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SECOND AMENDED AND RESTATED BYLAWS
OF
COUNCIL OF UNIT OWNERS
OF
MILLS CHOICE CONDOMINIUM

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SECOND AMENDED AND RESTATED BYLAWS

OF

COUNCIL OF UNIT OWNERS

OF

MILLS CHOICE CONDOMINIUM

ARTICLE I

PLAN OF CONDOMINIUM OWNERSHIP

Section 1. The Condominium. The Property described on Exhibit "B" to the Second Amended and Restated Declaration (hereinafter referred to as the "Declaration") has been established as a Condominium pursuant to the Act. These Second Amended and Restated Bylaws (hereinafter referred to as the "Bylaws") are attached to and made part of the Declaration as Exhibit "C" and are intended by the Declarant to set forth, inter alia, a plan by which the affairs of the Condominium shall be administered and governed by the Unit Owners' Association pursuant to the Act.

Section 2. Definitions. In these Bylaws, all words shall have the same meanings as designated in the Declaration unless otherwise apparent from the context, provided that the Council of Unit Owners shall be sometimes designated in these Bylaws as the "Association".

Section 3. Applicability of Bylaws. The provisions of these Bylaws are applicable to the Association and to the Condominium. All present and future Unit owners, lessees and occupants of Units, and any other persons who may use the Condominium or the facilities of the Condominium in any manner, are subject to these Bylaws, the Declaration and the rules and regulations (hereinafter called the "Rules and Regulations") from time to time promulgated by the board of directors (hereinafter called the "Board of Directors" and each member thereof a "member" or a "Director") of the Association. The acceptance of a deed of conveyance to a Unit shall constitute an agreement that these Bylaws, the Rules and Regulations and the provisions of the Declaration, as they may be amended from time to time, are accepted, ratified and will be complied with.

ARTICLE II

COUNCIL OF UNIT OWNERS

Section 1. Purpose and Status of Association. The purpose of the Association shall be to operate and maintain the Condominium for the benefit of the Unit owners and to exercise the powers conferred upon it by the Act and these Bylaws. The Association shall be an unincorporated entity.

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Section 2. Name and Mailing Address. The Association hereby organized and formed for the purposes set forth above shall be known as "Council of Unit Owners of Mills Choice Condominium". Unless changed from time to time by the Board of Directors, the office and mailing address of the Association and the Board of Directors shall be the same as the Resident Agent for the Association.

Section 3. Powers of the Association. The Association shall have all of those powers enumerated in Section 11-109(d) of the Act, as the same may be amended from time to time. All powers residing in the Association, except for such as in the Act are expressly reserved to the Association, shall be delegated to and exercised by the Board of Directors of the Association and/or the managing agent employed by the Board of Directors on behalf of the Association.

Section 4. Members. The Association shall have as its members every person, group of persons, corporation, trust or other legal entity, or any combination thereof, who or which owns a Unit (herein called "Unit owner"); provided, however, that any person, group of persons, corporation, trust or other legal entity, or any combination thereof, who or which holds such interest solely as security for the performance of an obligation shall not be a member solely on account of such interest.

Section 5. Annual Meetings. Within sixty (60) days from the date that deeds to Units representing fifty percent (50%) of the votes in the Association have been delivered by the Declarant and title closed thereon, or two (2) years from the date of recordation of the Declaration, whichever occurs earlier, the Declarant shall notify the Unit owners and a meeting of the Association shall be held for the purpose of electing members to the Board of Directors, a majority of whom shall be Unit owners other than the Declarant. Notice of such meeting shall be given in accordance with the provision of Section 8 of this Article II. Subsequent annual meetings of the Association should be held on the same date of each year as the first annual meeting, unless such date shall occur on a Saturday or Sunday or holiday, in which event the meeting shall be held on the next succeeding Monday which is not a holiday.

Section 6. Special Meetings. It shall be the duty of the President of the Association to call a special meeting (a) if so directed by resolution of the Board of Directors, or (b) upon a petition signed and presented to the Secretary of the Association by Unit owners having not less than twenty-five percent (25%) of the percentage interests in the Common Elements of the Condominium; provided, however, that except on resolution of the Board of Directors, no special meetings shall be called prior to the first annual meeting of the Association as hereinabove provided for. No business shall be transacted at a special meeting except such as shall have been stated in the notice thereof.

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Section 7. Place of Meetings. Meetings of the Association shall be held at the principal office of the Association or at such other suitable place convenient to the Unit owners as may be designated in the notice of meeting by the Board of Directors.

Section 8. Notice of Meetings. It shall be the duty of the Secretary to provide a notice of each annual or special meeting of the Association at least ten (10), but not more than ninety (90) days prior to such meeting, stating the purpose thereof as well as the time and place where it is to be held, to each Unit owner of record, at his address shown on the roster (hereinafter called the "Roster") required to be kept pursuant to Section 11-109(c) of the Act. The mailing of a notice of meeting in the manner provided in this Section shall be considered service of notice as of the date of such mailing. In addition to the mailing of notice of each annual and special meeting, notice may be personally delivered to each Unit owner at his address as shown on the Roster. Service of notice shall be proven by affidavit of the person serving such notice. Attendance by a Unit owner at a meeting in person or by proxy shall constitute waiver of notice of the time, place and purposes of such meeting.

Section 9. Adjournment of Meeting. If any meeting of the Association cannot be held because a quorum of members has not attended, a majority of the Unit owners holding a majority of votes who are present at such meeting, either in person or by proxy, may adjourn the meeting to a time not less than forty-eight (48) hours from the time the original meeting was called. No further notice thereof shall be required.

Section 10. Order of Business. The order of business at all meetings of the Association shall be as follows:

- (a) Roll call.
- (b) Proof of notice of meeting.
- (c) Reading of minutes of preceding meeting.
- (d) Reports of officers.
- (e) Report of Board of Directors.
- (f) Reports of committees.
- (g) Appointment of inspector of election (when so required).
- (h) Nomination of Directors from the floor (when so required).
- (i) Election of members of the Board of Directors (when so required).

(j) Unfinished business.

(k) New business.

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

Section 11. Voting. Each Unit owner, or some person designated by such Unit owner to act as proxy on his behalf (and who need not be a Unit owner), shall be entitled to cast the vote appurtenant to his Unit at all meetings of the Association. The designation of any such proxy shall be made in writing to the Secretary, shall be revocable at any time by written notice to the Secretary by the Unit owner so designated the proxy, and shall automatically expire ninety (90) days following its issuance unless granted to a mortgagee or lessee. In the case of a Unit which is owned by more than one person or entity, any or all of such owners may be present at any meeting of the Association and (those constituting a group acting unanimously) may vote or take any other action as a Unit owner, either in person or by proxy. A fiduciary shall be the voting member with respect to any Unit owned in a fiduciary capacity. Where title to a Unit is in more than one person or entity, such multiple owners shall be entitled to cast, in the aggregate and as a solid block, the vote allocated to the Unit. If such multiple owners shall be unable to agree upon their vote upon any subject at any meeting they shall lose their right to vote on such subject, but if all of them shall not be present at a meeting, either in person or by proxy, the collective vote of the one or more present shall be the vote of all of the owners of the Unit. Whenever the vote of the Unit owners at a meeting is required or permitted by any provisions of the Act, the Declaration or by these Bylaws to be taken, the meeting and vote of Unit owners may be dispensed with if all of the Unit owners who would have been entitled to vote thereat upon the action, if such meeting were held, consent in writing to such action being taken.

A Unit owner shall not be entitled to vote at any meeting of the Association if the Association has recorded a statement of condominium lien with respect to his Unit in accordance with Section 11-110 of the Act, and the amount necessary to release such lien has not been paid as of the date of the meeting.

No Unit owner shall be entitled to vote at a meeting of the Association unless and until he shall have furnished the Association with his name and current mailing address for listing on the Roster in accordance with Section 11-109(c) of the Act.

Section 12. Majority of Unit Owners. As used in these Bylaws, the term "majority of Unit owners" shall mean those Unit owners having more than fifty percent (50%) of the total authorized votes of all Unit owners present, in person or by proxy, and voting at any meeting of the Association.

Section 13. Quorum. Except as otherwise provided in these Bylaws or in the Act, the presence in person or by proxy of Unit owners having more than fifty percent (50%) of the total authorized votes of all Unit owners constitutes a quorum at all meetings of the Association.

Section 14. Majority Vote. The vote of a majority of the total authorized votes of Unit owners present at a meeting which has been duly called shall be binding upon all Unit owners for all purposes except where in the Declaration, under the Act or pursuant to these Bylaws a higher percentage vote is required.

Section 15. Liquidation Rights. In the event of any voluntary or involuntary dissolution of the Association, each Unit owner shall be entitled to receive out of the assets of the Association available for distribution to the members thereof an amount equal to his Percentage Interest in the Common Profits and Common Expenses of the Association.

