notwithstanding anything to the contrary contained in this Article XV, the provisions of this Article XV shall in no way be deemed to apply (1) to the suspension of voting privileges for the reasons listed in Section 9 of Article III, or (2) to the remedies for non-payment of assessments described in Sections 4 and 5 of Article VI, or (3) to deny the Council or the Board of Directors the right to seek enforcement

in court of any provision of the Declaration, By-Laws, Rules and Regulations of the Condominium or of the Maryland Condominium Act.

ARTICLE XVI

RULES AND REGULATIONS

The Board of Directors may freely adopt reasonable rules and regulations for the peaceful and orderly use and enjoyment of the Condominium the provisions of §11-111 of the Maryland Condominium Act shall be applicable to the adoption of such rules and regulations except there shall be no appeal to the Courts concerning any rules and regulations adopted by the Board of Directors or the denial of any appeal for an individual exception therefrom.

ARTICLE XVII

ESTOPPEL AND CERTIFICATES

Section 1. Certificate. Upon the request of a unit owner who states in writing to the Board of Directors that he is contemplating the sale of his unit, and upon the request of such unit owner, the Board shall issue, within twenty (20) days of such request and upon receipt of a reasonable fee, a certificate to the unit owner which the unit owner may give to his prospective purchaser setting forth at least the following information:

(1) A statement disclosing the effect on the proposed conveyance of any right of first refusal or other restraint on the free alienability of the unit, other than any restraint created by the unit owner;

(2) A statement of the amount of the monthly common expense assessment and any unpaid common expense or special assessment currently due and payable from the selling unit owner;

(3) A statement of any other fees payable by the unit owners to the Council of Unit Owners;

(4) A statement of any capital expenditures approved by the council of unit owners or its authorized designee planned at the time of the conveyance which are not reflected in the current operating budget included in the certificate;

(5) The most recently prepared balance sheet and income and expense statement, if any, of the condominium;

(6) The current operating budget of the condominium, including details concerning the amount of the reserve fund for repair and replacement and its intended use, or a statement that there is no reserve fund;

(7) A statement of any judgments against the condominium and the existence of any pending suits to which the Council of Unit Owners is a party;

(8) A statement generally describing any insurance policies provided for the benefit of the unit owners, a notice that the policies are available for inspection stating the loca-

tion at which they are available, and a notice that the terms of the policy prevail over the general description;

(9) A statement as to whether the Council of Unit Owners has knowledge that any alteration or improvement to the unit or to the limited common elements assigned to the unit violates any provision of the declaration, bylaws, or rules or regulations;

(10) A statement as to whether the Council of Unit Owners has knowledge of any violation of the health or building codes with respect to the unit, the limited common elements assigned to the unit, or any other portion of the condominium;

(11) A statement of the remaining term of any leasehold estate affecting the condominium and the provisions governing any extension or renewal of it;

(12) A description of any recreational or other facilities which are to be used by the unit owners or maintained by them or the Council or Unit Owners, and a statement as to whether or not they are to be a part of the common elements; and

(13) Such other information as the Council of Unit Owners may be required to provide pursuant to the Maryland Condominium Act.

Section 2. Limitations. Apart from the certificate described in Section 1 of this Article, the Council shall have no obligation to furnish any information or services to a unit owner in respect to a proposed sale by such unit owner. The unit owner shall have the obligation of furnishing a prospective purchaser with copies of the Declaration, By-Laws, Rules and Regulations and such other information as may be required by the Maryland Condominium Act.

Section 3. Information by Purchaser. Upon any sale of a condominium unit, the purchaser or his agent shall provide to the Council of Unit Owners to the extent available, the name and forwarding address of the prior unit owner, the name and address of the purchaser, the name and address of any mortgagee, the date of settlement, and the proportionate amounts of any outstanding condominium fees or assessments assumed by each of the parties to the transaction.

AMENDMENT TO THE BY-LAWS
OF SUSSEX SQUARE CONDOMINIUM

WHEREAS, Sussex Square Condominium (hereinafter the "Condominium") is a duly created condominium by virtue of the recordation of its Declaration and By-Laws in the Land Records of Anne Arundel County, Liber EAC 3699, Folio 9 *et seq.*; and

WHEREAS, pursuant to Article III, Section 1 of the By-Laws and Section 11-109(d)(21) of the Maryland Condominium Act (the "Act"), the council has the right and power to amend the Condominium's documents in order to promote and attain the purposes of the Condominium; and

WHEREAS, the Council has determined it is necessary to amend Article IX, of the By-Laws to include a provision regarding insurance deductibles; and

WHEREAS, pursuant to Article X, of the By-Laws, the By-Laws may be amended, by the affirmative vote of unit owners having sixty-six and two-thirds percent (66-2/3%) or more of the votes; and

WHEREAS, unit owners representing sixty-six and two-thirds percent (66-2/3%) or more of the votes of all unit owners present at a duly constituted meeting able to vote on the Amendment have approved this Amendment;

NOW THEREFORE, the By-Laws of Sussex Square Condominium are hereby amended as follows:

- A. The following provision shall be added to the end of Article IX:

