

# **By-Laws of Harbor Walk Town House Association, Inc.\***

## **Article I. Name And Location**

Section 1.1. **Name.** The name of the corporation is HARBOR WALK TOWN HOUSE ASSOCIATION, INC., a Maryland corporation, hereinafter referred to as the “Association.”

1.2. **Location.** The principal office and mailing address of the corporation shall be located at c/o HARKINS ASSOCIATES, INC., 8720 Georgia Avenue, Silver Spring, Maryland 20910, but meetings of members and directors may be held at such places within the state of Maryland as may be designated by the Board of Directors.

## **Article II. Definitions**

Section 2.1. **Specifically Defined Terms.** As used in these By-Laws, each of the following terms shall be deemed to have the meaning which is hereinafter in this section ascribed to it.

- (1) “Annual Assessment” shall have the meaning ascribed to it by the provisions of Article IV.
- (2) “Annual Membership Meeting” shall mean an annual meeting of the Membership, held pursuant to the provisions of Subsection 3.3.3.
- (3) “Assessment” shall mean an amount assessed by the Association against Owner with respect to a Lot(s), pursuant to the provisions of Article IV.
- (4) “Assessment Lien” shall have the meaning ascribed to it by the provisions of Article IV.
- (5) “Assessment Year” shall have the meaning ascribed to it by the provisions of Section 4.1.2.
- (6) “Assistant Secretary” shall mean an assistant secretary of the Association.
- (7) “Assistant Treasurer” shall mean an assistant treasurer of the Association.
- (8) “Association” shall mean and refer to HARBOR WALK TOWN HOUSE ASSOCIATION, INC., its successors and assigns.
- (9) “Association Property” shall mean any and all real property, personal property or other assets beneficially owned by the Association at any time.
- (10) “Association Receipts” shall mean all funds received by the Association.
- (11) “Board of Directors” shall mean the board of directors of the Association.
- (12) “Board Meeting” shall mean a meeting of the board of directors, held pursuant to the provisions of Section 3.4.8.

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\* Text removed by amendment is shown with strike-throughs; text added is shown with underlines.

- (13) "By-Laws" shall mean these by-laws, as from time to time amended.
- (14) "Common Area" shall mean all real property owned by, or to be conveyed to, the Association for the common use and enjoyment of the Members of the Association as shown on Exhibit A1 and A2, attached hereto and made a part hereof.
- (15) "Common Expenses" shall mean the aggregate of any and all expenses incurred by the Association in exercising the rights and powers, and in discharging the duties, vested in, exercisable by or imposed on it under the Declaration or the By-Laws.
- (16) "Condemnation" shall mean both
  - (a) a taking in condemnation or by the exercise of a power of eminent domain and
  - (b) a conveyance made to a governmental or quasi-governmental authority which possesses such power, in settlement of any pending or threatened exercise thereof.
- (17) "Contract Purchaser" shall mean any person who enters into a contract (other than a land installment contract, as that term is defined by the provisions of Title 10, Section 10-101(b) of the Real Property Article of the Code, which has been recorded among the Land Records) which, at the time in question, entitles such person to purchase a Lot from the Declarant or any other Owner, but who does not hold the legal title of record to such Lot.
- (18) "Declarant" shall mean and refer to HARBOR WALK ASSOCIATES JOINT VENTURE, its successors and assigns if such successors or assigns should acquire more than one undeveloped Lot from the Declarant for the purpose of development.
- (19) "Declaration" shall mean and refer to the Declaration of Covenants, Restrictions and Easements applicable to the Properties, recorded among the Land Records of Baltimore City, Maryland on \_\_\_\_\_, 1980, in Liber \_\_\_\_\_, Folio \_\_\_\_\_.
- (20) "Director" shall mean a member of the Board of Directors.
- (21) "Dwelling" shall mean a "dwelling," as that term is defined by the provisions of the zoning regulations of Baltimore City.
- (22) "Excess Income" shall, for the period in question, mean the amount, if any, by which the Association Receipts for such period exceed the Common Expenses for such period.
- (23) "Land Records" shall mean the Land Records of Baltimore City.
- (24) "Lessee" shall mean any lessee or sub-lessee of a Lot from the Declarant or another Owner or person.
- (25) "Lot" shall mean and refer to any plot of land intended and subdivided for residential use shown upon any recorded subdivision map of the Properties with the exception of the Common Area.
- (26) "Majority" shall mean more than fifty percent (50%).
- (27) "Manager" shall mean a person whom the Association employs or with whom it contracts, to manage the Properties or the affairs of the Association pursuant to the provisions of Section 3.4.11(b)(v).

- (28) "Member" shall mean and refer to every person or entity who holds membership in the Association as provided for in Articles VI and VII of the Articles of Incorporation. This term is synonymous with "Owner."
- (29) "Membership" shall mean, collectively, all of the Owners in their capacities as members of the Association.
- (30) "Membership Meeting" shall mean an Annual Membership Meeting or a Special Membership Meeting.
- (31) "Mortgage" shall mean any mortgage or deed of trust encumbering any Lot, and any other security interest therein existing by virtue of any other form of security instrument or arrangement used from time to time in the locality of the Association (including, by way of example rather than of limitation, any such other form of security arrangement arising under any deed of trust, sale and leaseback documents, lease and leaseback documents, security deed or conditional deed, or any financing statement, security agreement or other documentation used pursuant to the provisions of the Uniform Commercial Code or any successor or similar statute), provided that such mortgage, deed of trust or other form of security instrument, and an instrument evidencing any such other form of security arrangement, has been recorded among the Land Records.
- (32) "Mortgagee" shall mean the party secured by a Mortgage.
- (33) "Mortgagee in Possession" shall mean any person who is either
  - (a) a Mortgagee which has possession of a Lot as a result of a default under a Mortgage held by such person, or
  - (b) the Owner of a Lot, as the result of the conveyance to such person of the Mortgagor's equity of redemption therein either as the result of a foreclosure proceeding under a Mortgage securing such person and covering such Lot, or in lieu of such foreclosure proceeding.
- (34) "Mortgagor" shall mean the Owner of a Lot, the title to which is encumbered by a Mortgage.
- (35) "Notice Address" shall have the meaning ascribed to it by the provisions of Section 8.2.
- (36) "Officers" shall mean, collectively, the President, the Vice President, the Secretary, the Treasurer, each Assistant Secretary, each Assistant Treasurer, and the holder of each other office which the Board of Directors may create pursuant to the provisions of Section 3.4.11(b)(xx).
- (37) "Covenants and Restrictions" shall mean and refer to the declarations, covenants, agreements and restrictions set forth in the Declaration; recorded subdivision plat; and any other documents recorded in the Land Records of Baltimore City, pertaining to the Lots subject to the Declaration.
- (38) "Owner" shall mean and refer to the holder of record title to the fee simple interest in any Lot or the record holder of the leasehold owner's interest under a perpetually renewable ground lease, whichever is applicable. The term "Owner" does not include
  - (i) mortgagees or other holders of an interest in a Lot for purposes of security during any period that such persons are not in possession of the Lot, or

- (ii) the holder of the landlord's reversionary interest under a perpetually renewable ground lease.
- (39) "Person" shall mean any natural person, trustee, corporation, partnership or other legal entity.
- (40) "President" shall mean the president of the Association.
- (41) "Properties" shall mean and refer to that certain real property described in the Declaration of Covenants, Restrictions and Easements and such additions thereto as may hereafter be brought within the jurisdiction of the Association.
- (42) "Proxy" shall mean the right given by an Owner to any person to cast such Owner's Votes on questions voted upon at a Membership Meeting.
- (43) "Proxy Holder" shall mean a person who holds a Proxy.
- (44) "Rules and Regulations" shall mean the rules and regulations adopted by the Association pursuant to the By-Laws, as from time to time in effect.
- (45) "Secretary" shall mean the secretary of the Association.
- (46) "Special Assessment" shall have the meaning ascribed to it by the provisions of Section 4.1.1.
- (47) "Special Membership Meeting" shall mean a special meeting of the Membership, held pursuant to the provisions of Subsection 3.3.4.
- (48) "Treasurer" shall mean the treasurer of the Association.
- (49) "Vice President" shall mean the vice president of the Association.
- (50) "Votes" shall mean the votes which the Owners are entitled to cast in their capacities as such at meetings of the Membership.
- (51) "Voting Representative" shall mean an Owner present in person or by proxy.

### **Article III. The Association**

Section 3.1. **Function.** Pursuant to the provisions of the Declaration, the affairs of the Association shall be governed and administered by the Association, an entity incorporated as a nonprofit, nonstock corporation under the provisions of the Corporations and Associations Article of the Code of Maryland.

#### **Section 3.2. Powers and Duties.**

3.2.1. The Association shall have all of the rights and powers:

- (a) which are vested in a nonprofit, nonstock corporation by the provisions of the Corporations and Associations Article of the Code (to and only to the extent that the vesting of such powers is consistent with the provisions of the Declaration and these By-Laws); and
- (b) which are vested in the Association by the provisions of the Declaration, the Articles of Incorporation, or these By-Laws; and
- (c) to do every other act not inconsistent with law which is appropriate to promote and attain the purposes set forth in the Declaration or these By-Laws.

**3.2.2. Duties.** The Association shall be charged with all of the duties which are imposed:

- (a) upon a nonprofit, nonstock corporation by the provisions of the Corporations and Associations Article of the Code; and
- (b) upon the Association by the provisions of the Declaration and/or these By-Laws; and
- (c) the Association shall
  - (i) govern and administer the affairs of the Association;
  - (ii) establish the methods of and the procedures for assessing and collecting from the Owners their respective Assessments;
  - (iii) manage or arrange for the management of the Common Area and Association Property; and
  - (iv) have such other duties as are specifically permitted or imposed upon the Board of Directors or any officer by these By-Laws.

### Section 3.3. **The Membership.**

**3.3.1. Composition.** Membership shall result and become effective in accordance with Articles VI and VII of the Articles of Incorporation.