ARTICLE III BOARD OF DIRECTORS

Section 1. Number and Qualification. The affairs of the Association shall be governed by a Board of Directors acting on behalf of the Association. Until the first annual meeting of the Association as provided for in Article II, Section 5, of these Bylaws, and thereafter until their successors shall have been elected by the Unit owners, the Board of Directors shall consist of at least three (3) but not more than five (5) members to be designated by the Declarant. Within ninety (90) days of the recordation of these Second Amended and Restated Bylaws, at least one (1) member of the Board of Directors designated by the Declarant shall be a Unit owner other than the Declarant. Within one (1) year of the recordation of these Second Amended and Restated Bylaws, at least two (2) members of the Board of Directors designated by the Declarant shall be Unit owners other than the Declarant. Within two (2) years of the recordation of these Second Amended and Restated Bylaws, a majority of the members of the Board of Directors shall be Unit owners other than the Declarant. Thereafter, the Board of Directors shall be composed of five (5) members, all of whom shall be elected by the Unit owners.

Section 2. Powers and Duties. The Board of Directors shall have and shall exercise the powers and duties of the Association as set forth in Article II, Section 3 hereof, and may do all such acts and things except as by law or by the Declaration or by these Bylaws may not be delegated to the Board of Directors by the Unit owners. Without limiting the generality of the foregoing, the Board of Directors' powers shall include the following:

(a) Operation, care, upkeep and maintenance of the Common Elements.

(b) Determination of the common expenses required for the affairs of the Association.

(c) Collection of the common charges and expenses from the Unit owners.

(d) Employment and dismissal of the personnel necessary for the maintenance and operation of the Common Elements.

(e) Opening of bank accounts on behalf of the Association and designating the signatories required therefor.

(f) Purchasing of Units at foreclosure or other judicial sale in the name of the Board of Directors, or its designee, corporate or otherwise, on behalf of the Association.

(g) Obtaining of insurance for the Property.

(h) Making of repairs, additions, replacements and improvements to or alterations of the Common Elements in accordance with the other provisions of these Bylaws after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings.

(i) Enacting uniform Rules and Regulations from time to time for the use of the Property, as well as the conduct and the enjoyment of the Unit owners; provided, however, that no such Rules or Regulations so adopted shall be in conflict with the Act or the Declaration or these Bylaws; and provided further that no such Rules or Regulations shall be so construed so as to impair in any manner the lien of any mortgage or deed of trust with respect to any Unit and/or the Common Elements if such Rules or Regulations are promulgated after the recordation of said mortgage or deed of trust.

(j) Enforcing obligations of Unit owners, allocating common profits and common expenses, if any, and doing anything and everything else necessary and proper for the sound management of the Property. In this connection, the Board of Directors shall have the power to levy fines against Unit owners for violations of the Rules and Regulations. No fine may be levied for more than Five Dollars (\$5.00) for any one (1) violation; but for each day that a violation continues, after notice, it shall be considered a separate violation. Collection of fines may be enforced against the Unit owner or Unit owners involved as if the fines are a common charge owed by the particular Unit owner or Unit owners. Where a Unit owner persists in violating the Rules and Regulations, the Board of Directors may require him to post a bond, satisfactory to it, to secure future compliance with the Rules and Regulations.

(k) Controlling the use of all Common Elements, including, but not limited to, designating parking spaces thereon for use by Unit owners and/or their guests.

(1) Establishing reasonable reserve funds for emergencies and unforeseen contingencies and for the repair and replacement of the Common Elements.

Section 3. Managing Agent. The Board of Directors shall employ for the Association a professional managing agent at a compensation established by the Board of Directors. The Board of Directors shall not undertake "self-management" or otherwise fail to employ a professional managing agent without the prior written approval of owners of Units to which at least sixty-seven percent (67%) of the votes in the Association are allocated and the approval of Eligible Mortgage Holders which have at least fifty-one percent (51%) of the votes of units subject to eligible holder mortgages. All management agreements entered into on behalf of the Association shall (a) be for a term not in excess of one (1) year, (b) provide that either party may terminate the agreement, without cause, upon ninety (90) days' written notice (and without a termination fee), (c) provide that the Board of Directors may, for cause, terminate such agreement upon thirty (30) days' written notice (without a termination fee) and (d) provide for renewal upon agreement by the parties for successive one (1)-year periods.

Section 4. Election and Term of Office. The Directors of the Association who shall be designated by the Declarant in accordance with Article III, Section 1, above, shall hold office at the pleasure of the Declarant, and otherwise until the first annual meeting of the Association as provided for in Article II, Section 5, of these Bylaws.

At the first annual meeting of the Association, five (5) members of the Board of Directors shall be elected by the Unit owners from among the Unit owners, a majority of whom shall be Unit owners other than the Declarant. Commencing with the first annual meeting of the Association, the term of office of the two (2) Directors receiving the greatest number of votes shall be fixed for two (2) years. The terms of office of the remaining Directors shall be fixed at one (1) year. At the expiration of the initial term of office of each respective Director, his successor shall be elected to serve a term of two (2) years. Each Director shall hold office until the next meeting of the Board of Directors following the election of his successor. However, a member of the Board of Directors shall be deemed to have resigned whenever such member, his spouse, or firm, corporation or other entity he is associated with, sells the Unit which qualified such individual to become a member of the Board of Directors.

Members of the Board of Directors shall be elected by secret ballot.

Section 5. Removal of Members of the Board of Directors. At any regular or special meeting of the Association after the first annual meeting of the Association, any one or more of the members of the Board of Directors elected by the Unit owners may be removed, with or without cause, by a majority of the Unit

owners. Any member of the Board of Directors whose removal has been proposed by the Unit owners shall be given an opportunity to be heard at the meeting. The term of office of any Director who becomes more than forty-five (45) days delinquent in the payment of common charges against the Unit of which he is the owner shall automatically terminate on the forty-sixth (46th) day, and his successor shall thereupon be appointed by the Board of Directors from among the Unit owners to fill out the unexpired portion of his term. A Unit owner may remove a Board member of the Board of Directors designated by him, at any time, with or without cause, by written notification to the Board of Directors specifying the date of such removal and the name of the individual designated to succeed the member so removed.

Section 6. Vacancies. Vacancies on the Board of Directors shall be filled by vote of a majority of the remaining Directors at a special meeting of the Board of Directors held for that purpose promptly after the occurrence of any such vacancy, even though the members present at such meeting may constitute less than a quorum, and each person so elected shall be a member of the Board of Directors for the remainder of the term of the predecessor member, and until a successor shall be elected at the next annual meeting of the Association, following the expiration of such term.

Section 7. Organization Meeting. The first regular meeting of the Board of Directors following an annual meeting of the Unit owners shall be held within ten (10) days thereafter, at such time and place as shall be fixed by a majority of the members of the Board of Directors, and no notice shall be necessary to the newly elected members of the Board of Directors in order legally to constitute such meeting, provided that a majority of the whole Board of Directors shall be present thereat.

Section 8. 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 members of the Board of 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 member of the Board of Directors, personally (in writing), by mail or by telegraph, at least five (5) days prior to the day named for such meeting.

Section 9. Special Meetings. Special meetings of the Board of Directors may be called by the President of the Association on three (3) business days' notice to each member of the Board of Directors, given by mail, personally (in writing) or by telegraph, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President of the Association in like manner and on like notice on the written request of at least two (2) members of the Board of Directors.

Section 10. Waiver of Notice. Any member of the Board of Directors may at any time waive notice of any meeting of the Board

of Directors, in writing, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member of the Board of Directors at any meeting of the Board shall constitute a waiver of notice by him of the time, place and purpose thereof. If all the members of the Board of Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

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

Section 12. Fidelity Bonds. To the extent reasonably available, blanket fidelity bonds shall be required to be maintained by the Board of Directors for all officers, directors, managers, trustees, employees and volunteers of the Association and all other persons handling or responsible for funds held or administered by the Association, whether or not they receive compensation for these services. Where the Board of Directors has delegated some or all of the responsibility for the handling of funds to a management agent, such management agent shall be covered by its own fidelity bond. Except for fidelity bonds or insurance that a management agent obtains for its personnel, all other bonds or insurance shall name the Council of Unit Owners as the obligee and shall be written in an amount sufficient to provide protection which is in no event less than the maximum funds, including reserves, in the custody of the Council of Unit Owners or the management agent, as the case may be, at any time during the term of the bond, and in no event less than a sum equal to three (3) months' aggregate assessments on all units plus reserve funds. Fidelity bonds obtained by a management agent shall name the Association as an additional obligee. Such fidelity bond or insurance shall contain waivers of any defense based upon the exclusion of volunteers or other persons who serve without compensation from any definition of "employee" or similar expression. In connection with such coverage, an appropriate endorsement to the policy to cover any persons who serve without compensation shall be added if the policy would not otherwise cover volunteers. Premiums on the fidelity coverage shall be paid by the Council of Unit Owners as a common expense and the premiums for any coverage obtained by a management agent shall be paid by such management agent. The fidelity bond or insurance shall provide that they may not be canceled or substantially modified without at least ten (10) days' prior written notice to the Association, any Insurance Trustee, all Eligible Mortgage Holders and each servicer servicing a mortgage in the Condominium owned by FNMA.

