

BY-LAWS OF CROSS KEYS CONDOMINIUM NO. 1ARTICLE I.PLAN OF RESIDENTIAL UNIT OWNERSHIP

SECTION 1. Unit Ownership. The Condominium located at the Village of Cross Keys in the City of Baltimore, Maryland, known as "Cross Keys Condominium No. 1", is submitted to the provisions of Section 117A, et seq., of Article 21 of the Annotated Code of Maryland (1970 Cumulative Supplement). The administration thereof shall be by the Board of Directors herein described, subject to the powers of the owners as herein specified.

SECTION 2. By-Laws Applicability. The provisions of these By-Laws are applicable to the Condominium. The term "Condominium" as used herein shall include the land, as well as the improvements thereon. In construing these By-Laws, and the government of the Condominium pursuant thereto, the provisions of Article 23 of the Annotated Code of Maryland (1970 Cumulative Supplement) pertaining to the government of regular business corporations, shall be considered as governing to the extent not inconsistent with the provisions of Article 21, Section 117A, et seq. (pertaining to Condominiums), the Master Deed and these By-Laws, the Condominium being considered the corporation and the owners being considered the stockholders.

SECTION 3. Personal Application. All present and future

owners, tenants and future tenants, and their employees, and any other person that may at any time use the facilities of the Condominium in any manner are subject to the regulations set forth in these By-Laws and to the declarations set forth in the Master Deed to which these By-Laws are attached.

The mere acquisition or rental of any of the Condominium Units ("Units") as described in the Master Deed or the mere act of occupancy of any of said units will signify that these By-Laws as they may be amended from time to time, are accepted, ratified, and will be complied with.

ARTICLE II.

THE OWNERS

SECTION 1. Owners. The Condominium is owned by the owners of the Units, each of whom shall be entitled to the number of votes indicated for his unit in the Condominium Master Deed. No lessee, lien holder, mortgagee, pledgee or contract purchaser shall have any voting rights with respect to the affairs of the Condominium.

SECTION 2. Annual Meetings. The Condominium shall hold each year, commencing with the year 1972, an annual meeting of the owners for the election of directors and the transaction of any business within the powers of the Condominium, at 8:00 o'clock p.m. on (i) the first Wednesday in November in each year if not a legal holiday, and if a legal holiday then on the first day following which is not a legal holiday; or (ii) on such other date within three months before or after that date

as may be determined by the Board of Directors. Any business of the Condominium may be transacted at an annual meeting without being specially designated in the notice, except such business as is specifically required by statute, by the Master Deed or these By-Laws to be stated in the notice. Failure to hold an annual meeting at the designated time shall not, however, invalidate the Condominium's existence or affect its otherwise valid acts.

SECTION 3. Special Meetings. At any time in the interval between annual meetings, special meetings of the Condominium may be called by the President or by a majority of the Board of Directors by vote at a meeting or in writing with or without a meeting.

SECTION 4. Place of Meetings. All meetings of owners shall be held at the Village of Cross Keys in Baltimore, Maryland, except in cases in which the notice thereof designates some other place; but all such meetings shall be held within the State of Maryland.

SECTION 5. Notice of Meetings. Regular meetings of owners may be held pursuant to a regular schedule of time and place, of which written notice has previously been given to each member not less than ten days before the first such meeting. Not less than ten days nor more than ninety days before the date of every other owners' meeting, the secretary shall give to each owner entitled to vote at such meeting, written notice stating the time and place of the meeting and, in the case of a special

meeting, the purpose or purposes for which the meeting is called, either by mail or by presenting it to him personally or by leaving it at his residence or usual place of business. If mailed, any notice shall be deemed to be given when deposited in the United States mail addressed to the owner at his post office address as it appears on the records of the Condominium, with postage thereon prepaid. Notwithstanding the foregoing provision a waiver of notice in writing, signed by the person or persons entitled to such notice and filed with the records of the meeting, whether before or after the holding thereof, or actual attendance at the meeting in person or by proxy, shall be deemed equivalent to the giving of such notice to such persons. Any meeting of owners, annual or special, may adjourn from time to time to reconvene at the same or some other place, and no notice need be given of any such adjourned meeting other than by announcement at the meeting.