**3.3.2. Classes of Membership.** The Association shall have two classes of membership set forth in Article VII of the Articles of Incorporation.

### **3.3.3. Annual Membership Meetings.**

#### **(a) First Annual Membership Meeting**

- (i) Provided that notice thereof is given in accordance with the provisions of these By-Laws, the first Annual Membership Meeting shall be held on a date which is not later than December 31, 1980, and is not a Sunday or a legal holiday, and at a place in or near Baltimore, Maryland, all as chosen by the Declarant.
- (ii) At the first Annual Membership Meeting, Membership
  - (1) shall elect the Directors in accordance the provisions of Section 3.4.5; and
  - (2) may transact any other business which properly comes before it.

#### **(b) Subsequent Annual Membership Meetings**

- (i) Provided that notice thereof is given in accordance with the provisions of these By-Laws, subsequent to such first Annual Membership Meeting, an Annual Membership Meeting shall be held on ~~the first Thursday of December of each year~~ a date within the first three weeks of December of each year following the year during which such first Annual Membership Meeting was held, as aforesaid ~~(or, if such day is a legal holiday, on the next day which is not a legal holiday)~~, and at a place in or near Baltimore, Maryland, all as chosen by the Board of Directors. \*

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\* Amendment approved December 10, 2009. Text corrected November 18, 2012.

- (ii) At each such subsequent Annual Membership Meeting, the Membership
  - (1) shall elect the successors to each person whose term as a Director expires as of such Annual Membership Meeting; and
  - (2) may transact any other business which properly comes before it.
- (c) **Notice of Annual Membership Meetings.** Not later than fifteen (15), but not earlier than forty-five (45) days before the date on which any Annual Membership Meeting is to be held, the Secretary (or in the case of the first Annual Membership Meeting, the Declarant) shall give to each Owner and each known Proxy Holder a written notice to that effect, setting forth the date, time and place thereof.

### 3.3.4. Special Membership Meetings.

#### (a) Circumstances

- (i) Provided that notice thereof is given in accordance with the provisions of these By-Laws, a Special Membership Meeting may be held at any time for any purpose consistent with applicable law, the Declaration and these By-Laws, upon a call by the President or any three (3) members of the Board of Directors, or any two (2) members if less than five (5).
- (ii) Each Special Membership Meeting shall be held on a date which is not a Sunday or a legal holiday, and at a place in or near Baltimore, Maryland; provided, that a Special Membership Meeting may be held at any other date, time or place chosen by the President or the Board of Directors in any emergency situation, if a failure to do so could unreasonably jeopardize Association Property, or the health, safety, comfort or welfare of the occupants of any Lot, or could impose any unreasonable burden upon the Association.

#### (b) When a Special Membership Meeting May or Shall Be Called

- (i) (1) A Special Membership Meeting shall be called upon the Association's receipt, at any time after the first Annual Membership Meeting, of a petition
  - (A) requesting that such Special Membership Meeting be called,
  - (B) stating the intended purpose or purposes thereof, and
  - (C) signed by Owners or Proxy Holders having at least twenty-five percent (25%) of the total number of Votes of the Class A membership which are then outstanding or having at least twenty-five percent (25%) of the total number of Votes of the entire membership.
- (2) Whenever the calling of any such Special Membership Meeting is requested by any such petition, the President shall set a date for such Meeting which is not later than fifteen (15) days after the Association's receipt of such petition.
- (c) **Notice of Special Membership Meetings.** By not less than ten (10), but not more than fifteen (15) days before the date on which a Special Membership Meeting is to be held, the Secretary shall give to each Owner and each Proxy Holder a written notice to that effect, setting forth the intended purpose, the date, time and place thereof; provided, that where a Special Membership Meeting is to be held in any emergency situation

pursuant to the provisions of Subsection 3.3.4. and compliance with the foregoing provisions of this paragraph is not for that reason reasonably possible, the Secretary shall give to each Owner and each Proxy Holder such notice thereof as is reasonably possible under the circumstances, which notice may be in person, by telephone or written notice attached to the Lot. The minutes of any such meeting shall set forth fully the purpose and why normal procedures could not be followed.

#### **3.3.5. Quorum.**

- (a) The presence, on the date and at the time and place for which a Membership Meeting is called, of one or more Voting Representatives whose respective Votes constitute, in the aggregate, more than twenty-five percent (25%) of the total number of Votes which are then eligible to vote, shall be required for and shall constitute a quorum for such Membership Meeting.
- (b) If a quorum does not exist at the date, time and place of a Membership Meeting,
  - (i) notwithstanding the absence of such quorum, such Membership Meeting may be adjourned (by and only by a motion to such effect made and seconded by Voting Participants and approved by a Majority of the Votes cast thereon), without further notice to any Owner or Proxy Holder, to a date, time and place conforming to the criteria set forth in the provisions of Section 3.3.3. (provided that such date is not less than two (2) or more than ten (10) days from the date for which such Membership Meeting is first called, as aforesaid), in which event, so long as a quorum exists at the date, time, and place to which such Membership Meeting is so adjourned, any business may be transacted thereat which might have been transacted at the Membership Meeting as originally called, but no other business may be transacted thereat; but
  - (ii) no Membership Meeting shall be otherwise called or held other than pursuant to the provisions of Subsections 3.3.3 and 3.3.4.
- (c) Once the Secretary of a Membership Meeting determines that a quorum exists therefor, the existence of such quorum shall not be affected by the subsequent withdrawal from the Membership Meeting of any Voting Participant.

#### **3.3.6. Conduct of Membership Meetings.**

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

- (2) in the absence of any Assistant Secretary, any other person who is present and appointed Secretary thereof by the chairman thereof shall act as such.
- (ii) The Secretary of each Membership Meeting shall take the minutes thereof (and, if such person is not the Secretary, promptly after such Membership Meeting shall deliver such minutes to the Secretary); shall record therein the questions voted upon at such Membership Meeting and the results of such voting; shall be the judge of the eligibility (under the provisions of Subsection 3.3.7) of any person to cast any Votes thereat; shall make the official count of the Votes cast on each such question; and shall perform any other duty which under these By-Laws are to be performed by the Secretary of such Membership Meeting as part of its order of business.
- (c) The most recent edition of Robert's Rules of Order shall govern the conduct of all Membership Meetings, subject to the provisions of the Declaration, these By-Laws and applicable law.
- (d) (i) The order of business to be considered at any Annual Membership Meeting shall be in accordance with the provisions of Exhibit A attached hereto.

### **3.3.7. Voting at Membership Meetings.**

- (a) (i) Any questions to be voted upon at a Membership Meeting may be voted upon by and only by those persons present who are Voting Representatives for such Membership Meeting, notwithstanding the presence of any other person.
- (ii) Each such Voting Representative shall be entitled to cast upon such question the number of Votes held under the provisions of the Declaration by the Owner for which he is a Voting Representative.
- (b) With respect to any Membership Meeting, the Voting Representatives shall consist of and only of all of the following persons:
  - (i) As to each Owner for whom no Proxy is then in effect permitting his Votes to be cast at such Membership Meeting.
    - (1) if such Owner consists of one (1) natural person, such person shall be the Voting Representative for himself;
    - (2) if such Owner consists of more than one (1) natural person (but such Owner has not designated a Voting Representative in accordance with the provisions of Section 8.1), any such person who is present thereat shall be the Voting Representative for such Owner; provided, that, if more than one (1) such person is present thereat, in counting the Votes cast on any question voted upon at such Membership Meeting the Secretary thereof may treat any such person who is casting such Owner's Votes on such question as the Voting Representative for such Owner, unless prior to the conclusion of such voting any other such person makes known to such Secretary that he objects to the first such person's being treated as the Voting Representative, as aforesaid, in which event such Secretary shall announce the same to the Membership Meeting and disallow such Owner's Votes on such question (but such



disallowance shall not affect the existence of a quorum at such Membership Meeting); and

- (3) otherwise, any person who, prior to such voting, is designated a Voting Representative by such Owner in accordance with the provisions of Section 8.1. shall be the Voting Representative for such Owner (but only if such designation then remains in effect).
- (ii) As to each Owner for whom a Proxy is then in effect permitting such Owner's Votes to be cast at such Membership Meeting only by the Proxy Holder thereof;
  - (1) if such Proxy Holder consists of one (1) natural person, such person shall be the Voting Representative for himself; and
  - (2) otherwise, any person who, prior to such voting, is designated a Voting Representative by such Proxy Holder in accordance with the provisions of Section 8.1. shall be the Voting Representative for such Proxy Holder (but only if such designation then remains in effect).
- (c) Anything contained in the provisions of Section 3.3.7(b) to the contrary notwithstanding, the Secretary need not recognize any person as a Voting Representative at a Membership Meeting unless prior thereto the Owner or Proxy Holder for which such person is to be a Voting Representative has furnished to the Secretary the information as to such Owner himself or Proxy Holder itself which is referred to in the provisions of Section 8.1.
- (d) Except as may otherwise be set forth in any provision of the Declaration, these By-Laws or applicable law, each question voted upon at any Membership Meeting shall be decided by a Majority of the Votes cast thereon and whenever these By-Laws condition the effectiveness of any action upon the approval or authorization thereof by the Membership, such condition shall be satisfied by the affirmative vote of a Majority of of the Votes cast thereon, unless another standard of approval is therein expressly set forth with respect to such condition.
- (e) Proxies shall not be effective for more than ninety (90) days except that a Proxy given by an Owner to a Mortgagee shall remain in effect for the term agreed upon by the Owner and the Mortgagee.

**3.3.8. Informal Action.** Whenever any action may be taken by the Members, such action may be taken informally by consent evidenced in writing by at least fifty-one percent (51%) of eligible Voting Representatives.