Section 13. Compensation. No member of the Board of Directors shall receive any compensation for acting as such, but a Director may be reimbursed for actual out-of-pocket expenses incurred by him in the proper performance of his duties.

Section 14. Liability of the Board of Directors; Indemnification.

(a) The members of the Board of Directors shall not be liable to the Unit owners for any mistake of judgment, negligence, or otherwise, except for their own individual willful misconduct or bad faith.

(b) The Association shall indemnify every Director against any and all expenses, including counsel fees, reasonably incurred by or imposed upon any Director in connection with any action, suit or other proceeding (including the settlement of any such suit or proceeding if approved by the then Board of Directors of the Association) to which he may be made a party by reason of being or having been a Director of the Association, whether or not such person is a Director at the time such expenses are incurred. The Board of Directors shall obtain adequate directors and officers insurance. The Directors of the Association shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Association (except in their capacity as Unit owners) and the Association shall indemnify and forever hold each such Director free and harmless against any and all liability to others on account of any such contract or commitment. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any Director of the Association or former Director of the Association may be entitled.

(c) The provisions of "(a)" and "(b)" above shall also apply to each and every officer of the Association.

Section 15. Executive Committee. The Board of Directors may, by resolution duly adopted, appoint an Executive Committee to consist of three (3) members of the Board of Directors. The Executive Committee shall have and may exercise all of the powers of the Board of Directors in the management of the business and affairs of the Association during the intervals between the meetings of the Board of Directors insofar as may be permitted by law, except that the Executive Committee shall not have power (a) to determine the common charges and expenses required for the affairs of the Association, or (b) to adopt or amend the Rules and Regulations covering the details of the operation and use of the Property.

Section 16. Common or Interested Directors.

(a) The Directors shall exercise their powers and duties in good faith and with a view to the interests of the Association and consistent with the purposes set forth in the

Declaration. No contract or other transaction between the Association and one or more of its Directors, or between the Association and any corporation, firm, entity or association in which one or more of the Directors are directors or officers or are pecuniarily or otherwise interested, shall be 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 such action complies with the provisions of Section 2-419 of the Corporations and Associations Article of the Annotated Code of Maryland (1985 Repl. Vol.) or its successor statute.

Section 17. Board as Attorney-in-Fact. The Board of Directors is hereby irrevocably appointed as attorney-in-fact for the owners of all of the Units, and for each of them, to manage, control and deal with the interests of such owners in the Common Elements of the Condominium so as to permit the Board of Directors to fulfill all of its powers, functions and duties under the provisions of the Act, the Declaration and these Bylaws, and to exercise all of its rights thereunder and to deal with the Property upon its destruction and/or the proceeds of any insurance indemnity as hereinafter provided and to grant easements in accordance with Article XI hereof. The foregoing shall be deemed to be a power of attorney coupled with an interest, and the acceptance by any person or entity of any interest in any Unit shall constitute an appointment of the Board of Directors as attorney-in-fact as aforesaid.

ARTICLE IV OFFICERS

Section 1. Designation. The principal officers of the Association shall be the President (who shall also act as chairman of the Board of Directors of the Association), the Vice President, the Secretary, and the Treasurer, all of whom shall be elected by the Board of Directors. The Board of Directors may appoint an assistant treasurer, an assistant secretary, and such other officers as in its judgment may be necessary or desirable. The President and Vice President, but no other officers, must be members of the Board of Directors.

Section 2. Election of Officers. The officers of the Association shall be elected annually by the Board of Directors and shall hold office at the pleasure of the Board of Directors.

Section 3. Removal of Officers. Upon the 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.

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Section 4. President. The President shall be the chief executive and operating officer of the Association. He shall preside at all meetings of the Association. He shall have all of the general powers and duties which are incident to the office of president of a stock corporation organized and existing under the laws of the State of Maryland.

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 some other member of the Board of Directors to act in the place of the President on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon him by the Board of Directors or by the President, including, without limitation, the counting of votes at meetings of the Association.

Section 6. Secretary. The Secretary shall keep the minutes of all meetings of the Association (including copies of all resolutions adopted thereat), and of the Board of Directors; he shall have charge of such books and papers as the Board of Directors may direct; and he shall, in general, perform all the duties incident to the office of secretary of a stock corporation organized and existing under the laws of the State of Maryland.

Section 7. Treasurer. The Treasurer shall have the responsibility for Association funds and securities and shall be responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements, and for the preparation of all required financial data. He shall be responsible for the deposit of all moneys and other valuable effects in the name of the Association in such depositories as may from time to time be designated by the Board of Directors, and he shall, in general, perform all the duties incident to the office of treasurer of a stock corporation organized and existing under the laws of the State of Maryland.

The Treasurer shall give a bond, the premium therefor to be considered a common expense, in such sum and with such surety or sureties as shall be satisfactory to the Board of Directors for the faithful performance of the duties of his office and for the restoration, in case of his death, resignation, retirement or removal from office, of all books, papers, vouchers, money and other property of whatever kind in his possession or under his control.

Section 8. Compensation of Officers. No officer shall receive any compensation from the Association for acting as such.

ARTICLE V
OPERATION OF THE PROPERTY

Section 1. Determination of Common Expenses and Fixing of Common Charges.

(a) Unless otherwise expressly provided herein, common expenses of the Association, in general, shall include maintenance, operation, repair, or replacement of the Common Elements. They include, but are not limited to:

- (i) Management fees;
- (ii) Insurance premiums;
- (iii) Charges for landscaping, snow removal and maintenance of the walks, driveways, parking areas, retaining walls, and recreational facilities;
- (iv) Audit, attorneys' fees, and like administrative costs;
- (v) Reserves for replacements or other expenses of a non-recurring nature;
- (vi) Service contracts and employees' salaries;
- (vii) Payment of utility bills and like expenses (except to the extent that such bills or expenses are individually metered for any Unit, in which event such bills or expenses shall be the responsibility of the Unit owner receiving the benefit of such individually metered service);
- (viii) Charges accruing pursuant to any cross-easement, reciprocal, homeowners' or similar agreement affecting the Condominium; and
- (ix) Such other expenses as shall be necessary or desirable in the judgment of the Board of Directors for the administration and operation of the Property, or which may be declared to be common expenses by the Act, the Declaration, these Bylaws or by resolution of the Unit owners.

(b) The proportionate interest of any Unit owner in any reserve fund shall be considered an appurtenance to his Unit and shall not be separately withdrawn, assigned or transferred or otherwise separated from the Unit to which it is appurtenant, and shall be deemed to be transferred with such Unit.

Section 2. Preparation and Approval of Budget. Each year at least thirty (30) days before the end of the current fiscal year the Board of Directors shall make reasonable efforts to adopt a budget for the Condominium containing an estimate of the total amount which it considers necessary to pay the cost of maintenance, management, operation, repair and replacement of the Common Elements as to which it is the responsibility of the Association to maintain, manage, operate, repair, and/or replace, and the cost

of wages, materials, insurance premiums, services, supplies and other expenses that may be declared to be common expenses by the Act, these Bylaws or a resolution of the Association, and which will be required during the ensuing fiscal year for the maintenance, management, operation, and/or repair of the Property as required by the Declaration and these Bylaws. Such budget shall not be greater than five percent (5%) of the total amount of the budget for the previous year, unless (i) such increase above five percent (5%) is attributable to expenses which are not within the control of the Board of Directors, such as utilities and insurance, or (ii) the increase above five percent (5%) is approved by a majority of Unit owners. The Board of Directors shall send to each Unit owner a copy of the budget, in a reasonably itemized form which sets forth the amount of the common expenses payable by each Unit owner, on or before thirty (30) days prior to the Board's adoption of the budget of the fiscal year to which the budget applies or as soon thereafter as is possible. The said budget shall constitute the basis for determining each Unit owner's contribution for the common expenses of the Condominium. The failure or delay of the Board of Directors to prepare or adopt the annual budget for any fiscal year shall not constitute a waiver or release in any manner of a Unit owner's obligation to pay his allocable share of the common expenses, as herein provided, whenever the same shall be determined, and in the absence of any annual budget, each Unit owner shall continue to pay his allocable share of the common expenses at the then existing rate established for the previous fiscal period until the new payment is established.