SECTION 6. Quorum. At any meeting of owners, the presence in person or by proxy of owners entitled to cast a majority of the votes thereat shall constitute a quorum; but this section shall not affect any requirement under statute or under the Master Deed of the Condominium for the vote necessary for the adoption of any measure. In the absence of a quorum the owners present in person or by proxy, by majority vote and without notice other than by announcement, may adjourn the meeting from time to time until a quorum shall attend. At any

such adjourned meeting at which a quorum shall be present, any business may be transacted which might have been transacted at the meeting as originally notified.

SECTION 7. Votes Required. A majority of the votes cast at a meeting of owners, duly called and at which a quorum is present in person or by proxy, shall be sufficient to take or authorize action upon any matter which may properly come before the meeting, unless more than a majority of votes cast is required by statute or by the Master Deed.

SECTION 8. Proxies. An owner may vote either in person or by proxy executed in writing by the owner or by his duly authorized attorney-in-fact. No proxy shall be valid after eleven months from its date, unless otherwise provided in the proxy. Every proxy shall be in writing, subscribed by the owner or his duly authorized attorney, and dated, but need not be sealed, witnessed or acknowledged.

SECTION 9. List of Owners. At each meeting of owners, a full, true and complete list in alphabetical order of all owners entitled to vote at such meeting shall be furnished by the Secretary.

SECTION 10. Voting. In all elections for directors every owner shall have the right to vote, in person or by proxy, for as many persons as there are directors to be elected. At all meetings of owners, the proxies and ballots shall be received, and all questions touching the qualification of voters and the validity of proxies and the acceptance or rejection of votes shall be decided by the chairman of the meeting. Unless

demanded or ordered by a majority of owners present, no vote need be by ballot, and voting need not be conducted by inspectors.

SECTION 11. Informal Action by Owners. Any action required or permitted to be taken at any meeting of owners may be taken without a meeting, if a consent in writing, setting forth such action, is signed by all the owners entitled to vote on the subject matter thereof, and such consent is filed with the records of the Condominium.

ARTICLE III.

BOARD OF DIRECTORS

SECTION 1. Powers. The business and affairs of the Condominium shall be managed by its Board of Directors. The Board of Directors may exercise all the powers of the Condominium except such as are by statute or the Master Deed or the By-Laws conferred upon or reserved to the owners. In particular, but not by way of limitation, the Board of Directors shall be responsible for, and have all necessary powers in connection with, the care, upkeep, and surveillance of the buildings and other facilities of the Condominium, including its general and limited common elements and services; designation, hiring and dismissal of the personnel necessary for the good working order of the buildings and for the proper care of the general and limited common elements and to provide services for the buildings. The Board of Directors may delegate any of such responsibilities and powers to the officers of the Condominium, to a manager or managing organization engaged by contract to

undertake any of such responsibilities, or both. The Board of Directors, or any officer or officers to whom such power may be delegated, shall have power to take any action necessary or appropriate to enforce payment of all sums, including assessments against owners, due the Condominium, including the power to enforce any lien for the same.

SECTION 2. Number of Directors. The number of Directors of the Condominium shall initially be three, until such number be changed as herein provided. By vote of a majority of the entire Board of Directors, the number of Directors may be increased or decreased, from time to time, to not exceeding nine nor less than three Directors, but the tenure of office of a Director shall not be affected by any decrease in the number of Directors so made by the Board.

SECTION 3. Election of Directors. Until the first annual meeting of owners or until successors are duly elected and qualify, the Board shall consist of Michael Spear, Morton P. Fisher, Jr. and John W. Steele, III. At each annual meeting of owners the owners shall elect Directors, for one year terms or until their successors are elected and qualify (or for a shorter term to fill a vacancy arising for an uncompleted term). At any meeting of owners, duly called and at which a quorum is present, the owners may, by the affirmative vote of the holders of a majority of the votes entitled to be cast thereon, remove any Director or Directors from office and may elect a successor or successors to fill any resulting vacancies for the unexpired terms of removed Directors.