#### **Section 3.4. The Board of Directors.**

##### **3.4.1. Composition: Qualifications of Directors.**

- (a) After the first Annual Membership Meeting, the Board of Directors shall consist of ~~five~~ (5) not more than seven (7) nor less than three (3) Directors.\*
- (b) Each Director shall be
  - (i) a natural person;

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\* Amendment approved December 10, 2009

- (ii) at least eighteen (18) years old; and
- (iii) either (1) alone with one or more other persons an Owner, or (2) an officer, director, employee or agent of a corporation, partnership, trust or other legal entity which either alone or with one or more persons is an Owner (provided that the Secretary is given such proof of such natural person's status as officer, director, employee or agent of such entity as the Secretary may reasonably require).
- (c) So long as there are Class B eligible Members, such class shall be permitted to designate one member of the Board of Directors who shall serve thereon at the pleasure of the Class B members, and whose successor shall be determined by Class B eligible members.

**3.4.2. Initial Directors.** The following persons shall be the Initial Directors: Edward M. Garbarino, John F. Weatherby, Michael Marcellin.

**3.4.3. Terms of Directorships.**

- (a) The persons named in the provisions of Subsection 3.4.2. hereof shall serve as Directors until the second Annual Membership Meeting, at which time their terms as Directors shall expire.
- (b) (i) At the second Annual Membership Meeting, the Members shall elect two (2) Directors for a term of one (1) year, two (2) Directors for a term of two (2) years and one (1) Director for a term of three (3) years.
- (ii) At each subsequent Annual Membership Meeting, a successor shall be elected to the Directors whose terms then expire, to serve for a term of three (3) years.
- (c) Anything contained in the provisions of this Subsection to the contrary notwithstanding, each Director shall serve as such until his successor has been elected and qualified.
- (d) Directors may serve successive terms.

**3.4.4. Nomination of Directors. \***

- (a) At least thirty (30) days before each Annual Membership Meeting, the President shall appoint a nominating committee of three (3) Voting Representatives, at least one (1) of whom shall be a Director whose term of office does not expire as of such Annual Membership Meeting. Such nominating committee, after considering the qualifications of prospective nominees, shall nominate a total number of candidates(s) equal to the total number of select one (1) or more nominees for each directorships to be filled at such Annual Membership Meeting, and shall present its nominations to the Secretary by not later than fifteen (15) days before such Annual Membership Meeting.
- (b) Any ~~Owner or~~ Owners of five two (52) or more Lots (hereinafter, "an Ownership Group") may nominate a candidate for a ~~each~~ directorship to be filled at any Annual Membership Meeting by presenting such nomination to the Secretary in a writing signed by all members of such Ownership Group and by the candidate which it is

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\* Amendment approved November 13, 2013

nominating Owner or Owners, by not later than fifteen (15) days before such Annual Membership Meeting. The Ownership Group may not include the candidate which it is nominating. No Ownership Group may nominate a total number of candidates which is more than the total number of directorships to be filled at the Annual Membership Meeting.

- (c) By not later than ten (10) days before the date of such Annual Membership Meeting, the secretary shall prepare and provide to each Owner and Proxy Holder ~~shall be furnished a written list of all such nominees for directorships and shall be furnished with~~ a ballot for the directorial election, on which the names of each candidate for each directorship shall appear ~~be either typed or printed~~. Where there is more than one (1) candidate, their names shall be arranged in alphabetical order. The candidate(s) which have been nominated by the nominating committee shall be so indicated on the ballot. Notwithstanding any inference to the contrary in Sections 3.4.4(a) or 3.4.4(b), no candidate's name shall appear more than one time on the ballot, regardless of whether such candidate has been nominated by more than one Ownership Group and/or the nominating committee.

### 3.4.5. Election of Directors.\*

- (a) At each Annual Membership Meeting, there shall be held ~~one a separate~~ election to fill the directorships of ~~all each~~ Directors whose term or terms of office ~~expire or expires~~ as of such Annual Membership Meeting, and any other directorship which is then vacant.
- (b) Each Voting Representative may cast on each ballot a number of votes which is equal to or less than the number of directorships which are to be filled. Cumulative voting shall not be permitted. For clarity, no Voting Representative may cast on any one ballot more than one vote for any one candidate. The Voting Representative must provide his name, the address of the Lot for which he is the Voting Representative and signature on the ballot. The Secretary shall deem as invalid any ballot which does not include the information set forth in the immediately preceding sentence, or upon which is cast a greater number of votes than the number of directorships which are to be filled, or upon which any candidate has received more than one vote. ~~Those persons who have been declared nominees for such positions in accordance with the foregoing provisions of this Section, and who receive the greatest number of Votes cast in such election, shall be declared elected. Where more than one (1) directorship is being filled and such positions are for differing terms, such positions shall be filled in the order of the length of their terms. Cumulative voting shall not be permitted.~~
- (c) Each Voting Representative may cast his Votes in such election either:
  - (i) ~~while in attendance at such Membership Meeting, by giving his marked ballot to the Secretary at the location of the Annual Membership Meeting, not later than one half hour prior to the start of the Annual Membership Meeting, or~~
  - (ii) ~~prior thereto by depositing his completed ballot~~ depositing the marked ballot at the home address of the ~~with the~~ Secretary, which shall be provided on the ballot or on an accompanying mailing, no later than 4:00 PM of the day of the Annual

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\* Amendment approved November 13, 2013

~~Membership Meeting, which shall be deposited in a sealed envelope, which in turn shall be deposited in a second sealed envelope, on which second envelope is the date and signature of the Voting Representative, who shall open it at such Membership Meeting (in which event such Voting Representative need not attend such Membership Meeting for his Votes to be counted).~~

- (d) Not earlier than thirty (30) minutes prior to the start of the Annual Membership Meeting, the Secretary, in the presence of at least one other Owner who is not a candidate, shall total the votes of all candidates on all valid ballots, and shall declare as elected the candidate receiving the highest number of votes, and such additional candidates in descending order of the number of votes received, until the total number of candidates declared elected is equal to the total number of directorships to be filled. As a clarifying example, if three directorships are to be filled, the candidate with the greatest number of votes and the candidates with the second and third greatest number of votes shall be declared elected. If the terms of the directorships to be filled are of different lengths, then the candidate receiving the greatest number of votes shall fill the open directorship with the longest term, the candidate receiving the second greatest number of votes shall fill the open directorship with the second longest remaining term, and so on, until all open directorships are filled.

**3.4.6. Filling Vacancies in Directorships.** If any directorship becomes vacant by reason of a Director's death, resignation, retirement, disqualification, removal from office or otherwise, the remaining Directors shall, at any regular Board Meeting, or Special Meeting, duly called for such purpose, elect his successor, who shall serve for the remainder of his term.

**3.4.7. Removal of Directors.** Any Director may be removed from his position as such, with or without cause or hearing, by the affirmative vote of Voting Representatives having two-thirds (2/3) of the outstanding Votes at any Annual Membership Meeting, or at any Special Membership Meeting duly called for such purpose.

In the event any Director is absent without cause from two (2) successive meetings, the Board may declare such Director's seat vacant at the next meeting, unless the Director is present.

**3.4.8. Board Meetings.**

- (a) A Board Meeting shall be held immediately upon adjournment of each Annual Membership Meeting and at the same place where such Annual Membership Meeting was held, provided that a quorum of Directors is present. If such quorum is not present, a Board Meeting shall be held as soon thereafter as is practicable, provided that notice thereof is given to each Director by not later than five (5) days prior thereto.
- (b) Thereafter, a Board Meeting shall be held at least once each quarter on the first Thursday of March, June, September and December of each year, or on any other day which the Board of Directors selects, and at such time and place as it from time to time selects.
- (c) Once the date, time and place of the regular Board Meetings are selected, such regular Board Meetings may thereafter be held without notice of such date, time and place (which may not be changed unless notice of such change is given to the Directors in the same manner as for a Special Board Meeting).

- (d) A Special Board Meeting may be called by the President on not less than two (2) days' notice given in writing, in person or by telephone or wire to each Director, and must be called on the demand of two (2) or more Directors.
- (e) Notice of a regular or Special Board Meeting need not be given to any Director who submits a waiver of such notice either before or after such Board Meeting. A Director's attendance at a Board Meeting shall be deemed to be a waiver by him of his right to be given notice thereof.

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

**3.4.10. Owners' Attendance at Board Meetings.**

- (a) Each Owner shall be entitled to attend any Board Meeting, but no Owner shall have any right to vote upon any question coming before such Board Meeting, or to be given notice of any Board Meeting or to participate in the deliberations of the Directors thereat.
- (b)
  - (i) Each Owner and Proxy Holder shall have the right to be heard on the questions of the approval and adoption of the Association's budget at the Board Meeting at which such actions are to be taken, as aforesaid. The President shall have the right to set a time limit for discussion by each Owner and Proxy Holder.
  - (ii) By not less than seven (7), but not more than forty-five (45) days before the date on which such Board Meeting is to be held, the Secretary shall give to each Owner and each Proxy Holder, a written notice to such effect, setting forth therein the intended purposes thereof, and the date, time and place thereof.

