

"EXHIBIT B"

BY-LAWS

COUNCIL OF UNIT OWNERS OF FRANKLIN PARK CONDOMINIUM, INC.

ARTICLE I

Name and Location

Section 1. Name and Location. The name of the Council of Unit Owners is as follows:

COUNCIL OF UNIT OWNERS OF FRANKLIN PARK CONDOMINIUM, INC.

Its principal office and mailing address is as follows:

c/o Aldre, Inc.
932 Hungerford Drive
Suite 31 B
P. O. Box 1039
Rockville, Maryland 20850

It is a non-profit corporation, incorporated under the laws of Maryland.

ARTICLE II

Definitions

Section 1. Declaration. "Declaration", as used herein, means that certain Declaration, made the _____ day of _____, 1983, by the Declarant therein identified, pursuant to Title 11, Real Property Article, Annotated Code of Maryland, as amended, by which certain described premises (including land) are submitted to a condominium property regime and which Declaration is recorded among the Land Records for Montgomery County, Maryland, immediately prior hereto and to which these By-Laws are appended as an Exhibit.

Section 2. Mortgagee. "Mortgagee", as used herein, means the holder of any recorded mortgage, or the party secured or beneficiary of any recorded deed of trust, encumbering one or more of the condominium units in the condominium. "Mortgage", as used herein, shall include deed of trust. "First mortgage", as used herein, shall mean a mortgage with priority over other mortgages. As used in these By-Laws, the term "mortgagee" shall mean any mortgagee and shall not be limited to institutional mortgagees. As used in these By-Laws, the term "institutional mortgagee" or "institutional holder" shall include banks, trust companies, insurance companies, mortgage insurance companies, savings and loan associations, trusts, mutual savings banks, credit unions, pension funds, mortgage companies, all corporations and any agency or department of the United States Government or of any state or municipal government.

Section 3. Other Definitions. Unless it is plainly evident from the context that a different meaning is intended, all other terms used herein shall have the same meaning as they are defined to have in the Declaration or in Title 11, Real Property Article, Annotated Code of Maryland, as amended.

ARTICLE III

Membership

Section 1. Members. Every person, group of persons, corporation, partnership, trust or other legal entity, or any combination thereof, who holds legal title to a unit within the condominium shall be a member of the Council of Unit Owners; provided, however, that any person, group of persons, corporation, partnership, trust or other legal entity, or any combination thereof, who holds such interest solely as security for the performance of an obligation shall not be a member of the Council of Unit Owners by reason only of such interest. This is an expandible condominium and if and when it is expanded the new members thus added shall have all the rights and obligations herein provided for the original members, including, without limitation, the right to vote and the obligation to pay assessments.

Section 2. Membership Certificates. In the event that the Board of Directors considers it necessary or appropriate to issue membership certificates or the like, then each such membership certificate shall state that the Council of Unit Owners is organized under the laws of the State of Maryland, the name of the registered holder or holders of the membership represented thereby, and shall be in such form as shall be approved by the Board of Directors. Membership certificates shall be consecutively numbered, bound in one or more books, and shall be issued therefrom upon certification as to the transfer of title to the condominium unit to which such membership is appurtenant. Every membership certificate shall be signed by the President or a Vice-President and the Secretary or an Assistant Secretary of the Council of Unit Owners and shall be sealed with the seal of the Council of Unit Owners, if any. Such signatures and seal may be original or facsimile.

Section 3. Lost Certificates. The Board of Directors may direct a new certificate or certificates to be issued in place of any certificate or certificates issued by the Council of Unit Owners and alleged to have been destroyed or lost, upon the making of an affidavit of that fact by the unit owner claiming the membership certificate to be lost or destroyed. When authorizing such issuance of a new certificate or certificates, the Board of Directors may, in its discretion, and as a condition precedent to the issuance thereof, require the registered holder or holders of such lost or destroyed certificate or certificates, or his legal representative, to advertise the same in such manner as the Board of Directors shall require and to give the Council of Unit Owners a bond in such sum as the Board of Directors may require as indemnity against any claim that may be made against the Council of Unit Owners.