Section 3. Reserves. As part of the annual budget, the Board of Directors shall build up and maintain an adequate reserve for working capital and contingencies, and an adequate reserve for substantial periodic repair and replacement of the Common Elements required to be replaced by the Association. Insurance deductibles should also be funded through the reserves maintained by the Association. All funds accumulated for reserves shall be kept in a separate bank account, segregated from the general operating funds, and, if the Board of Directors deems it advisable, funds accumulated for each type of reserve shall be kept in a separate bank account, identified by reference to the specific category of reserve. Extraordinary expenditures not originally included in the annual budget which may become necessary during the year shall be charged first against such reserves. Except where an emergency requires an expenditure to prevent or minimize loss from further damage to, or deterioration of, the Common Elements, reserves accumulated for one purpose may not be expended for any other purpose unless approved by the Association, unless provided otherwise by the Act, the Federal National Mortgage Association ("FNMA"), the Federal Home Loan Mortgage Corporation ("FHLMC") or the Veterans Administration ("VA"). If the reserves are inadequate for any reason, including non-payment of any Unit owner's assessment, the Board of Directors may at any time levy a further assessment, which shall be assessed against the Unit owners according to their proportionate share, and which may be payable

in a lump sum or in installments as the Board of Directors may determine. The Board of Directors shall serve notice of any such further assessment on all Unit owners by a statement in writing giving the amount and reasons therefor, and such further assessment shall, unless otherwise specified in the notice, become effective with the next regular payment which is due more than ten (10) days after the delivery or mailing of such notice of further assessment.

The proportionate interest of any Unit owner in any reserve fund shall be considered an appurtenance to his Unit and shall not be separately withdrawn, assigned or transferred or otherwise separated from the Unit to which it is appurtenant, and shall be deemed to be transferred with such Unit.

Section 4. Amendment to Budget. Any expenditure which is deemed necessary by the Board of Directors (other than those required 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, if made, would result in an increase in the amount of assessments for the current fiscal year of the Condominium in excess of fifteen percent (15%) of the budgeted amount previously adopted shall be approved by an amendment to the Budget adopted at a special meeting of the Board of Directors, upon not less than ten (10) days' written notice to the Unit owners. Any other special assessment to meet the common expenses of the Association may be levied by the Board of Directors upon resolution thereof.

Section 5. Initial Assessment. When the first Board of Directors takes office, it shall determine the budget for the period commencing upon the conveyance of legal title to the first Unit by the Declarant and ending on the last day of the fiscal year established by the Board of Directors in which such conveyance occurs. The Board of Directors shall establish an initial working capital fund equal to two (2) months' regular assessments through a special assessment of each Unit owner upon purchase of his Unit from the Declarant. The Declarant will deliver the funds so collected to the Board of Directors, who shall maintain the funds in a segregated account for the use and benefit of the Association to provide the necessary working capital for the Council of Unit Owners. Such funds may be used for certain prepaid items, initial equipment, supplies, organizational costs and other start-up costs, or for such other purposes related to the operation of the Association as the Board of Directors may determine.

Section 6. Payment of Common Charges; Lien. Each Unit owner shall be obligated to pay, in advance, the common expenses and charges assessed by the Board of Directors against his Unit.

The amount levied and assessed against each Unit for common expenses shall constitute a lien against said Unit from the date of assessment until the date of full payment, provided that the requirements of the Maryland Contract Lien Act have been fulfilled. Each such assessment, together with interest, costs and reasonable

attorneys' fees, shall also be the personal obligation of the Unit owner of such Unit at the time when the assessment fell due. At the option of the Board of Directors, said amount may be payable in annual, quarterly, monthly or other convenient installments, and to the Board of Directors or to such person or entity who or which the Board of Directors shall designate.

All taxes, assessments, and charges which may become liens prior to any First Mortgage shall relate only to the individual unit and not to the Condominium as a whole.

No Unit owner may be exempted from liability for the assessment of common charges by waiver of the use or enjoyment of any of the Common Elements or by abandonment of his Unit. No Unit owner shall be liable for the payment of any part of the common expenses assessed against his Unit subsequent to the date of recordation of a conveyance by him in fee of such Unit. Prior to or at the time of such conveyance, all liens, unpaid charges and assessments shall be paid in full and discharged. The purchaser of a Unit shall be jointly and severally liable with the selling Unit owner for all unpaid assessments against the selling Unit owner for his proportionate share of the common expenses up to the time of such recordation, without prejudice to the purchaser's right to recover from the selling Unit owner amounts paid by the purchaser therefor; provided, however, that no purchaser from a selling Unit owner other than the Declarant shall be liable for, nor shall the Unit conveyed be subject to a lien for, any unpaid assessments greater than the amount set forth in any resale certificate provided by the Association or its management agent. Notwithstanding anything contained herein to the contrary, any mortgagee who comes into possession of a Unit by virtue of foreclosure of a deed of trust or mortgage or a deed or other conveyance in lieu of foreclosure shall take the Unit free of any claims for unpaid assessments or charges against such Unit which accrue prior to the time such mortgagee comes into possession thereof, except for claims for a pro-rata share of such assessments or charges resulting from a pro-rata reallocation of such assessments or charges to all Units, including the mortgaged Unit. Such sale or transfer shall not relieve the purchaser at such sale of the Unit from liability for any assessments thereafter coming due, nor from the lien of such subsequent assessments, which lien, if any, claimed shall have the same effect and may be enforced in the same manner as provided herein. Notwithstanding anything herein to the contrary, the lien of the Association against any Unit shall be subordinate to the First Mortgage (as defined in Article VI, Section 5 hereof) against such Unit, unless otherwise provided by law. Any assessment of the Association shall also be subordinate to any mortgage against a Unit guaranteed by the Veterans Administration.

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

Section 7. Collection of Assessments. The Board of Directors shall take prompt action to collect any common charges due from any Unit owner which remain unpaid for more than thirty (30) days from the due date for payment thereof. The Board of Directors shall notify any Eligible Mortgage Holder who holds a mortgage upon a Unit to which there exists a delinquency in the payment of common charges, which delinquency has existed for sixty (60) days or more. Upon default in the payment of any one or more installments of any assessment levied pursuant to the Declaration and/or these Bylaws, the entire balance of said assessments may be accelerated at the option of the Board of Directors and be declared due and payable, in full, together with interest thereon at the rate of eight percent (8%) per annum.

Section 8. Default in Payment of Common Charges. The lien for unpaid assessments for common expenses may be enforced and foreclosed in such manner as may from time to time be provided in the Act and the Maryland Contract Lien Act. Any assessment, until paid, may at the election of the Board of Directors bear interest at the rate of eight percent (8%) per annum in accordance with Section 11-110(d) of the Act. In addition, the Board of Directors may impose late charges and/or the costs of collection (including reasonable attorneys' fees), if any, with respect to any assessment which has not been fully paid when due. Such late charges and other costs shall not exceed the permissible amounts provided for in the Act, and shall otherwise comply therewith. All such interest, late charges and other costs shall constitute a lien upon the Unit until fully paid as provided in Article V, Section 6, above.

In any action brought by the Board of Directors to foreclose a lien against a Unit because of unpaid common charges, the Unit owner shall be required to pay a reasonable rental for the use of his Unit, and the plaintiff in such foreclosure action shall be entitled to the appointment of a receiver to collect the same, such rent to accrue from the date that the foreclosure decree becomes final until the plaintiff in such foreclosure action regains possession from the Unit owner.

No suit or other proceeding may be brought by the Association to foreclose the lien for any assessments levied pursuant to the Declaration or these Bylaws except after ten (10) days' written notice to the holder of the First Mortgage which is a lien on the Unit that is the subject matter of the proceeding.

Section 9. Statement of Common Charges. Any owner, first mortgagee or any purchaser in connection with any sale or conveyance of a Unit, shall be entitled to a statement furnished by the Board of Directors setting forth in detail the amount of any unpaid assessments owed by the Unit owner, and such party shall be entitled to rely on such statement and shall have no liability for, nor shall the Unit be encumbered with, an amount of unpaid assess-

ments accruing prior to the date of such statement which are greater than that shown on such statement.

o Section 10. Insurance. The Board of Directors shall be required to comply with the insurance requirements of the Act and, to the extent not in violation of the Act, shall also comply with the provisions of this Article V, Section 10.

The Board of Directors shall be required to obtain and maintain a master or blanket type of hazard insurance policy covering the Units and all of the Common Elements (except land, foundation, excavation and other items normally excluded from such coverage) that are normally included in a policy of this type, including, but not limited to, fixtures (to the extent they are part of the Common Elements), building service equipment and supplies and other common personal property belonging to the Council of Unit Owners. The hazard or property insurance must also cover fixtures, equipment and other personal property inside individual Units if such items are typically conveyed as part of the Unit. The insurance should cover one hundred percent (100%) of the current replacement cost (less a reasonable deductible) of the insured property. Unless a higher maximum amount is required pursuant to the law of the State of Maryland, the maximum deductible amount for coverage of the Common Elements is the lesser of Ten Thousand Dollars (\$10,000.00) or one percent (1%) of the policy face amount.