**3.4.11. Powers and Duties of the Board of Directors.**

- (a) All of the Association's business and affairs shall be managed, and all of its rights, powers and duties shall be exercised and performed on its behalf, by the Board of Directors, acting through the Officers, and the Officers in accordance with the provisions of this Section and of Section 3.5; provided, that nothing in the foregoing provisions of this paragraph shall be deemed in any way to alter or impair the operation and effect of any provision of the Corporations and Associations Article of the Code, other applicable law, the Declaration or these By-Laws pursuant to which the Association's right to take any action is conditioned upon such action's having been authorized or approved by the Membership.
- (b) Without limiting the generality of the foregoing provisions of this Subsection, the Board of Directors shall have the right and power and duty to cause the Association to take each of the following actions:

- (i) **Management of the Common Elements.** to operate, manage, maintain, renew, replace, repair and protect the Common Area and all Association Property;
- (ii) **Preparation of Budget.** to prepare and adopt a budget of the estimated Common Expenses, Association Receipts, Association Profits and Assessments for the Association's next succeeding fiscal year, in accordance with the provisions of Article IV;
- (iii) **Expenditures.** to authorize the use and expenditure of any or all Association Receipts (except for so much thereof as the Association resolves to deposit in a reserve fund for such purpose) for the operation, management, maintenance, renewal, replacement, repair and protection of the Common Area and Association Property, provided that the Association may make no single expenditure for any capital improvement which exceeds Two Thousand Dollars (\$2,000.00), unless it is authorized both by the Board of Directors and by the Membership Meeting, or is expended for emergency repairs;
- (iv) **Selection of the Manager, Independent Contractor or Employees.** to employ or contract with a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties, subject to any limitation thereon which is set forth in the provisions of, the Declaration or these By-Laws; and to fix compensation (which shall be paid by the Association as part of the Common Expense);
- (v) **Fidelity Bonds.** to require the Manager and all Officers and employees of the Association who handle, or are responsible for, funds of the Association or funds in its possession or under its control to furnish to the Association fidelity bonds, in form and amount, and with a corporate surety, which are satisfactory to the Board of Directors (the premiums on which shall be paid by the Association as part of the Common Expenses);
- (vi) **Taxes; Liens; Water and Sewer Rents.** to pay all taxes and assessments levied or liens imposed against any of the Common Area or any Association Property;
- (vii) **Employees, Services and Materials.** to employ and dismiss such clerks, workmen, janitors, watchmen and other personnel, in accordance with applicable equal employment opportunity provisions, and to purchase or arrange for such services, machinery, equipment, tools, materials and supplies, as in the opinion of the Board of Directors are from time to time necessary for the proper operation and maintenance of the Common Area and any Association Property;
- (viii) **Collection of Delinquent Assessments.** to collect any unpaid and Delinquent Assessment, any interest accrued thereon and any costs and expenses which the Association incurs in connection therewith (including, by way of example rather than of limitation, any filing fees, court costs and attorney's fees), whether by suit or otherwise;
- (ix) **Professional Assistance.** to employ or retain legal counsel, engineers and accountants and to determine the amount and terms of their compensation, whenever the professional assistance of such persons is deemed necessary by the

Board of Directors for any purposes related to the Association's exercise of its rights and powers, or performance of its duties.

- (x) **Operating Accounts.** to cause such operating, escrow and other accounts to be established and maintained as the Board of Directors deems appropriate from time to time and as are consistent with good accounting practices;
- (xi) **Audits and Books of Account.** to
  - (1) cause a complete ~~audit~~ review of the Association's books and accounts to be made by a competent ~~certified public accountant~~ person with financial analysis experience consistent with the level of review needed for the Association's financial status at the end of each fiscal year of the Association, and at any other time as the Board of Directors deems necessary. This person shall be selected and approved by the Board of Directors.; \*
  - (2) prepare at the end of each fiscal year of the Association, and furnish to each Owner, a report of the Association's business and affairs, showing its transactions and reflecting fully and accurately its financial condition; and
  - (3) keep detailed Books of Account, in chronological order, of the Association Receipts and the Common Expenses;
- (xii) **Rules and Regulations.** to
  - (1) make, promulgate and amend from time to time such reasonable Rules and Regulations relative to the operation, use and occupancy of the Lots and the Common Area and facilities on a uniform, reasonable and equitable basis, all as the Board of Directors deems appropriate.
  - (2) enforce compliance with the Rules and Regulations by injunction or such other legal action or means as the Board of Directors deems appropriate; and
  - (3) provide a copy of such Rules and Regulations, as from time to time amended, to each Owner promptly upon the adoption thereof;
- (xiii) **Insurance.** to
  - (1) procure and maintain insurance in accordance with the provisions of Section 5.3; and
  - (2) collect the proceeds of all such insurance, and apply them towards the cost of repair, restoration or replacement of the Common Area in accordance with the provisions of the Declaration and these By-Laws;
- (xiv) **Condemnation Proceedings.** to exercise and perform, on behalf of the Association, its rights and duties as to the prosecution and defense of condemnation proceedings pursuant to the provisions of Article VI;

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\* Amendment approved December 4, 2009

- (xv) **Lease or License of Common Area.** to lease or license the use of any of the Common Area in a manner which is consistent with the rights of the Owners under the Declaration or these By-Laws;
- (xvi) **Designation of Title Holder.** to
  - (1) designate a corporate nominee for the purpose of acquiring title to any Lot purchased by the Association; and/or
  - (2) authorize the President or any other Officer to execute, attest and acknowledge, on behalf of the Association, any and all mortgages, leases or other instruments, where necessary to accomplish any such purpose;
- (xvii) **Personal Property.** to cause the Association to acquire by purchase or otherwise, and to own, use, improve, mortgage, sell, dispose of and otherwise deal with, any personal property, wherever located;
- (xviii) **Suspension of Rights.** suspend the voting rights and right to use of the Common Area of an Owner during any period in which such Owner shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) days, and thereafter until such time as the infraction or default is cured, for infraction of published rules and regulations;
- (xix) **Additions and Improvements.** subject to the operation and effect of the provisions of the Declaration, to make such alterations, additions and improvements to the Common Area and any Association Property as it deems appropriate, and to require, before undertaking any such work, the consent in writing of each Owner whose rights may, in the opinion of the Board of Directors, be prejudiced by such alteration, addition or improvement; provided, that the Board of Directors shall obtain the approval by the Membership of any alteration, addition or improvement which the Board of Directors estimates would cost more than Two Thousand Dollars (\$2,000.00); and further provided that when in the opinion of the Board of Directors any such alteration, addition or improvement is being made exclusively or substantially for the benefit of one (1) or more, but less than all, Owners, the cost thereof shall be charged to such Owner or Owners in such proportion as the Board of Directors determines to be fair and equitable, provided that such Owners have requested in writing that the same be made, and that prior to taking such action each such Owner has consented expressly and in writing to be so assessed; and further provided, that in every other case the cost of any such alteration, addition or improvement shall be paid by the Association as part of the Common Expenses;
- (xx) **Offices.** to create one (1) or more offices of Assistant Secretary, Assistant Treasurer or otherwise, in addition to the offices of the President, the Vice President, the Secretary and the Treasurer; and
- (xxi) **Repair of Common Pipes, Lines, etc.** to cause the Association to repair any and all sewer, drain, water, gas, electrical, telephone or other lines and facilities serving one (1) Lot but located within another Lot, and to charge the Owner of the benefited Lot for the reasonable cost thereof.



- (xxii) **Supervision.** supervise all officers, agents and employees of the Association, and to see that their duties are properly performed;
- (xxiii) **Assessments.** as more fully provided in the Declaration, to
- (1) fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each Annual Assessment period;
  - (2) send written notice of each assessment to every Owner subject thereto at least fifteen (15) days in advance of each Annual Assessment period.
  - (3) foreclose the lien against any property for which assessments are not paid.
- (xxiv) **Issuance of Certificates.** issue, or cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid, or if there are unpaid assessments. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment for third parties acting thereon.

#### 3.4.12. **Limitation of Directors' Liability.**

- (a) No Director in his capacity as such shall except in the event of his own individual willful misconduct or gross negligence in the performance of his duties, be liable
  - (i) for any failure by the Association to obtain or pay for any service which is to be obtained hereunder, or for any injury or damage to persons or property caused by the elements or any Owner or other person, or resulting from the leakage or flow of electricity, gas, water, rain or dust from the outside of any building on any Lot, from any pipe, drain, conduit, appliance, equipment or other place;
  - (ii) to any Owner or other person under any agreement, deed, lease, mortgage, other instrument or transaction entered into by him on behalf of the Association or the Owners in the performance of his duties;
  - (iii) in tort or otherwise, directly or indirectly, to any Owner or any person by virtue of his good faith act or failure to act; or
  - (iv) arising out of the use, misuse or condition of the Common Area, or in any other way as a result or by virtue of his performance of his duties.
- (b) Each Director, in his capacity as such, and his heirs and personal representatives shall be indemnified by the Association against all liability and expense (including, by way of example rather than of limitation, that of reasonable attorneys' fees), which are reasonably imposed upon or incurred by him in connection with any proceeding in which he is involved by reason of his being or having been a Director, or in connection with any settlement thereof, and (with respect to such expense) whether or not he is a Director at the time such expense is incurred, except for any such liability imposed or expense incurred in connection with any such proceeding in which the Director is adjudged guilty of gross negligence or willful misconduct in the performance of his duties; provided, that the foregoing provisions of this paragraph shall not be applicable to any such liability or expense assumed or incurred as the result of a settlement or such proceeding unless the Board of Directors (with such Director abstaining), acting upon

the advice of its legal counsel, approves such settlement and reimbursement as being in the Association's best interests. Any amount paid by the Association pursuant to the foregoing provisions of this paragraph shall be part of the Common Expenses. Nothing in the foregoing provisions of this paragraph shall be deemed to alter or impair any right to indemnification to which such Director is entitled under applicable law, by authorization of the Membership or the Board of Directors, or otherwise.

**3.4.13. Compensation of Directors.** Each Director shall serve as such without compensation but shall be reimbursed for actual out-of-pocket expenses.

### Section 3.5. **Officers.**

#### **3.5.1. Designation; Qualifications of Officers.**

- (a) The Officers shall consist of the President, the Vice President, the Secretary, the Treasurer and (if the Board of Directors creates any office of Assistant Secretary or Assistant Treasurer, or any other office), each such Assistant Secretary, Assistant Treasurer or other Officer.
- (b) Each Officer shall be
  - (i) a natural person;
  - (ii) at least twenty-one (21) years old; and
  - (iii) either
    - (1) alone or in combination with one (1) or more other persons an Owner, or
    - (2) an officer, director, employee or agent of a corporation, partnership, trust or other legal entity (other than a natural person) which either alone or in combination with one (1) or more other persons, is an Owner, provided that the Secretary is given proof of such natural person's status as officer, director, employee or agent of such entity as the Secretary reasonably requires.
- (c) The President and the Secretary shall be selected from among the Directors. Any other Officer may, but need not be, a Director.
- (d) One person may simultaneously be both the Secretary and the Treasurer, but no person may simultaneously hold any other two or more offices.