SECTION 4. Vacancies. Any vacancy occurring in the Board of Directors for any cause other than by reason of an increase in the number of Directors may be filled by a majority of the remaining members of the Board of Directors, although such majority is less than a quorum. Any vacancy occurring by reason of an increase in the number of Directors may be filled by action of a majority of the entire Board of Directors. A Director elected by the Board of Directors to fill a vacancy shall be elected to hold office until the next annual meeting of owners or until his successor is elected and qualifies.

SECTION 5. Regular Meetings. After each meeting of owners at which a Board of Directors shall have been elected, the Board of Directors so elected shall meet as soon as practicable for the purpose of organization and the transaction of other business, at such time as may be designated by the owners at such meeting; and in the event that no other time is designated by the owners, the Board of Directors shall meet at 8:00 o'clock p.m. on the day of such meeting. Such first meeting shall be held at such place within or without the State of Maryland as may be designated by the owners, or in default of such designation at the place designated by the Board of Directors for such first regular meeting, or in default of such designation at the Hollyday Room, Village of Cross Keys, Baltimore, Maryland. No notice of such first meeting shall be necessary if held as hereinabove provided. Other regular meetings of the Board of Directors shall be held on

such dates and at such places within or without the State of Maryland as may be designated from time to time by the Board of Directors.

SECTION 6. Special Meetings. Special meetings of the Board of Directors may be called at any time by the President or by the Board of Directors by vote at a meeting, or by a majority of the Directors in writing with or without a meeting. Such special meetings shall be held at such place or places within or without the State of Maryland as may be designated from time to time by the Board of Directors. In the absence of such designation, such meetings shall be held at such places as may be designated in the calls.

SECTION 7. Notice of Meetings. Except as provided in Section 5 of this Article, notice of the place, day and hour of every regular and special meeting shall be given to each Director two days (or more) before the meeting, by delivering the same to him personally, or by sending the same to him by telegraph, or by leaving the same at his residence or usual place of business, or, in the alternative, by mailing such notice three days (or more) before the meeting, postage prepaid, and addressed to him at his last known post office address, according to the records of the Condominium. Unless required by these By-Laws or by resolution of the Board of Directors, no notice of any meeting of the Board of Directors need state the business to be transacted thereat. No notice of any meeting of the Board of Directors need be given to any Director who attends, or to any Director who, in writing executed and filed

with the records of the meeting either before or after the holding thereof, waives such notice. Any meeting of the Board of Directors, regular or special, may adjourn from time to time to reconvene at the same or some other place, and no notice need be given of any such adjourned meeting other than by announcement.

SECTION 8. Quorum. At all meetings of the Board of Directors, one-half of the entire Board of Directors, but in no case less than two Directors, shall constitute a quorum for the transaction of business. Except in cases in which it is by statute, by the Master Deed or by the By-Laws otherwise provided, the vote of a majority of such quorum at a duly constituted meeting shall be sufficient to elect and pass any measure. In the absence of a quorum, the Directors present by majority vote and without notice other than by announcement may adjourn the meeting from time to time until a quorum shall attend. At any such adjourned meeting at which a quorum shall be present, any business may be transacted which might have been transacted at the meeting as originally notified.

SECTION 9. Compensation. By resolution of the Board of Directors expenses of attendance, if any, may be allowed to Directors for attendance at each regular or special meeting of the Board of Directors or of committees thereof, but Directors as such shall not receive any compensation for their services except such as may be authorized or permitted by vote of the owners. A Director who serves the Condominium in any other capacity, however, may receive compensation therefor without such vote of the owners.

SECTION 10. Informal Action by Directors. Any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof may be taken without a meeting, if a written consent to such action is signed by all members of the Board or of such committee, as the case may be, and such written consent is filed with the minutes of proceedings of the Board or committee.

SECTION 11. Committees. The Board of Directors may by resolution provide for such standing or special committees as it deems desirable, and discontinue the same at pleasure. Each such committee shall have such powers and perform such duties, not inconsistent with law, as may be assigned to it by the Board of Directors.

ARTICLE IV.