The hazard insurance policy shall afford, as a minimum, protection against loss or damage by fire and all other perils normally covered by the standard extended coverage endorsement, as well as all other perils which are customarily covered with respect to projects similar in construction, location and use, including all perils normally covered by the standard "all risk" endorsement, where the same is available.

Each hazard insurance policy must be written by a hazard insurance carrier which has a current rating by Best's Key Rating Guide of B/III or better (or its equivalent). Each insurer must be specifically licensed or authorized by law to transact business within the State of Maryland. The policy contract shall provide that no assessment may be made against the mortgagee, and that any assessment made against others may not become a lien on the mortgaged Unit superior to the First Mortgage.

All policies of hazard insurance must contain or have attached the standard mortgagee clause commonly accepted by private institutional mortgage investors in the State of Maryland and must name as mortgagee either FNMA or the servicers for the mortgages FNMA holds on Units. The following endorsements are also required: (i) an Inflation Guard Endorsement (if reasonably available); (ii) a Construction Code Endorsement if the Condominium is subject to a construction code provision which would become operative and require changes to undamaged portions of any buildings, even when only part of a building is destroyed by an insured hazard or peril;

(iii) a Steam Boiler and Machinery Coverage Endorsement if the Condominium has central heating or cooling, which should provide for the insurer's minimum liability per accident to be at least equal to the lesser of Two Million Dollars (\$2,000,000.00) or the insurable value of the structure(s) housing the boiler or machinery; and (iv) a Special Condominium Endorsement which provides that any Insurance Trust Agreement will be recognized, the right of subrogation against Unit owners will be waived, the insurance will not be prejudiced by any acts or omissions of individual Unit owners that are not under the control of the Association, and that the policy will be primary, even if a Unit owner has other insurance that covers the same loss.

If the Condominium is located in a Special Flood Hazard Area designated as A, AE, AH, AO, A1-30, A-99, V, VE, or V1-30 on a Flood Insurance Rate Map, the Association must maintain a "master" or "blanket" policy of flood insurance on the Condominium. The amount of flood insurance shall be at least equal to the lesser of one hundred percent (100%) of the insurable value of all structures and improvements situated in such Special Flood Hazard Area or the maximum coverage available under the applicable National Flood Insurance Administration program. Unless a higher deductible amount is required under the laws of the State of Maryland, the maximum deductible amount for flood insurance policies shall be the lesser of Five Thousand Dollars (\$5,000.00) or one percent (1%) of the policy's face amount. The funds to cover this deductible amount should be included in the Association's operating reserve account.

The Board of Directors shall obtain and maintain a comprehensive general liability policy of insurance covering all of the Common Elements, commercial spaces (owned or leased by the Council of Unit Owners), public ways and any other areas in the Condominium that are under the Association's supervision. Such insurance policy shall contain a "severability of interest" endorsement which shall preclude the insurer from denying the claim of a Unit owner because of negligent acts of the Association or other Unit owners. The policy should provide coverage for bodily injury, property damage, and death of persons that results from the operation, maintenance or use of the Common Elements and any legal liability arising out of law suits related to employment contracts in which the Council of Unit Owners is a party. Supplemental coverage to protect against additional risks should also be obtained if required by a holder of a First Mortgage. The scope of coverage must include all other coverage in the kinds and amounts required by private institutional mortgage investors for projects similar in construction, location and use. Liability coverage shall be at least One Million Dollars (\$1,000,000.00) per occurrence, for bodily injury, property damage or death of persons, unless higher amounts of coverage are required by a holder of the First Mortgage.

Notwithstanding any provision of the Declaration or these Bylaws relating to property or liability insurance, there may be

named as an insured, on behalf of the Association, the Association's authorized representative, including any trustee with whom such Association may enter into any Insurance Trust Agreement or any successor to such trustee (each of whom shall be referred to herein as the "Insurance Trustee"), who shall have exclusive authority to negotiate losses under any policy providing such property or liability insurance. The insurance policy(ies) covering the Condominium obtained by the Association shall provide that any Insurance Trust Agreement will be recognized.

Except to the extent inconsistent with the law, each Unit owner is deemed to appoint the Association, or any Insurance Trustee or substitute Insurance Trustee designated by the Association, as attorney-in-fact for the purpose of purchasing and maintaining such insurance, including: (1) the collection and appropriate disposition of the proceeds thereof; (2) the negotiation of losses and execution of releases of liability; (3) the execution of all documents and the performance of all other acts necessary to accomplish such purpose.

Any insurance policies obtained the Council of Unit Owners may not be cancelled (including for non-payment of premium), substantially modified, changed or reduced without at least ten (10) days prior written notice to the Council of Unit Owners [or Insurance Trustee (if any)] and to each holder of a First Mortgage listed as a scheduled holder of a First Mortgage in such insurance policies.

The named insured under all insurance policies shall be the Council of Unit Owners of Mills Choice Condominium, for the use and benefit of each Unit owner. The "loss payable" clause should show the Council of Unit Owners of Mills Choice Condominium, or the Insurance Trustee (if applicable) as a trustee for each Unit owner and the holder of each Unit's mortgage. The policies must also contain the standard mortgagee clause and must name as mortgagee, FNMA, FHLMC and/or such other mortgagees as hold mortgages on Units, as well as their successors and assigns.

Section 11. Repair or Reconstruction After Fire or Other Casualty. Except as hereinafter provided, and as provided in the Act (and inconsistent herewith), in the event of damage to or destruction of the Condominium as a result of fire or other casualty, the Board of Directors shall arrange for the prompt repair and restoration thereof (including any damaged Units, and any fixtures, equipment or other property covered by the Association's insurance installed therein on the date of recordation of the Declaration, but not including any wall, ceiling or floor decorations or coverings or other furniture, furnishings, fixtures, personal property or equipment installed by Unit owners in the Units), and the Board of Directors or the Insurance Trustee, as the case may be, shall disburse the proceeds of all insurance policies to the contractors engaged in such repair and restoration, as provided below.

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

If the damage is only to those parts of a Unit for which the responsibility of maintenance and repair is borne by the Unit owner, then the Unit owner shall be responsible for the reconstruction and repair after casualty and shall be entitled to apply the applicable insurance proceeds thereto. In all other instances, the responsibility of reconstruction and repair after casualty shall be that of the Association.

Immediately after a casualty causing damage to the Property for which the Association has the responsibility of maintenance, repair, and/or replacement, the Board of Directors shall obtain reliable and detailed estimates of the cost to place the damaged portions of the Condominium in as good a condition as existed before the casualty. Such costs may include professional fees and premiums for such bonds as the Board of Directors desire.

In the event of reconstruction or repair (as estimated by the Board of Directors) which shall exceed Twenty-Five Thousand Dollars (\$25,000.00), all proceeds of insurance shall be paid over to a trust company or bank having trust powers and authorized to engage in the trust business in the State of Maryland (hereinafter the "Insurance Trustee"), selected by the Board of Directors 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 and which contains, 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 Association, and hereinafter called the "Architect";

(b) any restoration or repair of the project shall be performed substantially in accordance with the Declaration and the original plans and specifications, unless other action is approved by at least fifty-one percent (51%) of the Eligible Mortgage Holders.

(c) each request for an advance of the proceeds of insurance shall be made to the Insurance Trustee and shall be accompanied by a certificate from the Architect and Board of Directors to the effect that (i) all work then completed has been performed in accordance with the plans and specifications; and (ii) the amount requested to be advanced is required to reimburse the Board of Directors for payments previously made by the Board of Directors 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 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, or any part thereof, any mechanics' or other lien, or notice of intention to file the same, which has not been dismissed, bonded, or satisfied of record;

(e) the fees and expenses of the Insurance Trustee, as agreed upon by the Board of Directors and the Insurance Trustee, shall be paid by the Association 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; and

(f) such other provisions not inconsistent with the provisions hereof as the Board of Directors or the Insurance Trustee 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 Board of Directors, shall be considered as one fund and shall be divided among the owners of all the Units in the same proportion as that previously established for ownership of appurtenant undivided interests in the Common Elements, after first paying out of the share of the owner of any Unit (to the extent such payment is required by any lienor and to the extent the same is sufficient for such purpose), all liens upon said Unit.