**3.5.2. Election of Officers.** The Officers shall be elected by the Board of Directors at the Board Meeting, and shall hold office, at the pleasure of the Board and until their successors are elected and qualify.

#### **3.5.3. Powers and Duties of the President.** The President shall

- (a) be the chief executive officer of the Association and the Chairman of the Board of Directors, and
- (b) have the general powers and duties which are usually vested in the office of President of a corporation organized and existing under the law of Maryland (including, by way of example rather than of limitation, the power to appoint such committees from among the Owners as he from time to time deems appropriate, to assist in the conduct of the affairs of the Association), and

- (c) have charge of the administration of the Association.

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

**3.5.5. Powers and Duties of the Secretary.** The Secretary shall

- (a) act as Secretary of each Board Meeting and each Membership Meeting at which he is present,
- (b) record all Votes cast on questions coming before each such meeting and the minutes thereof, setting forth each resolution adopted thereat, in a minute book to be kept for that purpose,
- (c) have charge of such minute book and of such records and papers of the Association as the Board of Directors directs,
- (d) have the general powers and duties which are usually vested in the office of Secretary of a corporation organized and existing under the law of Maryland (including, by way of example rather than of limitation, the duty to send notices of Membership Meetings and Board Meetings in accordance with these By-Laws) as well as such other duties as are prescribed by these By-Laws or by the Board of Directors or the President, and
- (e) keep at the office of the Association the roster referred to in the provisions of Section 8.1, as well as copies of the Declaration, these By-Laws and the Rules and Regulations, all as from time to time amended (all of which shall be available at such office for inspection by the Owners and each Mortgagee during the Association's regular business hours).

**3.5.6. Powers and Duties of the Treasurer.** The Treasurer shall

- (a) have charge and custody of, and be responsible for, the Association's funds and securities;
- (b) deposit all of its monies, checks and other valuable effects in the name and to the credit of the Association in such depositories as are from time to time designated for such purpose by the Board of Directors;
- (c) disburse the Association's funds as from time to time ordered by the Board of Directors or the President, making proper vouchers for such disbursements;
- (d) keep full, complete and accurate accounts and records of the Association's financial transactions;
- (e) submit to the Board of Directors and the Membership such reports thereof as the Declaration, these By-Laws, applicable law or the Board of Directors from time to time require (which accounts and records shall
  - (i) include, by way of example rather than of limitation, chronological listings of all Association Receipts, all Expenses, the amount of each Assessment levied against each Lot, and the amounts thereof paid and unpaid;
  - (ii) specify and itemize the Expenses relating to the Common Area and any other Common Expenses;
  - (iii) be kept at the office of the Association; and

- (iv) be available there for inspection by the Owners, prospective Owners and each Mortgagee during the Association's regular business hours );
- (f) be charged with the responsibility of providing and maintaining the insurance herein provided for; and
- (g) have the general powers and duties which are usually vested in the office of treasurer of a corporation organized and existing under the law of Maryland. The Treasurer shall present at each Annual Membership Meeting an audit (prepared by an independent certified public accountant) of the Common Expenses and the Excess Income, the allocation or credit thereof to each Owner, and any changes expected therein for the Association's next succeeding fiscal year. Such audit shall be delivered to each Owner by not less than five (5) days prior to such Annual Membership Meeting.

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

**3.5.8. Limitation of Officer's Liability.**

- (a) No Officer in his capacity as such shall, except in the event of his own individual willful misconduct or gross negligence in the performance of his duties, be liable
  - (i) for any failure by the Association to obtain or pay for any service which is to be obtained hereunder, or for any injury or damage to persons or property caused by the elements or any Owner or other person, or resulting from the leakage or flow of electricity, gas, water, rain or dust from the outside of any building on any Lot, from any pipe, drain, conduit, appliance, equipment or other place;
  - (ii) to any Owner or other person under any agreement, deed, lease, mortgage, other instrument or transaction entered into by him on behalf of the Association or the Owners in the performance of his duties;
  - (iii) in tort or otherwise, directly or indirectly, to any Owner or any person by virtue of his good faith act or failure to act; or
  - (iv) arising out of the use, misuse or condition of the Common Area, or in any other way as a result or by virtue of his performance of his duties.
- (b) Each Officer, in his capacity as such, and his heirs and personal representatives shall be indemnified by the Association against all liability and expense (including, by way of example rather than of limitation, that of reasonable attorneys' fees), which are reasonably imposed upon or incurred by him in connection with any proceeding in which he is involved by reason of his being or having been an Officer, or in connection with any settlement thereof, and (with respect to such expense) whether or not he is an Officer at the time such expense is incurred, except for any such liability imposed or expense incurred in connection with any such proceeding in which the Officer is adjudged guilty of gross negligence or willful misconduct in the performance of his duties; provided, that the foregoing provisions of this paragraph shall not be applicable to any such liability or expense assumed or incurred as the result of a settlement or such

proceeding unless the Board of Directors, acting upon the advice of its legal counsel, approves such settlement and reimbursement as being in the Association's best interests. Any amount paid by the Association pursuant to the foregoing provisions of this paragraph shall be part of the Common Expenses. Nothing in the foregoing provisions of this paragraph shall be deemed to alter or impair any right to indemnification to which such Officer is entitled under applicable law, by authorization of the Membership or the Board of Directors, or otherwise.

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

**3.5.10. Filling Vacancies of Officers.** If any office becomes vacant by reason of an Officer's death, resignation, retirement, disqualification, removal from office or otherwise, the Directors shall, at a Board Meeting duly called for such purpose by the President, if serving, or the Vice President, may elect an Officer to serve at the pleasure of the Board.

**3.5.11. Execution of Instruments.** No agreement, contract, check, deed, lease, mortgage or other instrument shall be binding upon the Association unless signed by one (1) Officer, except to the extent that the power to bind the Association is otherwise delegated in writing to the Manager or any other person by the Board of Directors.

#### **Section 3.6. Fiscal Year.**

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

**Section 3.7. Principal Office.** The Association's Principal Office shall be located at, and its mailing address shall be, c/o Harkins Associates, Inc., 8720 Georgia Avenue, Silver Spring, Maryland 20910, or at such other place as is permitted by law and designated for such purpose from time to time by the Board of Directors.

### **Article IV. Assessments.**

**Section 4.1. Procedure for Levying Assessments.** Any determination by the Association to levy Assessments pursuant to the provisions of the Declaration shall (subject to the operation and effect of such provisions) be made in the following manner:

#### **4.1.1. Classes of Assessments.**

- (a) The Assessments shall consist of Annual Assessments (each of which is hereinafter referred to as an "Annual Assessment") and Special Assessments (each of which is hereinafter referred to as a "Special Assessment").
- (b) (i) The proceeds of the Annual Assessments must be used by the Association to defray any Common Expenses.

- (ii) The proceeds of any Special Assessments shall be used to defray any Common Expenses incurred either in the construction, reconstruction, repair or replacement of any of the Common Area or any Association Property, or as the result of any expansion of the Association, or to pay any other Common Expense of an extraordinary or emergency nature or amount, subject to the provisions of Sections 3.4.11(b)(xix) and (xxi); provided, however, that any such Special Assessments in excess of Two Thousand Dollars (\$2,000.00) shall have the assent of two-thirds (2/3) of the Votes of each class called for this purpose.

**4.1.2. Period of Annual Assessment.** Each Annual Assessment shall be levied with respect to one of those periods (each of which is hereinafter referred to as an "Annual Assessment Year") which are co-extensive with the Association's fiscal year.

**4.1.3. Rates of Assessment.**

- (a) The Annual Assessment must be fixed at a uniform rate for all Lots and shall be collected annually in advance.
- (b) The Special Assessments must be fixed at a uniform rate and paid within thirty (30) days of receipt of notice of the Special Assessments, except for Special Assessments assessed in accordance with the provisions of Section 3.4.11.(b)(xix).

**4.1.4. Purpose of Assessments.** The Assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the residents in the Properties and for the improvement and maintenance of properties, services, and facilities devoted to this purpose and related to the use and enjoyment of the Common Area, including, but not limited to, snow clearance, the payment of taxes and insurance, the repair, replacement and additions to the Common Area, and for the cost of labor equipment, management and supervision thereof, and if assessed under Sections 3.4.11. (xix) or (xxi) for that specific purpose.

**4.1.5. Maximum Annual Assessment.** Until January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum Annual Assessment shall be One Hundred Twenty-Five Dollars (\$125.00) per Lot payable in advance.

- (a) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum Annual Assessment may be increased, effective January 1 of each year, not more than ten percent (10%) above the Maximum Assessment for the previous year without a Vote of the Membership except for Special Assessments.
- (b) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the Maximum Annual Assessment may be increased, effective January 1 of each year, above ten percent (10%) by a Vote of a Majority of each class of Members who are voting in person or by proxy, at a meeting duly called for this purpose.
- (c) Until positive action to the contrary is taken by the Board of Directors, the Maximum and Minimum Annual Assessment for each Lot subject thereto shall be One Hundred Twenty-Five Dollars (\$125.00), due and payable January 1 of each year in advance.

#### **4.1.6. Adoption by Board of Directors; Notice of Assessment; When Assessments Become Due and Payable.**

- (a) By not later than the ~~sixtieth (60th)~~ forty fifth (45<sup>th</sup>) day prior to the commencement of an Assessment Year, the Board of Directors shall adopt a budget for the Association for such Assessment Year, which shall set forth for such Assessment Year \*
  - (i) (a) the aggregate amount of the Annual Assessments to be levied, and
    - (b) the uniform rate of amount of the Annual Assessment to be levied against each Lot and
  - (ii) (a) the aggregate amount of the Special Assessment to be levied; and
    - (b) the rate of the Special Assessment to be levied against each Lot. By not later than the twenty-fifth (25th) day prior to the commencement of such Assessment Year, the Association shall provide a copy of such budget to each Owner at its Notice Address and each Mortgagee at its Notice Address, provided the provisions of Section 8.1.1. have been complied with.
- (b) If the Association so permits, any Assessment may be paid to the Association in monthly or other installments in accordance with a schedule determined by the Association.
- (c) Such Annual Assessments ~~and Insurance Assessments~~ (or the initial installment thereof, if payable in installments) shall be due on the first (1st) day of such Assessment Year without the necessity of further action by the Association (and any subsequent installments thereof shall be due on the respective dates set forth in such schedule).