OFFICERS

SECTION 1. Executive Officers. The Board of Directors shall choose a President from among the Directors, and a Secretary and a Treasurer who need not be Directors. The Board of Directors may also choose a Vice President, an Assistant Secretary and an Assistant Treasurer, none of whom need be a Director. Any two of the above mentioned officers, except those of President and Vice President, may be held by the same person, but no officer shall execute, acknowledge or verify any instrument in more than one capacity if such instrument be required by statute, by the By-Laws or by resolution of the Board of Directors to be executed, acknowledged or verified by any two or more officers.

Each such officer shall hold office until the first meeting of the Board of Directors after the annual meeting of owners next succeeding his election, and until his successor shall have been duly chosen and qualified, or until he shall have resigned or shall have been removed. Any vacancy in any of the above offices may be filled for the unexpired portion of the term by the Board of Directors at any regular or special meeting.

SECTION 2. President. The President shall preside at all meetings of the owners and of the Board of Directors at which he shall be present; he shall have general charge and supervision of the business of the Condominium; he may sign and execute, in the name of the Condominium, all authorized deeds, mortgages, bonds, contracts or other instruments, except in cases in which the signing and execution thereof shall have been expressly delegated to some other officer or agent of the Condominium; and, in general, he shall perform all duties incident to the office of President, and such other duties as, from time to time, may be assigned to him by the Board of Directors.

SECTION 3. Vice President. The Vice President, at the request of the President or in his absence or during his inability to act, shall perform the duties and exercise the functions of the President, and when so acting shall have the powers of the President. The Vice President shall have such other powers and perform such other duties as may be assigned to him by the Board of Directors or the President.

SECTION 4. Secretary. The Secretary shall keep the minutes of the meetings of the owners and of the Board of Directors in

books provided for the purpose; he shall see that all notices are duly given in accordance with the provisions of the By-Laws or as required by law; he shall be custodian of the records of the Condominium; and in general, he shall perform all duties incident to the office of Secretary, and such other duties as, from time to time, may be assigned to him by the Board of Directors or the President.

SECTION 5. Treasurer. The Treasurer shall have charge of and be responsible for all funds, securities, receipts and disbursements of the Condominium, and shall deposit, or cause to be deposited, in the name of the Condominium, all moneys or other valuable effects in such banks, trust companies or other depositories as shall, from time to time, be selected by the Board of Directors; he shall render to the President and to the Board of Directors, whenever requested, an account of the financial condition of the Condominium, and, in general, he shall perform all the duties incident to the office of Treasurer, and such other duties as may be assigned to him by the Board of Directors or the President.

SECTION 6. Assistant Officers. The Assistant Secretary shall have such duties as may from time to time be assigned to him by the Board of Directors or the Secretary. The Assistant Treasurer shall have such duties as may from time to time be assigned to him by the Board of Directors or the Treasurer.

SECTION 7. Compensation. The Board of Directors shall have power to fix the compensation of all officers of the Condominium.

SECTION 8. Removal. Any officer or agent of the Condominium may be removed by the Board of Directors whenever, in its judgment, the best interest of the Condominium will be served thereby, but such removal shall be without prejudice to the contractual rights, if any, of the person so removed.

ARTICLE V.

OBLIGATIONS OF THE OWNERS

SECTION 1. Assessments. Each owner is obligated to pay the assessments imposed upon him by the Condominium to meet general common element and limited common element expenses, which may include a liability insurance policy premium and a fire and other hazard insurance premium. The assessments shall be made pro rata according to the value of the Unit owned as stipulated in the Master Deed. Such assessments may include payments to a general operating reserve. Any such assessments levied upon the owner of a Unit shall become a lien on said Unit at the time assessed and until paid in full. Each regular assessment levied shall be due and payable in twelve monthly installments fifteen (15) days after assessed, subject to acceleration on default and/or late charges, as shall be provided by the Board of Directors. Any special assessment, designated as such by the Board of Directors, shall be due and payable when assessed. There will be no declaration in trust for enforcement of said lien.

SECTION 2. Maintenance and Repair.

(a) Every owner must perform promptly all maintenance

and repair work within his own Unit which, if omitted, would affect the general or limited common elements, or any other Unit, such owner being expressly responsible for the damages and liabilities his failure to do so may engender.