ARTICLE IV

Meetings of Unit Owners

Section 1. Place of Meeting. Meetings of the unit owners shall be held at the principal office of the Council of Unit Owners or at such other suitable place within the State of Maryland reasonably convenient to the unit owners as may from time to time be designated by the Board of Directors.

Section 2. Annual Meetings. The first annual meeting of the unit owners shall be held at such time as the Board of Directors shall determine, but, in any event, within six (6) months of the

creation of the condominium regime or within sixty (60) days from the date that fifty (50%) percent of the percentage interests in the condominium, before any expansion, as hereinelsewhere provided, have been conveyed by the Declarant to the initial purchasers of units, whichever occurs first. Thereafter the annual meetings of the unit owners shall be held during the month of March of each succeeding year. At such meeting there shall be elected by ballot of the unit owners a Board of Directors in accordance with the requirements of Article V of these By-Laws. The unit owners may also transact such other business of the Council of Unit Owners as may properly come before them.

Section 3. Special Meetings. It shall be the duty of the President to call a special meeting of the unit owners as directed by resolution of the Board of Directors or upon a petition signed by unit owners representing at least twenty percent (20%) of the total votes of the unit owners having been presented to the Secretary; provided, however, that, except upon resolution of the Board of Directors, no special meeting of the unit owners shall be called prior to the first annual meeting of unit owners as hereinabove provided for. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as specifically stated in the notice.

Section 4. Roster of Unit Owners. The Council of Unit Owners shall maintain a current roster of the names and addresses of each unit owner to which written notice of meetings of the Council of Unit Owners shall be delivered or mailed. Each unit owner shall furnish the Council of Unit Owners with his name and current mailing address.

Section 5. Notice of Meetings. It shall be the duty of the Secretary to mail or otherwise deliver a notice of each annual and special meeting of the Council of Unit Owners, stating the purpose thereof, as well as the time and place where it is to be held, to each unit owner at his address as it appears on the roster of unit owners maintained by the Council of Unit Owners or, if no such address appears, at his last known address or at his condominium unit, at least ten (10) but not more than ninety (90) days prior to such meeting. Notice by either such method shall be considered as notice served, and proof of such notice shall be made by the affidavit of the person giving such notice. Attendance by a unit owner at any annual or special meeting shall be a waiver of notice by him of the time, place and purpose thereof. Notice of any annual or special meeting of the unit owners may also be waived by any unit owner either prior to, at, or after any such meeting.

Section 6. Quorum. The presence, either in person or by proxy, of unit owners representing at least twenty-five percent (25%) of the total votes of the Council of Unit Owners shall be a requisite for and shall constitute a quorum for the transaction of business at all meetings of members.

Section 7. Adjourned Meetings. If any meeting of unit owners cannot be organized because a quorum has not attended, the unit owners who are present, either in person or by proxy, may, except as otherwise provided by law, adjourn the meeting to a time not less than forty-eight (48) hours from the time the original meeting was called.

Section 8. Voting. At every meeting of the unit owners, each of the unit owners shall have the right to cast the number of votes appurtenant to his unit, as established in the Schedule of

Percentage Interests, "EXHIBIT C" of the Declaration or as otherwise established in the Declaration, or as amended by an expansion of the condominium, and set forth in "EXHIBIT C" of the Declaration, on each question. The votes of the unit owners representing fifty-one percent (51%) of the votes of the unit owners present and voting, in person or by proxy, shall decide any question brought before such meeting, unless the question is one upon which, by express provision of the Condominium Act or of the Articles of Incorporation of the Council of Unit Owners or of the Declaration or of these By-Laws, a different vote is required, in which case such express provision shall govern and control. The vote for any condominium unit that is owned by more than one person may be exercised by any of them present at any meeting unless any objection or protest by any other owner of such condominium unit is noted at such meeting. In the event all the co-owners of such condominium unit who are present at any meeting of the unit owners are unable to agree on the manner in which the vote for such condominium unit shall be cast on any particular question, then such vote shall not be counted for purposes of deciding the question. In the event that any condominium unit is owned by a corporation, then the vote appurtenant to such condominium unit shall be cast by a person designated in a certificate signed by the president or any vice-president and attested by the secretary or an assistant secretary of such corporation and filed with the Secretary of the Council of Unit Owners at or prior to the meeting. Any such certificate shall remain valid until revoked or superseded in writing. The vote appurtenant to any condominium unit which is owned by a trust or partnership may be exercised by any trustee or partner thereof, as the case may be, and unless any objection or protest by any other trustee or partner is noted at such meeting, the Chairman of such meeting shall have no duty to inquire as to the authority of the person casting such vote or votes. No unit owner shall be eligible to vote, either in person or by proxy, or to be elected to the Board of Directors, who is shown on the books or management accounts of the Council of Unit Owners to be more than thirty (30) days delinquent in any payment due the Council of Unit Owners. No Unit Owner may vote at meetings of the Council of Unit Owners who has not furnished the information of name and address for the roster of Unit Owners.