#### **Section 4.2. Assessment Lien; Priority Thereof.**

4.2.1. The lien of the Assessments provided for herein shall be subordinate to the lien of any first mortgage or deed of trust or other lien recorded prior to effective date of Assessment and the Assessment Lien provided for in documents set forth in Exhibit B, if and only if such Mortgage is recorded among the Land Records prior to the recordation thereamong of a statement of lien creating such Assessment Lien. Sale or transfer of any Lot shall not adversely affect or extinguish the Assessment Lien. However, the sale or transfer of any Lot pursuant to mortgage foreclosure or or any proceeding in lieu thereof, shall extinguish the lien, but not the personal liability of such Assessments as to payments which become due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any Assessments thereafter becoming due or from the lien thereof.

#### **4.2.2. Enforcement of Assessment Lien.**

- (a) An Assessment Lien may be enforced and foreclosed by the Association in the same manner and subject to the same requirements as are specified by the law of Maryland for the foreclosure of mortgages or deeds of trust containing a power of sale or an assent to a decree, and covering real property situate and lying in Baltimore City.
- (b) (i) The Association shall be entitled
  - (A) to protect the Association's right to collect any unpaid Assessment by

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\* Amendment approved December 10, 2009

purchasing the Lot against which it is levied, at any judicial or other sale involving the enforcement of any Assessment Lien or other lien against the Lot, provided that such action is authorized by the Board;

- (B) to hold, lease, sublet, sell, convey and mortgage any such Lot so purchased; and
- (C) if authorized by the Board of Directors, to borrow any or all of the purchase money thereof.

#### **Section 4.3. Personal Liability of Owners.**

##### **4.3.1. When Liable.**

- (a) In addition to the provisions of Section 4.2, each Owner shall be personally liable for the payment of each Assessment (or each installment thereof, if payable in installments) which becomes due with respect to a Lot while he is the Owner thereof.
- (b) A Lot Owner may not avoid such liability by
  - (i) waiving any right to the use of the Common Area which he holds under the provisions of the Declaration, or these By-Laws or otherwise;
  - (ii) abandoning or otherwise terminating his use of such Lot; or
  - (iii) conveying the title to such Lot after the same becomes due.
- (c) Nothing in the foregoing provisions of this Section shall be deemed in any way to alter or impair any right which any Owner may have against any prior Owner of his Lot for the recovery of any amount which such Owner may pay on account of such liability.

**Section 4.4. Interest on Unpaid Assessment.** Each Assessment (or each installment thereof, if payable in installments) shall bear interest on the unpaid balance thereof from the thirtieth (30th) day after the date upon which it first becomes due, until paid, at the lesser of

- (i) the rate of twelve percent (12%) per annum, or
- (ii) the highest rate of interest which from time to time is permitted by applicable law to be charged with respect to the same.

#### **Section 4.5. Association's Recovery of Unpaid Assessment.**

**4.5.1. Right of Action.** The Association shall be entitled to recover in an action at law or in equity, from any person who is liable for the payment of any or all of an Assessment, both

- (a) a money judgment for such Assessment, (including, by way of example rather than of limitation, the amount of any deficiency which results from any foreclosure of the Assessment Lien therefor), and
- (b) any and all interest accrued thereon through the date of such recovery, and costs incurred by the Association in obtaining such recovery (including, by way of example rather than of limitation, that of reasonable attorneys' fees).

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



- (a) it is brought by the third (3rd) anniversary of the date on which such Assessment first became due, and
- (b) a written notice of the Association's intention to initiate the same is given to both the then Owner of the Lot against which such Assessment has been levied and the Mortgagee and any person against whom such action or proceeding is to be brought, by not later than ten (10) days prior to such initiation.

**Section 4.6. Exempt Property.** The following properties shall be exempt from the Assessments, Charges and Liens created herein:

- (a) all properties dedicated to and accepted by a governmental body, agency or authority and devoted to public use; and
- (b) all Common Area as defined herein.

## **Article V. Insurance: Damage to and Destruction of Properties**

### **Section 5.1. Insurance to be Maintained by Association.**

**5.1.1. Duty to Procure and Maintain.** The Association shall procure and maintain, to the extent available, insurance coverage of the types which are enumerated in the provisions of Section 5.3. upon the Common Area, and all personal property of the Association located within the Common Area.

**5.1.2. Insureds.** The policies of such insurance shall name as Insureds thereunder the Association or any other entity deemed advisable by the Association.

**5.1.3. Insurers.** Such insurance shall be purchased from one (1) or more recognized insurance companies duly licensed to operate and do business in Maryland.

**5.1.4. Exclusions from Coverage.** Nothing in the foregoing provisions of this Section shall be deemed in any way to impose upon the Association any obligation to procure or maintain any insurance upon all of any of the Lots, upon the person or personal property of any Owner, any family member, invitee, visitor or guest of any Owner, or any Lessee or other occupant of any Lot. Any Owner who desires to obtain any such insurance shall be responsible for doing so at his initiative and expense, and in accordance with the provisions of Section 5.4.

**5.1.5. Review.** The Board of Directors shall review the Association's insurance requirements and limits thereof at least once during each of its fiscal years.

**5.1.6. Payment of Premiums.** The Association shall pay the premiums for such insurance when due as part of the Common Expense.

**Section 5.2. Master Policies of Insurance.** The Association may obtain Master Policies of Insurance which shall provide for the proceeds thereunder to be paid to the Association and to be held by the Association for disposition in accordance with the provisions of these By-Laws. Under such Master Policies, certificates of insurance shall be issued which indicate on their face that they are a part of such Master Policies, and that such Master Policies cover the Common Area. The originals of such Master Policies shall be deposited with the Association.

**Section 5.3. Types of Insurance.** The types of insurance coverage which the Association shall procure and maintain pursuant to the provisions of Section 5.1. are as follows:

**5.3.1. Casualty or Physical Damage Insurance.** Casualty or Physical Damage Insurance in an amount equal to the full replacement value of all insurable improvements within the Common Area, and all Association Property, as such value is determined annually by the Board of Directors with the assistance of the issuer of such insurance; provided, that at the option of the Board of Directors such policy or policies may contain a “deductible” provision in an amount which is determined by the Board of Directors, but shall not exceed One Thousand Dollars (\$1,000.00).

- (a) Such coverage shall afford protection against:
  - (i) loss or damage by fire and other hazards covered by the standard extended coverage endorsement, together with:
  - (ii) such other risks as from time to time customarily are covered with respect to improvements similar in construction, location and use as those to be insured under the foregoing provisions of this Subsection (including, by way of example rather than of limitation, the risks of vandalism, malicious mischief, windstorm and flood) or as the Board of Directors from time to time believes to warrant insurance.
- (b) The policies affording such coverage shall provide that, notwithstanding any provisions thereof which give the carrier the right to elect to restore damage in lieu of making a cash settlement, such right shall not be exercisable without the approval of the Board of Directors, or, where such restoration would not be permitted under the provisions of the Declaration, without the approval of those Owners whose approval thereof is required by such provisions.
- (c) The policies affording such coverage shall provide
  - (i) that such policies may not be cancelled or substantially modified or accepted for surrender without at least thirty (30) days prior written notice thereof having been given to the Association, and
  - (ii) that evidence of such insurance and all renewals thereof, and payment of premiums, shall be delivered to each Owner upon request.

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

**5.3.3. Workman’s Compensation Insurance.** Workman’s Compensation Insurance affording at least such coverage of the Association and its Directors, Officers, employees and agents as is required by applicable law.

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

**5.3.5. Officers' and Directors' Liability Insurance.** Officers' and Directors' Liability Insurance, if available at satisfactory premiums, upon such terms and in such amounts as are from time to time determined by the Board of Directors.

**5.3.6. Other Insurance.** Such other coverage as the Board of Directors may deem advisable.

#### **Section 5.4. Proceeds of Insurance.**

##### **5.4.1. Receipt and Distribution of Proceeds by Association.**

- (a) The Association shall receive any proceeds which are payable under any policy of insurance held by it pursuant to the provisions of this Article in trust and shall hold and distribute the same for the purposes set forth in these By-Laws, and pay out the same, in accordance herewith.

**5.4.2. Adjustment of Losses.** Each Owner by accepting Membership herein, designates and appoints the Association as attorney-in-fact to adjust with the insurer all losses which are payable under policies purchased by the Association.

##### **5.4.3. Repair or Reconstruction Following a Casualty.**

- (a) Except as may be otherwise provided by the Declaration or these By-Laws, if any of the Common Area and/or Association Property which are to be insured by the Association pursuant to the provisions of Subsection 5.3.1. are damaged or destroyed, they shall be fully and promptly repaired and restored by the Association using any proceeds of insurance which are payable on account of the same and are held by the Association or any insurance trustee, and the Owners shall equally be liable to the Association for the amount by which the cost thereof exceeds the amount of such proceeds, such deficit, if any, collectable by Special Assessment.
- (b) The Association shall be responsible for restoring such improvements to and only to substantially the same condition as they were in immediately prior to the occurrence of any damage to, or the destruction of, the same. If, as a result of such repair or reconstruction, any change is made in the location of the improvements on any Lot or the Common Area, the Association shall record among the Land Records an amendment to the Subdivision Plat which relocates the boundaries of such Lot or Common Area so as to conform to the location of such improvements as so changed, and each Owner and Mortgagee designates and appoints the Association as attorney-in-fact for such purpose.

**5.4.4. Construction Fund.** Any proceeds of insurance received by the Association shall constitute a Construction Fund which shall be disbursed by the Association or by any insurance trustee, as the case may be, in payment of the costs of the reconstruction and repair thereof.