(b) All the repairs of internal installations of the Unit such as heating, air conditioning, water, light, power, appliances, telephones, doors, windows, lamps and all other accessories belonging to the Unit areas shall be at the owner's expense except as otherwise provided in subparagraph (e) of this Article V, Section 2.

(c) An owner shall make no change in the landscaping included within his condominium unit area without the approval in writing of the condominium management. The Condominium will maintain the shrubs, lawns and walks within unenclosed individual unit areas in front of each building, and the cost thereof will be assessed to all units in the manner of general common area maintenance. Each unit owner will be responsible for maintenance of his condominium unit area located outside on the rear of the building; if such area is not maintained, with grass cut to lawn length, the Condominium may, without notice, enter such area for purposes of cutting the grass therein and charge the cost thereof to the unit owner as in the case of repairs under Item SEVENTH of the Master Deed.

(d) An owner shall reimburse the Condominium for any expenditures incurred in repairing or replacing any general or limited common element damaged through his fault, other than damage arising from an insured casualty.

(e) The Condominium will be responsible for maintenance of individual units to the extent its Board of Directors considers appropriate until such time as two-thirds (2/3rds) of the owners direct otherwise; the costs of such maintenance shall be assessed in the same manner as the common element expenses under Section 1 of Article V.

SECTION 3. Destruction of Buildings.

(a) In the event of the destruction of any part or all of one or more of the buildings of the Condominium such destroyed part or parts shall be rebuilt unless such destruction amounts to more than two-thirds in value of the total value of all buildings. In such rebuilding the proceeds of any casualty insurance shall be used to the extent available, being allocated to the Units, general common elements and limited common elements, damaged or destroyed, in proportion to the cost of restoring each such improvement or facility. Costs in excess of such proceeds shall be paid as to each Unit by the owner thereof and as to the general common elements and limited common elements by assessment as for repairs to such elements.

If any owner of a Unit does not commence repair, including rebuilding of his entire Unit if necessary and not inconsistent with Article V, Section 3(b) hereinbelow, of his Unit within a reasonable time after destruction, the Condominium may proceed with such repair or rebuilding and the costs thereof in excess of any insurance proceeds shall be the responsibility of such owner. In addition to any other remedies permitted by

law, the Condominium shall have a lien against any such Unit for the unreimbursed costs in the same manner as an assessment under Article V, Section 1.

(b) In the event of the destruction of any part or all of the buildings of the Condominium amounting to more than two-thirds in value of the total value of all buildings, the damage and destruction shall not be restored if any owner does not agree thereto at an owner's meeting called to consider the question of such restoration. Upon such restoration, the costs shall be paid as provided in (a) above. If the buildings are not restored following such destruction, the proceeds of any fire or other insurance payable as a result of such destruction shall be allocated among the Units destroyed or damaged and the general and limited common elements damaged or destroyed in proportion to the cost of restoring each, based upon appraisals approved by the Board of Directors, and such proceeds allocated to each Unit paid over to the owner (or lien holders, if any) thereof. Amounts allocated to general and limited common elements shall be paid over to the owners (or lien holders, if any) of the Units responsible for maintenance of such elements, and in the proportion of their relative contributions to repairs to such elements.

SECTION 4. Use of Condominium Units - Internal Changes.

(a) All Units shall be utilized for residential purposes only.

(b) An owner shall not make structural modifications or alterations in his Unit or installations located therein unless he has previously fully informed the Condominium in

writing through the President of the Board of Directors and received no objection thereto. The Condominium shall have the obligation to answer within thirty (30) days, and failure to do so within that time shall mean that there is no objection to the proposed modification or alteration.

SECTION 5. Use of General Common Elements and Limited Common Elements. An owner shall not place or cause to be placed in the general common elements any furniture, packages or objects of any kind, except for the parking of vehicles in parking areas. The remaining general common elements shall be used for no other purpose than for normal transit through them, or for such other restricted uses as may be designated by the Board of Directors.