Section 9. Proxies. A unit owner may appoint any other unit owner, his tenant, mortgagee or the Declarant or the Management Agent as his proxy. In no case may any unit owner (except the Declarant, the Management Agent or any mortgagee) cast more than one vote by proxy in addition to his own vote. Any proxy must be in writing and must be filed with the Secretary in a form approved by the Board of Directors at or before the appointed time of each meeting. Unless limited by its terms, any proxy shall continue until revoked by a written notice of revocation filed with the Secretary or by the death of the unit owner; provided, however, that no proxy is effective for a period in excess of one hundred eighty (180) days unless granted to a mortgagee or lessee of the condominium unit to which the votes are appurtenant.

Section 10. Rights of Mortgagees. Any institutional mortgagee of any condominium unit in the condominium who desires notice of the annual and special meetings of the unit owners shall notify the Secretary to that effect by Registered Mail-Return Receipt Requested. Any such notice shall contain the name and post office address of such institutional mortgagee and the name of the person to whom notice of the annual and special meetings of the unit owners should be addressed. The Secretary of the Council of Unit Owners shall maintain a roster of all institutional mortgagees from whom such notices are received, and it shall be the duty of

the Secretary to mail or otherwise cause the delivery of a notice of each annual or special meeting of the unit owners to each such institutional mortgagee in the same manner and subject to the same requirements and limitations as are provided in this Article for notice to the members. Any such institutional mortgagee shall be entitled to designate a representative to attend any annual or special meeting of the unit owners, and such representative may participate in the discussion at any such meeting and may, upon his request made to the Chairman in advance of the meeting, address the unit owners present at any such meeting. Such representative shall have no voting rights at any such meeting. Such representative shall be entitled to copies of the minutes of all meetings of the unit owners upon request made in writing to the Secretary.

Section 11. Order of Business. The order of business at all annual meetings of the Council of Unit Owners shall be as follows:

- (a) Roll call and certification of proxies.
- (b) Proof of notice of meeting or waiver of notice.
- (c) Reading and disposal of minutes of preceding meetings, if any.
- (d) Reports of officers, if any.
- (e) Reports of committees, if any.
- (f) Election or appointment of inspectors of election.
- (g) Election of directors.
- (h) Unfinished business.
- (i) New business.
- (j) Adjournment.

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

Section 12. Rules of Order and Procedure. The rules of order and all other matters of procedure at all annual and special meetings of the unit owners shall be determined by the Chairman of such meeting.

Section 13. Inspectors of Election. The Board of Directors may, in advance of any annual or special meeting of the unit owners, appoint an uneven number of one or more inspectors of election to act at the meeting and at any adjournment thereof. In the event that inspectors are not so appointed, the Chairman of any annual or special meeting of unit owners shall appoint such inspectors of election. Each inspector so appointed, before entering upon the discharge of his duties, shall take and sign an oath faithfully to execute the duties of inspector of election at such meeting. The oath so taken shall be filed with the Secretary of the Council of Unit Owners. No officer or Director of the Council of Unit Owners and no candidate for Director of the Council of Unit Owners shall act as an inspector of election at any meeting of the unit owners if one of the purposes of such meeting is to elect Directors.