**Section 5.5. Insurance to be Maintained by Owners.**

**5.5.1. Coverage.** For the purpose of assuring continued plan development and aesthetics each Owner shall obtain insurance for the full replacement value at his own expense affording coverage against

- (a) damage to or destruction of his Lot or any of his personal property which is located anywhere upon the land or within the improvements which constitute the Properties, and
- (b) personal liability incurred by such Owner and arising out of the use of such Owner's Lot by any person

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

**5.5.3. Relationship to Insurance Held by Association.** If a loss is sustained and the amount of the proceeds which would otherwise be payable under any policy of insurance then held by the Association pursuant to the provisions of Section 5.3. hereof is reduced because of proration of, or right of contribution from, any insurance against the same risk which is held by any Owner under the provisions of this Section, such Owner shall assign to the Association any proceeds of his insurance which are payable on account of such loss, to the extent of the amount of such reduction, and the amount so assigned shall be distributed by the Association in the same manner as that prescribed by these By-Laws for the distribution of the proceeds which are payable under the said policy held by the Association as aforesaid.

**5.5.4. Repair and Reconstruction of Lots.** If any of the Lots which are to be insured in accordance with the provisions of Section 5.4. are damaged or destroyed, they shall be fully and promptly repaired and restored by the Owner, with the consent of the Mortgagee, if applicable, and if Mortgagee does not consent, then otherwise as permitted by the Mortgagee.

The Owner shall be responsible for restoring the Lot to and only to substantially the same condition as the Lot was in immediately prior to the occurrence of any damage to, or the destruction of, the same. The plans for exterior reconstruction must conform with the provisions of these By-Laws and the Declaration; and must be approved by the Board of Directors.

Such Lot shall be subject to a lien by the Association as of the date of the loss, and such lien shall be in the amount necessary to permit the Association to perform the restoration and repair in the event the Owner does not perform its obligations under Section 5.4. promptly and without interruption.

Such lien shall be subordinate to the lien of any bona fide first mortgage which has been properly recorded prior to such lien.

**Article VI. Condemnation****Section 6.1. Condemnation Proceedings.**

**6.1.1. Association's Right to Prosecute and Defend.** The Association shall be entitled to prosecute and defend all proceedings with respect to the Condemnation of any or all of the Common Area; provided, that the Association shall not settle or compromise any claim made in any such proceeding without the approval of Owners having a Majority of eligible Votes.

**6.1.2. Notice to Owners.** The Association shall notify each Owner of any such proceeding, and each Owner shall be entitled to participate therein on his behalf at his expense.

**Section 6.2. Repair, Reconstruction and Distribution of Proceeds.**

**6.2.1.** In the event of Condemnation of any or all of the Common Area, proceeds shall be paid to the Association in trust and for the benefit of the Owners of all Lots except the Owners of any Lots wholly taken in the Condemnation.

The proceeds shall be used by the Association to integrate, if necessary, that portion of the Common Area remaining after the Condemnation so as to achieve as nearly as possible the original concept of the Common Area for the benefit of the Owners.

**6.2.2.** In the event that no Common Area or substantial part of the Common Area is directly unaffected by any Condemnation, but the Condemnation is Lots or portions of Lots, it is recognized that the remaining Lots unaffected by the Condemnation will be subjected to a financial loss due to increased Annual and Special Assessments. The Owners hereby consent that the Association shall be a party to the Condemnation proceeding and entitled to such award as represents its obligation to maintain the Common Area for the benefit of the remaining Owners.

The Condemnation award to the Association shall be used in the reduction of any Annual or Special Assessments to the remaining Owners.

**Article VII. Use and Maintenance of Lot**

**Section 7.1. Rights and Responsibilities of Owner With Respect to Use and Maintenance of Lot.**

Each Owner shall:

- (a) maintain, repair or replace at his own expense any portion of his Lot or improvements thereon which may cause injury or damage to any other Lot or the Common Area;
- (b) paint, wallpaper, plaster, decorate and/or otherwise maintain the exposed surfaces of all portions of his Lot (including, by way of example rather than of limitation, all interior and exterior walls, ceilings, doors, door frames, windows, window glass, window frames, vents, shutters, meter covers, front stoop, patio and floors);
- (c) pay any expense which is duly incurred by the Association in making any repair to or replacement of the Common Area which results from the willful or negligent act or failure to act of such Owner or of any Tenant, Contract Purchaser, or other occupant or user of his Lot;
- (d) exercise his rights and perform his duties under the provisions of the Declaration and these By-Laws in such manner and at such hours as will not unreasonably disturb any other Owner;
- (e) comply in every respect with the Rules and Regulations, as the same are from time to time promulgated by the Association.

**Article VIII. Miscellaneous Provisions.**

**Section 8.1. Roster of Owners, Mortgagees, Proxy Holders and Voting Representatives.**

**8.1.1. Duty to Furnish Information.** Immediately upon a person's having become the Owner or a Mortgagee of a Lot, or the Proxy Holder of an Owner's Votes, such Owner, Mortgagee or

Proxy Holder shall in writing both notify the Association of its status as such and supply the following information to the Secretary:

- (a) the full and correct name of such Owner, Mortgagee or Proxy Holder;
- (b) the number and address of the Lot of which such person is an Owner or Mortgagee, or for the Owner of which such person is a Proxy Holder;
- (c) if such Owner, Mortgagee or Proxy Holder consists of more than one (1) person, the full and correct name of each such person;
- (d) if such Owner, Mortgagee or Proxy Holder, or any such person of which it consists, is not a natural person,
  - (i) the type of legal entity of which it consists, and
  - (ii) the state or other jurisdiction under which it is organized and exists;
- (e) an address for each such Owner, Mortgagee or Proxy Holder in the United States of America, which shall constitute its Notice Address for purposes of the provisions of Section 8.2;
- (f) unless such Owner and any such Proxy Holder consists of one (1) natural person (or of two (2) or more natural persons who do not desire to designate any Voting Representative), the name of each natural person who is to be a Voting Representative for such Owner or Proxy Holder; and
- (g) upon request by the Secretary, such evidence of such Owner's Mortgagee's or Proxy Holder's status as such as the Secretary may reasonably demand.

**8.1.2. Failure to Furnish Information.** Unless an Owner, Mortgagee or Proxy Holder has notified the Association of its status as such and supplied the Secretary with the information which is required to be supplied by the foregoing provisions of this Section, such person shall have no right under the provisions of the Declaration or these By-Laws

- (a) to be given any notice, demand, consent, approval, request or other communication or document by the Association or any Director or Officer,
- (b) unless permitted by the President, to participate in the consideration of or cast any Vote upon any question voted upon by the Association Membership, or
- (c) otherwise to be recognized as such by the Association, any Director or Officer, employee or agent thereof, or any Owner. The Association shall also cause any general, special, or individual notice to be delivered to the Lot(s) involved.

**8.1.3. Maintenance of and Reliance on Roster.** The Secretary shall maintain on a current basis a roster showing, with respect to each Lot, any and all information pertaining to the Owner thereof, any Mortgagee thereof, and any Proxy Holder or Voting Representative with respect thereto, which is supplied to the Secretary pursuant to the foregoing provisions of this Section. Unless the Association has received express, written notice to the contrary, the Association, its Directors, Officers, employees and agents shall be entitled to rely upon the accuracy of such roster as reflecting the existence, current identity, composition, legal standing and Notice Address of the Owner and any Mortgagee or Proxy Holder of a Lot, and the designation and identity of any Voting Representative for any such Owner or Proxy Holder, all in making any

determination for purposes of the provisions of the Declaration or these By-Laws as to whom any notice, demand, consent, approval, request or other communication or document is to be given or delivered by the Association or any Director or Officer thereof, or by whom or on whose behalf any Vote may be cast at any Meeting, or in connection with any other action to be taken by the Association or any of its Directors or Officers.

Section 8.2. **Notices.** Any notice, demand, consent, approval, request or other communication or document which is to be provided hereunder by the Association or any Director, Officer or other person, to any person shall be in writing, and

- (a) shall be deemed to have been provided forty-eight (48) hours after having been deposited as first class mail in the United States mails, postage prepaid, and addressed
  - (i) if the addressee is an Owner, Proxy Holder, Voting Representative or Mortgagee who (in accordance with the provisions of Section 8.1) has notified the Association of its status as such and furnished the Secretary with the information referred to therein, to such person's address (herein referred to as such person's "Notice Address") as set forth in the roster which is referred to herein, and
  - (ii) if the addressee is the Association, to the address of the Association's resident agent, or to such other address in the United States of America as the Association may designate from time to time by notice to the Owners; and
  - (iii) if the addressee either
    - (A) has not so notified the Association and furnished the Secretary with such information, or
    - (B) if any other person, to such address in the United States of America as is used by the United States Postal Service for the delivery of mail to such person or to his Lot, or
- (b) shall be deemed to have been provided upon actual hand or other delivery to such person.

Section 8.3. **Severability.** No determination by any court, governmental or administrative body or agency or otherwise that any provision of these By-Laws or any amendment hereto is invalid or unenforceable in any instance shall affect the validity or enforceability of

- (a) any other provision of these By-Laws or of such amendment, or
- (b) such provision in any instance not controlled by such determination.

Each such provision shall be valid and enforceable to the fullest extent allowed by law, and shall be construed wherever possible as being consistent with applicable law.

Section 8.4. **Amendment.** These By-Laws may be amended by the assent of seventy-five percent (75%) of the Membership.

Section 8.5. **Applicable Law.** These By-Laws shall be given effect and construed by application of the law of Maryland, and any action or proceeding arising hereunder shall be brought in the courts of Maryland; provided that if any such action or proceeding arises under the Constitution, laws or treaties of the United States of America, or if there is a diversity of citizenship between

the parties thereto, so that it is to be brought in a United States District Court, it shall be brought in the United States District Court for the District of Maryland.

Section 8.6. **Headings.** The headings of the Articles, Sections and Subsections hereof are provided herein for and only for convenience of reference, and shall not be considered for construing the contents thereof.