SECTION 6. Right of Entry. An owner shall grant right of entry to any person authorized by the Board of Directors of the Condominium in case of any emergency originating in or threatening his Unit, whether the owner is present at the time or not.

SECTION 7. Rules of Conduct.

(a) No resident of the Condominium shall post any advertisements or posters of any kind on the Condominium except as authorized by the Board of Directors.

(b) No owner shall change the appearance of any exterior surface of any building, including his unit area, without the written permission of the Board of Directors.

(c) Clothing, bedding, linen and other items of personal property shall not be hung on exterior railings or on any other exterior part of the building.

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(d) Residents shall exercise care about making noises or in the use of musical instruments, radios, televisions and amplifiers that may disturb other residents.

(e) The Board of Directors may make such other reasonable rules as they may deem appropriate.

ARTICLE VI

INSURANCE

SECTION 1. Protective Policies. The Board of Directors, with the approval of a majority of the owners, shall procure and maintain, in its name, or the name of the Manager or other designee, as agent or trustee for the benefit of the owners who shall be deemed parties insured, policies of insurance in stock insurance companies licensed to do business with the State of Maryland, to the extent obtainable, as follows:

(a) A policy or policies insuring the buildings against loss, damage or destruction by fire or other casualty, including lightning, windstorm, hail, explosion, riot, civil commotion, aircraft, vehicle, falling objects, smoke, malicious mischief, vandalism, collapse through weight of snow, ice or sleet, water, and other similar casualty, in an aggregate amount equal to not less than 80% of the fully insurable replacement value of the buildings, without regard to depreciation. The policy or policies, unless otherwise insuring the Condominium Units against loss, damage or destruction, shall have a contingent or conditional endorsement, with limits equal to the replacement value of the

Condominium Units, providing for payment by the insurer of a sum sufficient for restoration of each unit to a tenantable condition, in the event that the owner thereof shall fail or refuse to restore his unit within a reasonable time after loss, damage or destruction of such unit, by fire or other casualty insured against. In lieu of the foregoing insurance, the Board of Directors may procure and maintain such other insurance against loss, damage or destruction of the general common elements, limited common elements and the Condominium Units, as shall give substantially equal or greater protection to the owners, as their interest may appear.

(b) Such insurance as will protect the owners, and each of them, from claims under workmen's compensation acts and other employee benefit acts.

(c) Such insurances as will protect the Manager, the Board of Directors, the owners, and each of them, from claims for damage because of bodily injury, including death, to all others, including employees of the insured, and from claims for damage to property, any or all of which may arise out of or result from ownership of any interest in the Condominium Project or the management or operation of said project, or because of any injury or damage sustained on or attributable to the property, including the ownership, maintenance and use of the parking and other areas outside the buildings. It is intended that the insurance described in this subparagraph be a comprehensive general liability policy endorsed to protect each owner against all liability arising out of or otherwise attributable to the property, including operation

of the premises, products liability, liability attributable to work or other act of an independent contractor, or let or sub-let work, landlords-tenants liability, and contractual liability. Further, the insurance shall cover the liability of one or more owner as parties insured to one or more of the remaining owners, though also parties insured. Such public liability insurance shall be in the limits of at least \$500,000.00 for injuries or damages sustained by any one person, \$1,000,000.00 for injuries or damages sustained by two or more persons in any one accident, and \$25,000.00 for property damage. The public liability insurance policy shall be so endorsed as to protect the insured against liability imposed or assumed by any contract.

(d) In all events, each policy of insurance procured under this Section 1 of Article VI shall contain a waiver of the insurer's subrogation rights against each owner, if available at no unreasonable surcharge, and a waiver of any defense maintainable by the insurer by reason of any co-insurance provision of any policy or by reason of any act or neglect of any owner, whether before or after the loss, damage or destruction may occur. Further, each policy of insurance shall provide that any owner in his own right may procure other insurance, fire casualty, liability or otherwise, and that such other insurance shall in no wise serve to reduce, abate, diminish or cause any proration in payment of the total loss by the insurer. Each policy of insurance procured under paragraphs (a) or (b) of this Section 1 shall state that the exclusive right and authority to adjust losses under the policy shall be vested in the Board of Directors.