ARTICLE V

Directors

Section 1. Number and Qualification. The affairs of the Council of Unit Owners shall be governed by a Board of Directors composed of an uneven number of at least three (3) natural persons and not more than nine (9) natural persons, a majority of whom (after the first annual meeting of unit owners hereinabove provided for) shall be unit owners. Prior to the first annual meeting of unit

owners, the number of Directors shall be determined from time to time by a vote of the initial Directors hereinafter named. Thereafter, the number of Directors shall be determined by a vote of the unit owners at the first annual meeting of the unit owners and the number of Directors may be changed by a vote of the unit owners at any subsequent annual or special meeting of the unit owners; provided, however, that (a) the limitations of this Section shall continue to apply; and (b) no such change shall operate to curtail or extend the term of any incumbent Director.

Section 2. Initial Directors. The initial Directors shall be selected by the Declarant and need not be unit owners. The names of the Directors who shall act as such from the date upon which the Declaration is recorded among the Land Records for Montgomery County, Maryland, until the first annual meeting of the unit owners are as set forth in the Articles of Incorporation of the Council of Unit Owners.

Section 3. Powers and Duties. The Board of Directors shall have all the powers and duties necessary for the administration of the affairs of the Council of Unit Owners and the condominium and may do all such acts and things as are not by law or by these By-Laws directed to be exercised and done by the unit owners. The powers and duties of the Board of Directors shall include, but not be limited to, the following:

(a) To provide for the care, upkeep, security and surveillance of the condominium and its general and limited common elements and services in a manner consistent with law and the provisions of these By-Laws and the Declaration; and

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

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

(d) To provide for the promulgation and enforcement of such rules and such restrictions or requirements as may be deemed proper respecting the use, occupancy and maintenance of the condominium and the use of the general and limited common elements and to prevent unreasonable interference with the use and occupancy of the condominium and of the common elements by the unit owners and others, all of which shall be consistent with the applicable provisions of the Condominium Act and the provisions of these By-Laws and the Declaration; and

(e) To provide for the authorization, in their discretion, of the payment of patronage refunds from residual receipts or common profits when and as reflected in the annual report; and

(f) To enter into agreements whereby the Council of Unit Owners acquires leaseholds, memberships and other possessory or use interests in real or personal property for the purpose of promoting the enjoyment or welfare of the unit owners and to declare expenses incurred in connection therewith to be common expenses of the Council of Unit Owners; and

(g) To purchase insurance upon the condominium in the manner provided for by law and in these By-Laws; and

(h) To repair, restore or reconstruct all or any part of the condominium after any casualty loss in a manner consistent with law and the provisions of these By-Laws and to otherwise improve the condominium; and

(i) To lease, grant licenses, easements, rights-of-way and other rights of use in all or any part of the common elements of the condominium; and

(j) To purchase condominium units in the condominium and to lease, mortgage or convey the same, subject to the provisions of these By-Laws and the Declaration; and

(k) To appoint the members of the Architectural and Environmental Control Committee provided for in Article X of these By-Laws and to appoint the members of such other committees as the Board of Directors may from time to time designate; and

(l) To sue and be sued, complain and defend, or intervene in litigation or administrative proceedings in its own name on behalf of itself or two or more unit owners on matters affecting the condominium; and

(m) To have and to exercise all of those powers of the Council of Unit Owners set forth in the Condominium Act, the Declaration and the Articles of Incorporation, except such powers or actions as are expressly reserved to be exercised by the members by law, the Declaration, the Articles of Incorporation or these By-Laws.

Section 4. Management Agent. The Board of Directors shall have the power to employ for the Council of Unit Owners a management agent or manager (the "Management Agent") at a rate of compensation established by the Board of Directors to perform such duties and services as the Board of Directors shall from time to time authorize in writing. The Council of Unit Owners may at its discretion undertake "self-management" or may employ a professional management agent or manager. Any management agreement entered into by the Council of Unit Owners shall provide, inter alia, that such agreement may be terminated for cause upon thirty (30) days written notice thereof. The term of any such management agreement shall not exceed three (3) years, provided, however, that the term of any such management agreement may be renewable by mutual agreement of the parties for successive one (1) year periods.