Section 12. Abatement and Enjoinment of Violations by Unit Owners. The violation of any of the Rules or Regulations adopted by the Board of Directors, or the breach of these Bylaws or of any provision of the Declaration, shall give the Board of Directors the right, in addition to any other rights set forth in these Bylaws: (a) to enter the Unit in which or as to which such violation or breach exists and to summarily abate and remove, at the expense of the defaulting Unit owner, any structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions hereof, and the Board of Directors shall not thereby be deemed guilty in any manner of trespass; provided, however, that no structure or improvement may be altered or demolished until proper judicial proceedings have been instituted; or (b) to enjoin, abate or remedy by appropriate legal proceeding, either at law or in equity, the continuance of any such breach.

o Section 13. Maintenance and Repair.

(a) By the Association. The Association shall be responsible for the maintenance, repair and replacement of the following, the cost of which shall be charged to all Unit owners as a common expense:

(i) Except as otherwise provided in paragraph (b) of this Section 13, all of the Common Elements, whether located inside or outside of the Units; and

(ii) All exterior walls and exterior surfaces (excluding the painting of the exterior surface of the front door of each Unit) of the buildings constituting the Condominium; the roofs of the buildings constituting the Condominium; Unit party walls and all other portions of the Units which contribute to the support of the buildings constituting the Condominium, such as the outside walls of such buildings, and all fixtures on the exterior thereof; the boundary walls of Units; floor slabs; load-bearing columns; but excluding, however, the interior walls, interior ceilings and interior floor coverings of the Units, and excluding the surfaces of all walls, floors and ceilings of the Units; and

(iii) The sanitary and storm sewer systems and appurtenances; all water, electric, gas, heating, air conditioning, plumbing and telephone lines, facilities and systems that are deemed Common Elements, including all conduits, ducts, plumbing, wiring and other facilities for the furnishing of all utility services into two (2) or more Units, but excluding therefrom all air-handling units, heating units, air-conditioning units, and all plumbing and electrical appliances, fixtures, systems and parts thereof which are enjoyed by only a single Unit and are located solely within the boundary of an individual Unit or in a Limited Common Element designated in the Declaration as being appurtenant to an individual Unit; all catch basins and television master antenna systems located outside the specific boundaries of any Unit; and all roof drainage pipes, gutters and leaders; and any fireplace flue or chimney serving or benefiting any Unit; and

(iv) Except as otherwise provided in paragraph (b)(ii) of this Section 13, all balconies or patios; and

(v) All incidental damage caused to any Unit by such work as may be done or caused to be done by the Association in accordance the provisions of these Bylaws.

(b) By the Unit owner.

(i) Except for the portions of his Unit required to be maintained, repaired and replaced by the Association, each Unit owner shall be responsible for the maintenance, repair and replacement, at his own expense, of the following: any interior walls, ceilings and floors, kitchen and bathroom fixtures and equipment, air handling units, heating units, air conditioning units, lighting fixtures, plumbing and electrical appliances and

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systems, fixtures and parts thereof which are wholly contained within his Unit and/or in a Limited Common Element designated in the Declaration as being appurtenant to his Unit and serving his Unit and no other.

(ii) Each Unit owner shall be responsible for performing, at his expense, the normal maintenance for any balcony or patio which is designated in the Declaration as being a Limited Common Element appurtenant to his Unit, including keeping it in a clean and sanitary condition and free and clear of snow, ice and any accumulation of water, and shall also make, at his own expense, all repairs thereto caused or permitted by his negligence, misuse or neglect. In the event any Unit owner shall fail to maintain any Limited Common Element appurtenant to his Unit, the Association shall be responsible for such maintenance, the cost of which may be assessed against such Unit and shall be collectible in the same manner as any other assessment levied by the Association. Notwithstanding anything herein to the contrary, the Association shall be responsible for the maintenance, repair and replacement of all structural components of the Limited Common Elements and the maintenance and repair of all Limited Common Element parking areas including, but not limited to, striping, paving, resurfacing and snow removal. In addition, the Association shall be responsible for all the maintenance and repair of all Limited Common Element fireplace flues and chimneys.

(iii) Each Unit owner shall, at his expense, perform all maintenance and make all repairs and replacements to the windows, the front door, door frame, as well as the hardware and locking devices (but not the painting of the exterior surface of any door on the perimeter of the Unit), any sliding glass door(s), and their frames and screens, and any skylights and their frames, appurtenant to or part of his Unit or any Limited Common Elements appurtenant to said Unit.

(iv) Each Unit owner shall be responsible for, and promptly after demand shall reimburse the Association for the cost of maintaining, repairing or replacing any damage to the Common Elements or any portion of his Unit required to be maintained, repaired or replaced by the Association which is caused by the negligence, misuse or neglect of such Unit owner. Such reimbursement shall be collected by the Association from the Unit owner obligated therefor in the same manner as set forth in Article V of these Bylaws for the collection of common expenses.

(v) Each Unit owner shall perform his responsibilities under this Section 13 in such a manner as shall not unreasonably disturb or interfere with the other Unit owners. Each Unit owner shall promptly report to the Association or the managing agent any defect or need for repairs for which the Association is responsible.

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(c) Manner of Repair and Replacement. All repairs and replacements shall be substantially similar to the original construction and installation and shall be of first-class quality.

Section 14. Restrictions on Use of Units. In order to provide for the congenial occupancy of the Property and for the protection of the values of the Units, the use of the Property shall be restricted to and shall be in accordance with the following provisions:

(a) No part of the Condominium shall be used for other than housing and the related common purposes for which the Property was designed. Each Unit shall be used for residential purposes and for no other purpose, except that a Unit may be used as a professional office upon the written consent of the Board of Directors provided that such use is consistent with all valid laws, zoning ordinances and regulations of all governmental agencies having jurisdiction in respect of the Condominium, and, provided further, that as a condition for such consent each such Unit owner agrees to pay and pays any increase in the rate of insurance for the Condominium which results from such professional use. An Owner may use a portion of his Unit for an office or studio provided that the activities therein shall not interfere with the quiet enjoyment or comfort of any other Owner, and provided further that in no event shall any part of the Property be used as a school or music studio, or for the teaching of music lessons.

(b) Nothing shall be done or kept in any Unit or in the Common Elements which will increase the rate of insurance for the Property applicable for residential use without the prior written consent of the Board of Directors. No Owner shall permit anything to be done or kept in his Unit or in the Common Elements which will result in the cancellation of insurance on the Property, or the contents thereof, or which would be in violation of any law. No waste will be committed in the Common Elements.

(c) No immoral, improper, offensive, or unlawful use shall be made of the Condominium or any part thereof, and all valid laws, zoning ordinances and regulations of all governmental agencies having jurisdiction thereof shall be observed. All laws, orders, rules, regulations, or requirements of any governmental agency having jurisdiction thereof, relating to any portion of the Condominium, shall be complied with, by and at the sole expense of the Unit owner or the Board of Directors, whichever shall have the obligation to maintain or repair such portion of the Condominium.

(d) Nothing shall be done in any Unit or in, on, or to the Common Elements which will impair the structural integrity of the Property or which would structurally change any building or improvements thereon except as is otherwise provided in these Bylaws, provided, further, that interior partitions contributing to the support of any Unit shall not be altered or removed.

(e) Except for professional use permitted by the Board of Directors and other uses permitted by the Declaration, no industry, business, trade, occupation or profession of any kind, commercial, religious, educational, or otherwise, designed for profit, altruism, exploration, or otherwise, shall be conducted, maintained, or permitted on any part of the Property. No Unit owner may post any advertisement, poster or sign of any kind on the exterior of his Unit or in the windows of his Unit, except (i) as permitted by the Board of Directors; (ii) a temporary sign advertising the sale or rental of a Unit; (iii) in the event that the Board of Directors gives its consent to the professional use of a Unit, a suitable sign may be displayed upon the written consent of the Board of Directors; or (iv) when required by law. The right is reserved by the Declarant or its agents to use any unsold Unit or Units for display purposes and to display "For Sale" or "For Rent" signs for unsold Units.

(f) No antennas that are visible from the exterior of any Unit may be erected or maintained except upon the written consent of the Board of Directors.

(g) No portion of a Unit (other than the entire Unit) may be rented, and no transient tenants may be accommodated therein, nor shall any Unit be utilized for hotel purposes, nor shall the term of any such lease be for a term of less than six (6) months. Any lease agreement shall provide that the terms of the lease shall be subject in all respects to the provisions of the Declaration and Bylaws and that any failure of the lessee to comply with the terms of such documents shall be a default under the lease. All leases must be in writing. The limitations of this Section 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 the mortgagee, or as a result of foreclosure sale or other judicial sale, or as a result of any proceeding, arrangement, assignment, or deed in lieu of foreclosure.

(h) The Limited Common Elements and all yards must be kept in an orderly condition so as not to detract from the neat appearance of the community. In this regard, no motorcycles may be parked on the patios, balconies, front entranceways or the yards. The Board of Directors, in its sole discretion, may determine whether or not Limited Common Elements are orderly. If an Owner shall fail to keep his Limited Common Elements orderly, the Board of Directors may have any objectionable items removed from the Limited Common Elements so as to restore its orderly appearance, without liability therefor, and charge the Unit owner for any costs incurred in the process.