Section 8.7. **Construction.** All references made herein

- (a) in the neuter, masculine or feminine gender shall be deemed to have been made in all such genders; and
- (b) in the singular or plural number shall be deemed to have been made, respectively, in the plural or singular number as well.

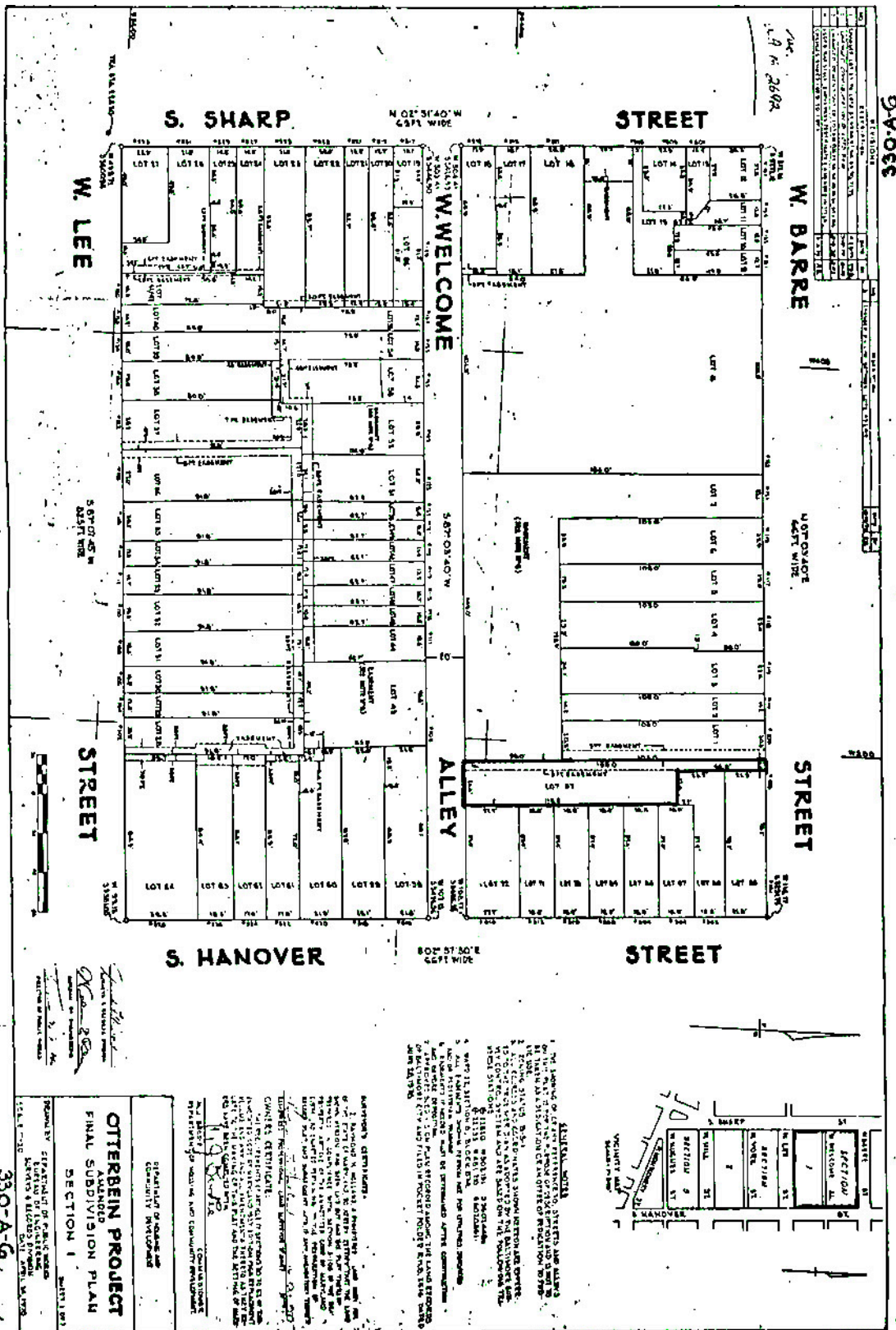


**Exhibit A**  
**Order of Business**

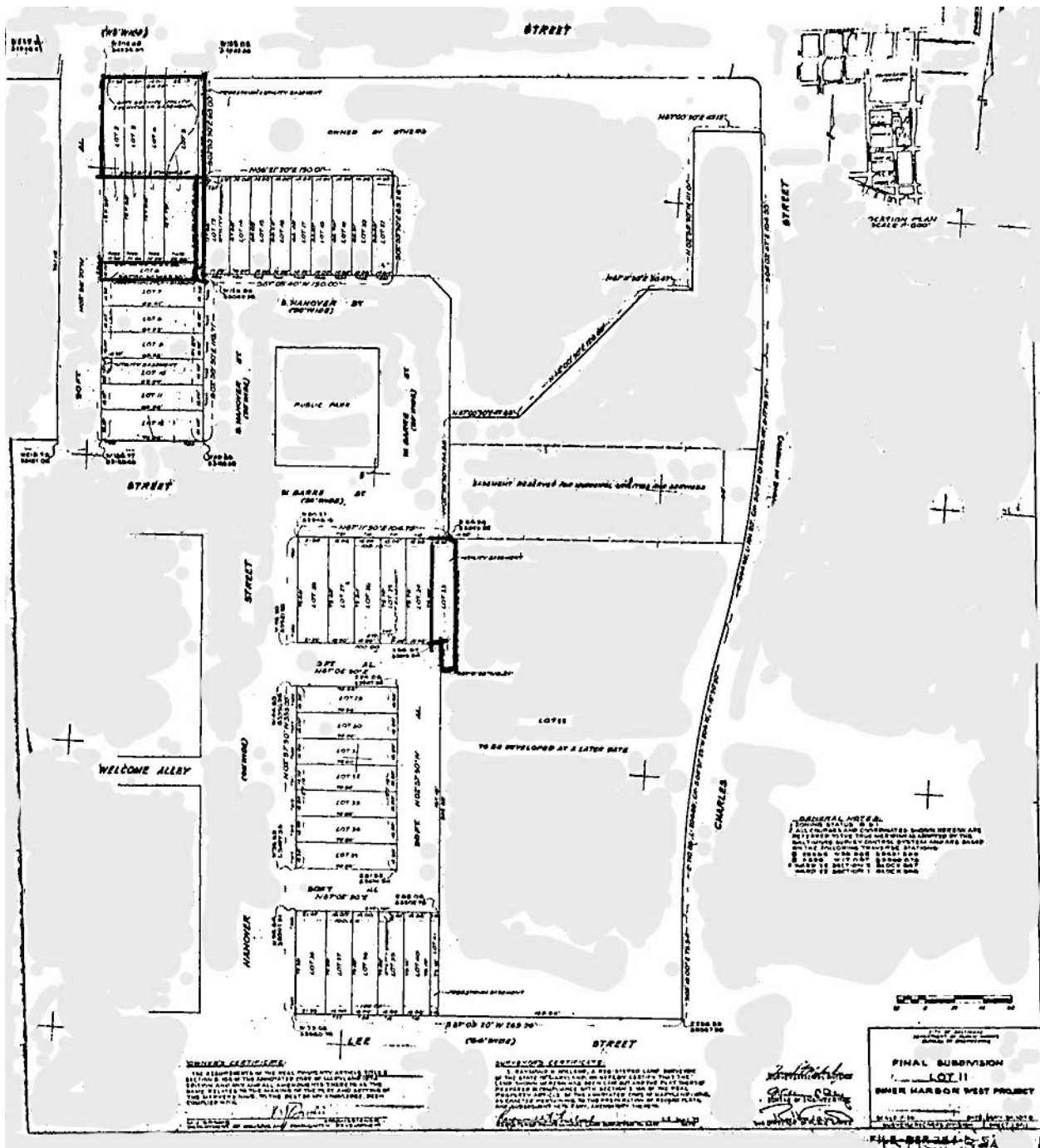
- I.
  - (1) If necessary, the election of the chairman of such Membership Meeting pursuant to the foregoing provisions of this Subsection;
  - (2) If necessary, the appointment of the Secretary of such Membership Meeting pursuant to the foregoing provisions of this Subsection;
  - (3) The presentation of the Secretary's written certification that each Owner and Proxy Holder has been given such notice of such Membership Meeting in accordance with these By-Laws;
  - (4) The call by the Secretary of such Membership Meeting of the roll of all Owners and Proxy Holders whose names are listed on the roster maintained pursuant to the provisions of Section 8.1, and such Secretary's determination from such roll call of whether a quorum exists therefor;
  - (5) The reading of the Minutes of any prior Meeting by the Secretary of such Membership Meeting, any modification or correction thereof, and approval thereof as so modified or corrected by a Majority of the Votes cast thereon;
  - (6) The presentation of the Treasurer's written report as to the Association Receipts and Common Expenses, and the Association's assets and liabilities, for the Association's immediately preceding fiscal year, and as to the respective nature and amounts (as estimated by the Treasurer) of the Association Receipts and Common Expenses for the Association's current and next succeeding fiscal years, all in accordance with the provisions of Article IV;
  - (7) Any unfinished business;
  - (8) The presentation of any report to be given by any other Officer, the Board of Directors or any committee created pursuant to these By-Laws;
  - (9) The holding of any directorial election to be held at such Membership Meeting;
  - (10) Any new business; and
  - (11) Adjournment.
- II. The order of business to be considered at any Special Membership Meeting shall be limited to:
  - (1) The presentation of the Secretary's written certification that each Owner and Proxy Holder has been given such notice of such Membership Meeting in accordance with these By-Laws;
  - (2) The call by the Secretary of such Membership Meeting of the roll of all Owners and Proxy Holders whose names are listed in the roster maintained pursuant to the provisions of Section 8.1, and such Secretary's determination from such roll call of whether a quorum exists therefor;
  - (3) The business for which such Special Membership Meeting is called; and

(4) Adjournment.

III. The foregoing agenda may be altered by the Chairman as circumstances dictate.



## Exhibit A2



**Exhibit B**

[Content unknown as of September 2005.]