Section 5. Election and Term of Office. The term of the Directors named herein shall expire when their successors have been elected at the first annual meeting of unit owners and are duly qualified. The election of Directors shall be by secret, written ballot, unless balloting is dispensed with by the unanimous consent of the unit owners present at any meeting, in person or by proxy. There shall be no cumulative voting. At the first annual meeting of the unit owners, the term of office of the Director receiving the greatest number of votes shall be fixed for three (3) years. The term of office of the Director receiving the second greatest number of votes shall be fixed for two (2) years, and the term of office of the other Director or Directors shall be fixed for one (1) year. At the expiration of the initial term of office of each respective Director, his successor shall be elected to serve a term of three (3) years. In the alternative, the membership may by resolution duly made and adopted at the first

annual meeting of members or at any subsequent annual meeting resolve to fix the term for each Director elected at any such meeting at one (1) year. Directors shall hold office until their successors have been elected and hold their first regular meeting.

Section 6. Vacancies. Vacancies in the Board of Directors caused by any reason other than the removal of a Director by a vote of the membership shall be filled by vote of the majority of the remaining Directors, even though they may constitute less than a quorum. Each person so elected shall be a Director until a successor is elected by the unit owners at the next annual meeting to serve out the unexpired portion of the term.

Section 7. Removal of Directors. At an annual meeting of unit owners or at any special meeting duly called for such purpose (but only at or after the first annual meeting of unit owners as hereinabove provided for), any Director may be removed with or without cause by the affirmative vote of the majority of the votes of the unit owners present and voting, in person or by proxy, and a successor may then and there be elected to fill the vacancy thus created. Any Director whose removal has been proposed by the unit owners shall be given an opportunity to be heard at the meeting. The term of any Director who becomes more than sixty (60) days delinquent in payment of any assessments or carrying charges due the Council of Unit Owners may be terminated by resolution of the remaining Directors, and the remaining Directors shall appoint his successor as provided in this Article.

Section 8. Compensation. No compensation shall be paid to Directors for their services as Directors. After the first annual meeting of the unit owners, no remuneration shall be paid to any Director who is also a unit owner for services performed by him for the Council of Unit Owners in any other capacity, unless a resolution authorizing such remuneration shall have been adopted by the Board of Directors before such services are undertaken. Directors may be reimbursed for their actual out-of-pocket expenses necessarily incurred in connection with their services as Directors.

Section 9. Organization Meeting. The first meeting of a newly elected Board of Directors shall be held within ten (10) days of election at such time and place as shall be fixed by the Directors at the meeting at which such Directors were elected.

Section 10. Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the Directors, but at least two (2) such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each Director personally or by mail, telephone or telegraph, at least six (6) days prior to the day named for such meeting.

Section 11. Special Meetings. Special meetings of the Board of Directors may be called by the President on three (3) days notice to each Director, given personally or by mail, telephone or telegraph, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of at least one-third (1/3) of the Directors.

Section 12. Waiver of Notice. Before, at or after any meeting of the Board of Directors, any Director may in writing waive notice of such meeting, and such waiver shall be deemed equivalent to the

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

Section 13. Quorum. At all meetings of the Board of Directors a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at any meeting at which a quorum is present shall be the acts of the Board of Directors. If at any meeting of the Board of Directors there be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, any business that might have been transacted at the meeting as originally called may be transacted without further notice to the Directors.

Section 14. Action Without Meeting. Any action by the Board of Directors required or permitted to be taken at any meeting may be taken without a meeting if all the members of the Board of Directors shall individually or collectively consent in writing to such action. Such written consent or consents shall be filed with the minutes of the proceedings of the Board of Directors.

Section 15. Rights of Mortgagees. Any institutional mortgagee of any condominium unit in the condominium who desires notice of the regular and special meetings of the Board of Directors shall notify the Secretary to that effect by Registered Mail-Return Receipt Requested. Any such notice shall contain the name and post office address of such institutional mortgagee and the name of the person to whom notice of the regular and special meetings of the Board of Directors should be addressed. The Secretary of the Council of Unit Owners shall maintain a roster of all institutional mortgagees from whom such notices are received, and it shall be the duty of the Secretary to mail or otherwise cause the delivery of a notice of each regular or special meeting of the Board of Directors to each such institutional mortgagee, in the same manner, and subject to the same requirements and limitations, as are otherwise provided in this Article for notice to the members of the Board of Directors. Any such institutional mortgagee shall be entitled to designate a representative to attend any regular or special meeting of the Board of Directors and such representatives may participate in the discussion at any such meeting and may, upon his request made to the Chairman in advance of the meeting, address the members of the Board of Directors present at any such meeting. Such representative shall have no voting rights at any such meeting. Such representative shall be entitled to copies of the minutes of all meetings of the Board of Directors upon request made in writing to the Secretary.