(i) No motorized vehicle may be used or maintained on the yards or sidewalks of the Property and no unlicensed vehicles are allowed on the Property.

(j) Trash shall be stored in accordance with county health regulations within the Unit or in the Common Elements, if any, set aside by the Board of Directors for such storage. Trash shall not be set out for collection prior to the night before such date of collection and the empty containers shall be returned to the proper place of storage immediately after collection.

(k) 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 Common Elements, except that this shall not prohibit the keeping of one (1) small, orderly house pet provided that it is not kept or maintained for commercial purposes or for breeding. Pets shall not be permitted upon the Common Elements except in areas designated by the Board of Directors. All pets shall be accompanied by an adult and are to be carried or leashed. Any member who keeps or maintains any pet upon any portion of the Property shall be deemed to have indemnified and agreed to hold the Association, and each of its members 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 Property. The Board of Directors shall have the right to order any person whose pet is a nuisance, to remove such pet from the Property.

(l) No junk vehicle or other vehicle on which current registration plates are not displayed, 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 any portion of the Property.

(m) No trucks, trailers, campers, camp trucks, house trailers, boat trailers, boats, or the like shall be kept upon any of the Common Elements or within any Parking Unit; provided, however, that the Board of Directors reserves the right to permit such vehicles on the Common Elements in accordance with rules and regulations as may, from time to time, be promulgated by the Board of Directors.

(n) No structure of a temporary character, trailer, tent, shack, barn or other outbuilding shall be maintained upon any Common Elements at any time. Outdoor clothes dryers or clotheslines shall not be maintained upon any 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.

(o) Nothing shall be stored or placed upon any balcony or patio or upon any other portion of the Common Elements of the Property, except with the consent of the Board of Directors.

(p) Notwithstanding any provision contained in this Article V, Section 14, to the contrary, the use and other restrictions set forth in this Section 14 shall not apply to the use of the Common Elements and/or Units owned by the Declarant for

display, marketing, promotion, sales, leasing or construction purposes or the use of Units as "Models".

Section 15. Additions, Alterations or Improvements by Board of Directors. Whenever in the judgment of the Board of Directors the Common Elements shall require additions, alterations or improvements costing in excess of Twenty-Five Thousand Dollars (\$25,000.00), and the making of such additions, alterations or improvements shall have been approved by more than fifty percent (50%) in voting interest of the Unit owners present in person and/or by proxy and voting at a meeting duly held in accordance with these Bylaws, the Board of Directors shall proceed with such additions, alterations or improvements and may assess all Unit owners for the cost thereof as a common expense. Any additions, alterations or improvements costing Twenty-Five Thousand Dollars (\$25,000.00) or less may be made by the Board of Directors without approval of the Unit owners, and the cost thereof shall constitute a common expense. Except in cases of bona fide emergencies involving manifest danger to life, safety or property, or the interruption of essential services to the Property, whenever the Association determines to make additions, alterations, or improvements costing in excess of Twenty-Five Thousand Dollars (\$25,000.00), such additions, alterations or improvements shall not be made until the same have been approved by the Lead Mortgagee, which approval shall not be unreasonably withheld or delayed.

Section 16. Architectural Control Committee. Except for purposes of proper maintenance and repair or as otherwise permitted or required by law or these Bylaws and subject to the exemption set forth in Section 22 of this Article, it shall be prohibited for any Unit owner to install, erect, attach, apply, paste, hinge, screw, nail, build, alter, remove or construct any lighting, shades, screens, awnings, patio covers, decorations, fences, walls, aerials, antennas, radio or television broadcasting or receiving devices, slabs, sidewalks, curbs, gutters, patios, balconies, porches, driveways, walls or to make any change or otherwise alter (including any alteration in color) in any manner whatsoever the exterior of any Unit or upon any of the Common Elements within the Condominium or to combine or otherwise join two (2) or more Units, or to partition the same after combination, or to remove or alter any window or exterior doors of any Unit, or to make any change or alteration within any Unit which will alter the structural integrity of any building or otherwise affect the property, interest or welfare of any other Unit owner, materially increase the cost of operation or insuring the Condominium or impair any easement, until the complete plans and specifications, showing the location, nature, shape, 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 safety, the effect of any such alterations on the costs of maintaining and insuring the Condominium and harmony of design, color and location in relation to surrounding structures and topography, by the Board of Directors of the Association, or by the

Architectural Control Committee designated by the Board of Directors.

Section 17. Architectural Control Committee - Operation.
The Architectural Control Committee shall be composed of an uneven number of three (3) or more natural persons designated from time to time by the Board of Directors of the Association and such persons shall serve at the pleasure of the Board of Directors. In the event the Board of Directors fails to appoint an Architectural Control Committee, then the Board of Directors shall constitute the Committee. The affirmative vote of a majority of the members of the Architectural Control Committee shall be required in order to adopt or promulgate any rule or regulation, or to make any finding, determination, ruling or order, or to issue any permit, consent, authorization, approval or the like pursuant to the authority contained in this Article.

Section 18. Architectural Control Committee - Approvals, Etc.
Upon approval of the Architectural Control Committee of any plans and specifications submitted pursuant to the provisions of this Article, a copy of such plans and specifications, as approved, shall be deposited among the permanent records of such Committee and a copy of such plans and specifications bearing such approval, in writing, shall be returned to the applicant submitting the same. In the event the Architectural Control Committee fails to approve or disapprove any plans and specifications which may be submitted to it pursuant to the provisions of this Article within sixty (60) days after such plans and specifications (and all other materials and information required by the Architectural Control Committee) have been submitted to it in writing, then approval will not be required and this Article will be deemed to have been fully complied with.

Section 19. Architectural Control Committee - Limitations.
Construction of alterations in accordance with plans and specifications approved by the Architectural Control Committee pursuant to the provisions of this Article shall be commenced within six (6) months following the date upon which the same are approved by the Architectural Control Committee (whether by affirmative action or by forbearance from action), and shall be substantially completed within twelve (12) months following the date of commencement, or within such longer period as the Architectural Control Committee shall specify in its approval. In the event construction is not commenced within the period aforesaid, then approval of the plans and specifications by the Architectural Control Committee shall be conclusively deemed to have lapsed and compliance with the provisions of this Article shall again be required. There shall be no deviations from plans and specifications approved by the Architectural Control Committee without the prior consent in writing of the Architectural Control Committee. Approval of any particular plans and specifications or design shall not be construed as a waiver of the right of the Architectural Control Committee to disapprove such plans and specifications, or any elements or features thereof, in

the event such plans and specifications are subsequently submitted for use in any other instance.

Section 20. Architectural Control Committee - Certificate of Compliance. Upon the completion of any construction or alteration of other improvements or structure in accordance with plans and specifications approved by the Architectural Control Committee in accordance with the provisions of this Article, the Architectural Control Committee shall, at the request of the owner thereof, issue a certificate of compliance which shall be prima facie evidence that such construction, alteration or other improvements referenced in such certificate have been approved by the Architectural Control Committee and constructed or installed in full compliance with the provisions of this Article and with such other provisions and requirements of these Bylaws as may be applicable.

Section 21. Architectural Control Committee - Rules and Regulations, Etc. The Architectural Control Committee may from time to time adopt and promulgate such rules and regulations regarding the form and content of 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 Bylaws. The 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 decision of the Architectural Control Committee shall be final except that any Unit owner who is aggrieved by any action or forbearance from action by the Architectural Control Committee may appeal to the Board of Directors of the Association and, upon the request of such Unit owner, shall be entitled to a hearing before the Board of Directors.

Section 22. Declarant's Exemption. Notwithstanding any provision of Sections 16 through 21 of this Article V to the contrary, the provisions of said Sections 16 through 21 shall not apply to a Unit owned by the Declarant or its designee until a deed to such Unit has been delivered by the Declarant to a purchaser thereof. Further, the aforesaid provisions shall not apply to the Declarant's actions with respect to the Common Elements of the Condominium until the completion of the Declarant's construction thereof.

Section 23. Right of Access. A Unit owner hereby grants a right of access to his Unit to the managing agent and/or other person authorized by the Board of Directors or the managing agent for the purpose of making inspections or for the purpose of performing installations, alterations or repairs to the mechanical or electrical services or other Common Elements in his Unit or elsewhere on the Property, or to correct any condition which violates the provisions of any mortgage covering another Unit,

provided that requests for entry are made in advance and that such entry is at a time reasonably convenient to the Unit owner. In case of an emergency such right of entry shall be immediate, whether the Unit owner is present at the time or not.

ARTICLE VI
MORTGAGES

Section 1. 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 shall maintain such information in a book entitled "Mortgages of Units".