Section 7. Insurance Deductible. In the event of an insured loss to a unit or common element under the Condominium's master casualty insurance policy, if the loss is caused by anything in a unit or for which the unit owner has the maintenance, repair or replacement responsibility, the owner of said unit shall bear the responsibility for all costs, including the insurance deductible up to the amount of one thousand dollars (\$1,000.00) or such greater amount as may be permitted from time to time by the Act, without regard to the negligence of the unit owner or his or her tenant, guest or invitee. In the event there are contributing sources to the damage, all costs, including the payment of the insurance deductible, shall be apportioned as determined by the Board of Directors, in its sole discretion. The amount of the insurance deductible owed by a unit owner shall be charged as an Assessment and may be collected in the same manner as an Assessment in accordance with Section 11-110 of the Maryland Condominium Act. The amount of the insurance deductible which exceeds \$1,000.00, or such greater amount as may be permitted by the Act, is the responsibility of the Council and is a common expense. Further, if the loss originates from the common elements, the insurance deductible shall be paid by the council as a common expense. If the amount of damage does not meet the deductible, no claim shall be filed against the master casualty insurance policy.

Section 8. Uninsured Loss. In the event of an uninsured loss, if the loss is caused by anything in a unit or for which the unit owner has the maintenance, repair or replacement responsibility, the owner of said unit shall bear the responsibility for all such costs.

IN WITNESS THEREOF, on this 17th day of January, 2002, the Council of Unit Owners on behalf of Sussex Square Condominium executed the foregoing Amendment to the By-Laws of Sussex Square Condominium.

Council of Unit Owners of Sussex Square
Condominium

By: Annabel Lewis
President

By: Barbara J. Sornik
Secretary

STATE OF MARYLAND

COUNTY OF Anne Arundel

I, Joanne Flaherty, a Notary Public in and for the State of Maryland, do hereby certify that Annabel Lewis known to me (or satisfactorily proven) to be the person named as the President of the Council of Unit Owners of Sussex Square Condominium personally appeared before me in the above-referenced jurisdiction, and as President, and by virtue of the authority vested in him/her, acknowledge that the Amendment to the By-Laws to be the Act and Deed of the Council of Unit Owners of Sussex Square Condominium.

GIVEN under my and seal this 18th day of January 2002

Joanne Flaherty
Notary Public

My Commission expires: 11/23/2003

CERTIFICATE OF THE SECRETARY OF
SUSSEX SQUARE CONDOMINIUM

I hereby certify that on the 17th day of January, 2002, that I was acting Secretary of Sussex Square Condominium, at the meeting of the Condominium at which the aforesaid Amendment was approved, and that I was the person authorized pursuant to the Condominium's By-Laws to count the votes at said meeting. I further certify that said approval was by unit owners having the percentage of votes required by the By-Laws, that the required written notice of the same was mailed to all Owners, and that accordingly, the aforesaid Amendment shall be effective.

BY: Barbara J. Svorcik
Secretary

ATTEST:

BY: Annabel Lewis
President

STATE OF MARYLAND

COUNTY OF Anne Arundel

I, Joanne Flaherty a Notary Public in and for the State of Maryland, do hereby certify that Barbara Svorcik known to me (or satisfactorily proven) to be the person named as the ~~President~~^{Secretary} of the Council of Unit Owners of Sussex Square Condominium personally appeared before me in the above-referenced jurisdiction, and as President, and by virtue of the authority vested in him/her, acknowledge that the Amendment to the By-Laws to be the Act and Deed of the Council of Unit Owners of Sussex Square Condominium.

GIVEN under my and seal this 18th day of January 2002

Joanne Flaherty
Notary Public

My Commission expires: 11/23/2003

Resolution

Authority

WHEREAS the Board of Directors (Board) of Sussex Square Condominium (Association) is empowered to govern the affairs of the Association pursuant to Article IV of the By-Laws of Sussex Square Condominium Council , Inc.

Purpose

WHEREAS the By-Laws of Sussex Square Condominium require under Article VIII, Section 1 that all units be used for private residential purposes exclusively, and;

WHEREAS the By-Laws of Sussex Square Condominium require under Article VIII, Section 2, that all leases must: (a) be at least 90 days in length, unless the Board approves otherwise; (b) be in writing and be on file with the Association including a notice from the property owner giving the names of all Tenants and the current address of the property owner; (c) contain a statement that the rights of the Tenant are subject to all provisions of the Declaration, Articles of Incorporation and By-Laws, and that failure of the Tenant to comply with such provisions shall be considered a default under the lease.

The Board by this Resolution shall require the Owner to provide the required information to the Board by certified mail, return receipt requested.

Intent

WHEREAS the Board intends this Resolution to take effect immediately upon its adoption by the Board and this Resolution shall be applicable to all property owners in the Association.

Specification

NOW THEREFORE, BE IT RESOLVED THAT the following rule is adopted as a requirement for compliance with Article VIII Section 2 of the By-Laws:

The Owner Shall provide the Association with a copy of the executed lease document between the Owner and the Owner's Tenant. The Owner shall further provide a statement identifying the names of all Tenants occupying the unit and the current address of the Owner. The Association's copy of the lease and the statement identifying the Tenants along with the current address of the Owner shall be mailed by United States registered or certified mail, return receipt requested, with all postage charges prepaid, to Board's property management agent or other party as may be directed by the Board.

Resolved this 23rd day of September 1999