Section 16. Fidelity Bonds. The Board of Directors shall require that all officers, Directors and employees of the Council of Unit Owners regularly handling or otherwise responsible for the funds of the Council of Unit Owners shall furnish adequate fidelity bonds or equivalent insurance against acts of dishonesty in accordance with the requirements of Article XI of these By-Laws. The premiums on such bonds or insurance shall be paid by the Council of Unit Owners.

ARTICLE VI

Officers

Section 1. Designation. The principal officers of the Council of Unit Owners shall be a President, a Vice-President, a Secretary and a Treasurer, all of whom shall be elected by the Board of Directors. Prior to the first annual meeting of unit owners, the officers of the Council of Unit Owners need not be unit owners. Thereafter, except for the President, the officers of the Council of Unit Owners need not be unit owners. The Directors may appoint an assistant secretary and an assistant treasurer and such other officers as in their judgment may be necessary. The offices of Secretary and Treasurer may be held by the same person.

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

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

Section 4. President. The President shall be the chief executive officer of the Council of Unit Owners. He shall preside at and be chairman of all meetings of the unit owners and of the Board of Directors. He shall have all of the general powers and duties that are usually vested in the office of president of a corporation including, but not limited to, the power to appoint such committees from among the unit owners from time to time as he may in his discretion decide are appropriate to assist in the conduct of the affairs of the Council of Unit Owners. The President shall count the votes at all meetings of the unit owners.

Section 5. Vice-President. The Vice-President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If neither the President nor the Vice-President is able to act, the Board shall appoint some other member of the Board to do so on an interim basis. The Vice-President shall also assist the President generally and shall perform such other duties as shall from time to time be delegated to him by the Board of Directors.

Section 6. Secretary. The Secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of the unit owners for the recording of resolutions of the Council of Unit Owners. The Secretary shall give notice of all annual and special meetings of the unit owners in conformity with the requirements of these By-Laws. The Secretary shall have custody of the seal of the Council of Unit Owners, if any. The Secretary shall have charge of the membership transfer books and of such other books and papers as the Board of Directors may direct, and he shall, in general perform all of the duties incident to the office of Secretary. The Secretary shall keep and maintain the roster of unit owners.

Section 7. Treasurer. The Treasurer shall have responsibility for funds and securities of the Council of Unit Owners and shall be responsible for keeping, or causing to be kept, full and accurate accounts of all receipts and disbursements in books belonging to the Council of Unit Owners. He shall be responsible

for causing the deposit of all monies and other valuable effects in the name and to the credit of the Council of Unit Owners in such depositories as may from time to time be designated by the Board of Directors.

ARTICLE VII

Liability and Indemnification of Officers and Directors

Section 1. Liability and Indemnification of Officers and Directors. The Council of Unit Owners shall indemnify every officer and Director of the Council of Unit Owners against any and all expenses, including counsel fees, reasonably incurred by or imposed upon any officer or Director in connection with any action, suit or other proceeding (including the settlement of any such suit or proceeding if approved by the then Board of Directors of the Council of Unit Owners) to which he may be made a party by reason of being or having been an officer or Director of the Council of Unit Owners, whether or not such person is an officer or Director of the Council of Unit Owners at the time such expenses are incurred. The officers and Directors of the Council of Unit Owners shall not be liable to the unit owners for any mistake of judgment, negligence or otherwise, except for their own individual willful misconduct or bad faith. The officers and Directors of the Council of Unit Owners shall have no personal liability with respect to any contract or other commitment made by them in good faith on behalf of the Council of Unit Owners or the condominium (except to the extent that such officers or Directors may also be owners of condominium units), and the Council of Unit Owners shall indemnify and forever hold each such officer and Director free and harmless against any and all liability to others on account of any such contract or commitment. Any right to indemnification provided for herein shall be in addition to and not exclusive of any other rights to which any officer or Director of the Council of Unit Owners or former officer or Director of the Council of Unit Owners may be entitled.