Section 2. Examination of Books. Each Unit owner and each mortgagee of a Unit shall be permitted to examine the books of account of the Association at reasonable times on business days.

Section 3. Consents. Any other provision of these Bylaws or of the Declaration to the contrary notwithstanding, neither the Association nor the Board of Directors shall institute any proceeding, without the prior written consent of first mortgagees holding liens on all of the Units, to take any of the following actions:

(a) abandon or terminate the Condominium regime except for abandonment or termination provided by the Act in the case of substantial destruction by fire or casualty or in the case of taking by condemnation or eminent domain; or

(b) materially, modify or amend the provisions of these Bylaws or the Declaration; or

(c) modify the method of determining and collecting common expenses and/or other assessments or of allocating the distribution of the proceeds of hazard insurance or condemnation awards; or

(d) partition or subdivide any Unit (which shall also require the consent of the first mortgagee of such Unit); or

(e) abandon, partition, subdivide, encumber, sell or transfer the Common Elements; or

(f) resolve to use hazard insurance proceeds for losses to any Condominium property (whether to Units or Common Elements) for other than repair, replacement or reconstruction of such Condominium property.

Section 4. Notice of Loss to or Taking of Common Elements. The Board of Directors shall give written notice to, Eligible Mortgage Holders who have requested such notice, of any condemna-

tion or casualty loss which affects a material portion of the Condominium or any Unit on which there is a First Mortgage held, insured or guaranteed by such Eligible Mortgage Holder of any Unit or the Common Elements or related facilities of the Condominium.

Section 5. Definition. As used in these Bylaws, 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 Bylaws, the term "institutional holder" or "institutional mortgagee" shall include banks, trust companies, insurance companies, mutual savings banks, mortgage insurance companies, mortgage companies, credit unions, savings and loan associations, pension funds, FNMA, 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 6. Rights of Mortgagees. Any institutional mortgagee of any Unit in the Condominium who desires notice of the annual and special meetings of the Association shall notify the Secretary to that effect by certified mail, return receipt requested. Any such notice shall contain the name and post office address of such institutional mortgagee and the name of the person to whom notice of the annual and special meetings should be addressed. The Secretary of the Association 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. Any such institutional mortgagee shall be entitled to designate a representative to attend any such annual or special 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 Association upon request made in writing to the Secretary.

ARTICLE VII SALES AND MORTGAGES OF UNITS

Section 1. Sales. A Unit owner may sell his Unit or any interest therein without the consent of the Association.

Section 2. No Severance of Ownership. Except as may be provided in the Act, no Unit owner shall execute any lease, mortgage or other instrument conveying or mortgaging title to his Unit without including therein the appurtenant Common Elements, it being the intention hereof to prevent any severance of such combined ownership. Any such lease, mortgage or other instrument

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purporting to affect one or more of such interests, without including all such interests, shall be deemed and taken to include the interest or interests so omitted, even though the latter shall not be expressly mentioned or described therein. No part of the appurtenant Common Elements of any Unit may be sold, transferred or otherwise disposed of, except as part of a sale, transfer or other disposition of the Unit to which such interests are appurtenant, or as part of a sale, transfer or other disposition of such part of the appurtenant Common Elements of all Units.

ARTICLE VIII
CONDEMNATION

In the event of a taking in condemnation (or by purchase in lieu thereof) of a Unit or any part thereof or of part or all of the Common Elements, the Association is hereby appointed by each Unit owner as its attorney-in-fact in any proceedings, negotiations, settlements or agreements related to such condemnation (or purchase in lieu thereof). Any proceeds from the settlement of such condemnation (or purchase in lieu thereof) should be payable to the Association, or an Insurance Trustee (if an Insurance Trustee is appointed by the Association) for the benefit of the Unit owners and their mortgage holders. Any distribution of funds in connection with the termination of the Condominium shall be made on a reasonable and equitable basis.

ARTICLE IX
RECORDS AND AUDITS

The Board of Directors or the managing agent shall keep books and records in accordance with good accounting practices on a consistent basis. On the request of at least five percent (5%) of the units, an audit by an independent Certified Public Accountant shall be made not more than once in any consecutive twelve (12)-month period. The cost of such audit shall be a common expense. The Council of Unit Owners shall make available to Unit owners, lenders and Eligible Mortgage Holders, current copies of the Declaration, Bylaws and any rules promulgated or adopted by the Board of Directors or the Council of Unit Owners, and other books, records and financial statements of the Council of Unit Owners. The Council of Unit Owners shall also make available to prospective purchasers of Units current copies of the Declaration, Bylaws and any rules promulgated or adopted by the Board of Directors or the Council of Unit Owners, and the most recent annual audited financial statement, if any such statement was prepared. Any materials made available under the provisions of this Article IX shall be at the reasonable cost and expense of the requesting party. The term "available", as used in this Article IX, shall at least mean available for inspection upon request, during normal business hours or under other reasonable circumstances. Upon the written request of FNMA, FHLMC, VA or FHA, which party has an interest or prospective interest in the Condominium, the Council of Unit Owners shall

prepare and furnish such party within a reasonable time an audited financial statement of the Council of Unit Owners for the immediately preceding fiscal year at the cost and expense of the requesting party. Upon the written request of any Eligible Mortgage Holder, the Council of Unit Owners shall provide such party, within a reasonable time, a copy of an annual financial statement for the immediately preceding fiscal year of the Council of Unit Owners. Such financial statement shall be audited by an independent certified public accountant if: (a) the Condominium contains fifty (50) or more Units, in which case the cost of the audit shall be a common expense; or (b) the Condominium contains fewer than fifty (50) Units and the Eligible Mortgage Holder bears the cost of the audit.

ARTICLE X
PARKING SPACES AND STORAGE BINS

Parking spaces and storage bins within the Common Elements of the Condominium are hereby unassigned and designated for general use, to be used unless otherwise originally designated by the Declarant and thereafter by the Board of Directors on a "first come, first served" basis; provided, however, that any storage bins in the Limited Common Elements shall only be used by Unit owners to whom such Limited Common Elements are appurtenant. No vehicle belonging to any Unit owner, or to any guest or employee of any Unit owner, shall be parked in a manner which unreasonably interferes with or impedes ready vehicular access to any adjoining parking space.

Each Unit owner shall comply in all respects with such supplementary Rules and Regulations which are not inconsistent with the provisions of these Bylaws which the Board of Directors may from time to time adopt and promulgate with respect to the storage bins and parking and traffic control within the Property, and the Board of Directors is hereby, and elsewhere in these Bylaws, authorized to adopt such Rules and Regulations. The location of any parking space and/or storage bin, if any, assigned to any Unit owner may be changed by the Board of Directors, at any time and from time to time, upon reasonable notice thereof in writing.

ARTICLE XI
EASEMENTS FOR UTILITIES AND RELATED PURPOSES

The Association is authorized and empowered to grant (and shall from time to time grant) such licenses, easements and/or rights-of-way for sewer lines, water lines, electrical cables, telephone cables, gas lines, storm drains, underground conduits and/or such other purposes related to the provision of public utilities to the Property as may be considered necessary or appropriate by the Board of Directors for the orderly maintenance, preservation, and enjoyment of the Common Elements or for the preservation of the health, safety, convenience and/or welfare of

the owners of the Units or the Declarant and/or as required by the Declaration.

ARTICLE XII
MISCELLANEOUS

Section 1. Notices. All notices hereunder to the Board of Directors shall be sent by first class mail or personally delivered to the managing agent, or to such person as the Board of Directors may hereafter designate from time to time. All notices to any Unit owner shall be sent by mail or personally delivered to the address as may have been designated by him from time to time, in writing, for inclusion on the Roster. All notices to mortgagees of Units shall be sent by first class mail or personally delivered to their respective addresses as designated by them from time to time, in writing, to the Board of Directors. All notices shall be in writing and shall be deemed to have been given when mailed or personally delivered, except notices of change of address which shall be deemed to have been given when received.

Section 2. Invalidity. The invalidity of any part of these Bylaws shall not impair or affect in any manner the validity, enforceability or effect of the balance of these Bylaws.

Section 3. Captions. The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of these Bylaws, or the intent of any provision thereof.

Section 4. Gender. The use of the masculine gender in these Bylaws shall be deemed to include the feminine gender and the use of the singular shall be deemed to include the plural, whenever the context so requires, and vice versa.

Section 5. Waiver. No restriction, condition, obligation or provision contained in these Bylaws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur.

Section 6. Amendments to Bylaws. Except as elsewhere herein or in the Declaration provided otherwise, these Bylaws may be modified or amended in accordance with Section 11-104(e) of the Act.

Section 7. Conflicts. In case any part of these Bylaws conflict with the Act and/or the Declaration, the provisions of the Act and/or Declaration as the case may be, shall control.

Exhibit "C" to Declaration

(Bylaws)