Nothing provided in this Article VI shall prejudice the right of any owner to insure his Condominium Unit on his account and for his own benefit, or to insure himself against liability to others. If the owners, however, shall procure fire or other casualty insurance covering his Condominium Unit or his interest in the Condominium Project, he shall file with the Board of Directors a duplicate of the insurance policy.

SECTION 2. Repairs and Replacements. Unless more than two-thirds (2/3rds) of the buildings are destroyed, the proceeds of any insurance policy procured under the provisions of paragraph (a) of Section 1 of this Article VI shall be applied to repair, restore and reconstruct the Condominium Units and common elements as provided in Article V, Section 3(a). If the proceeds of insurance are insufficient to cover the cost of any necessary repair, replacement or restoration of the common elements, such excess cost shall be paid by the owners as a common expense, upon special assessment therefor and levy thereof by the Board of Directors against each owner in accordance with his percentage interest factor.

SECTION 3. Disbursement of Insurance Proceeds. If more than two-thirds (2/3rds) of the buildings are destroyed, then the disbursement of the proceeds of all insurance policies shall be paid in accordance with and governed by the provisions of Section 3 of Article V, supra.

SECTION 4. Applications for Insurance. Each owner shall furnish such information and sign such application forms or other documents, if any, as may be required to obtain insurance

as provided in this Article VI. The Board of Directors shall notify the Owners as to whether or not public liability insurance is carried on the common elements.

ARTICLE VII

FINANCE

SECTION 1. Checks, Drafts, etc. All checks, drafts and orders for the payment of money, notes and other evidences of indebtedness, issued in the name of the Condominium, shall be signed by officers or agents of the Condominium, as determined by the Board of Directors.

SECTION 2. Annual Reports. There shall be prepared annually a full and correct statement of the affairs of the Condominium, including a balance sheet and a financial statement of operations for the preceding fiscal year, which shall be audited by an independent public accountant and submitted at the annual meeting of the owners and filed within twenty days thereafter at the principal office of the Condominium in the State.

SECTION 3. Fiscal Year. The fiscal year of the Condominium shall be the twelve (12) month period ending on May 31 in each year, unless some other fiscal year is provided by the Board of Directors.

ARTICLE VIII.

AMENDMENTS

SECTION 1. By-Laws. These By-Laws may be amended by the Condominium at any duly constituted meeting, provided the notice thereof shall specify the amendment to be voted on, and provided the same is approved by at least two-thirds (2/3rds) of the owners;

subject, however, to the restriction set forth in Article II, Section 1, of the By-Laws.

ARTICLE IX.

MORTGAGES

SECTION 1. Notice to Association. An owner who mortgages his Unit shall notify the President of the Board of Directors of the name and address of his mortgagee; and the Condominium shall maintain such information in a book entitled "Mortgagees of Units". If such owner so requests, copies of all notices to the owner will also be sent to his mortgagee.

SECTION 2. The Condominium shall notify any mortgagee of which it has such notice of any of the following: (1) defaults in payments by the owner-mortgagor due the Condominium, (2) changes in fire insurance carried by the Condominium, and (3) changes in the manager of the Condominium.

ARTICLE X.

RESIDENT AGENT

SECTION 1. The Resident Agent authorized to accept service of process in any action relating to two (2) or more Units or to the common elements as authorized by Article 21, Section 138 of the Annotated Code of Maryland (1970 Cumulative Supplement), or any amendments thereof, shall be Mathias J. DeVito, whose address is Office of the General Counsel, The Rouse Company, Columbia, Maryland, and who is a resident of Baltimore City, Maryland. The Board of Directors may, at its discretion,

substitute another Resident Agent for the purpose of accepting such service of process as set forth above, provided that proper notification of such change be promptly filed with the Maryland Department of Assessments and Taxation.

ARTICLE XI.

COMPLIANCE

SECTION 1. These By-Laws are set forth to comply with the requirements of Article 21, Section 117A, et seq., of the Annotated Code of Maryland (1970 Cumulative Supplement). In case any of these By-Laws conflict with the provisions of said statute, it is hereby agreed and accepted that the provisions of the statute will apply.

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