Section 2. Common or Interested Directors. The Directors shall exercise their powers and duties in good faith and with a view to the interests of the Council of Unit Owners and the condominium. No contract or other transaction between the Council of Unit Owners and one or more of its Directors or between the Council of Unit Owners and any corporation, firm or association (including the Declarant) in which one or more of the Directors of the Council of Unit Owners are Directors or officers, or are pecuniarily or otherwise interested, is neither void nor voidable solely because of the common directorship or interest; or because of the presence of such Director or Directors at the meeting of the Board of Directors or any committee thereof which authorizes, approves or ratifies the contract or transaction; or because such Director or Directors votes are counted for such purpose, provided that the fact of the common directorship or interest is disclosed or known to the Board of Directors or the Committee, and the Board or Committee authorizes, approves, or ratifies the contract or transaction by the affirmative vote of a majority of disinterested directors, even if the disinterested directors constitute less than a quorum. The contract or transaction must be fair and reasonable to the Council of Unit Owners. Common or interested Directors may be counted in determining the presence of a quorum of any meeting of the Board of Directors or committee thereof which authorizes, approves or ratifies any contract or transaction.

ARTICLE VIII

Assessments and Carrying Charges for Common Expenses

Section 1. Annual Assessments and Carrying Charges. Each unit owner shall pay to the Council of Unit Owners, in advance, a monthly sum (hereinafter sometimes referred to as "assessments") equal to one-twelfth (1/12) of the unit owner's proportionate share (determined in accordance with the percentage of interests in common expenses and common profits of the condominium set forth on "EXHIBIT C", attached to the Declaration or as otherwise established in the Declaration, or as amended by an expansion of the condominium and set forth in "EXHIBIT C" of the Declaration) of the sum required by the Council of Unit Owners, as estimated by its Board of Directors, to meet its annual expenses, including but in no way limited to the following:

- (a) the cost of all operating expenses of the condominium and services furnished including, without limitation, charges by the Council of Unit Owners for facilities and services furnished by it; and
- (b) the cost of necessary management and administration, including fees paid to any Management Agent; and
- (c) the amount of all taxes and assessments levied against the Council of Unit Owners or upon any property which it may own or which it is otherwise required to pay, if any; and
- (d) the cost of fire and extended coverage and liability insurance on the project and the cost of such other insurance as the Council of Unit Owners may effect; and
- (e) the cost of furnishing water, electricity, heat, gas, garbage and trash collection and other utilities to the extent furnished by the Council of Unit Owners; and
- (f) the cost of funding contributions to the "Paid-in-Surplus" account of the Council of Unit Owners and the cost of funding all reserves established by the Council of Unit Owners, including, when appropriate, a general operating reserve and a reserve for replacements; and
- (g) the estimated cost of repairs, maintenance and replacements of the common elements of the condominium to be made by the Council of Unit Owners.

The Board of Directors shall determine the amount of the assessments at least annually, but may do so at more frequent intervals should circumstances so require. Upon resolution of both the Board of Directors and the unit owners representing at least fifty-one percent (51%) of the total votes of the unit owners, installments of annual assessments may be levied and collected on a quarterly, semiannual or annual basis rather than on the monthly basis hereinabove provided for.

The Board of Directors of the Council of Unit Owners shall make reasonable efforts to fix the amount of the assessment against each condominium unit for each annual assessment period at least thirty (30) days in advance of the commencement of such period and shall, at that time, prepare a roster of the condominium units and assessments applicable thereto which shall be kept in the office of the Council of Unit Owners and shall be open to inspection by the owner or mortgagee of any condominium unit and by their respective duly authorized agents and attorneys upon

reasonable notice to the Board of Directors. Written notice of the assessments shall thereupon be sent to the unit owners. The omission of the Board of Directors before the expiration of any annual assessment period to fix assessments for that or the next such period shall not be deemed a waiver or modification in any respect of the provisions of this Article, or a release of any unit owner from the obligation to pay the assessment, or any installment thereof for that or any subsequent assessment period; but the assessment fixed for the preceding period shall continue until a new assessment is fixed. No unit owner may exempt himself from liability for assessments or carrying charges by a waiver of the use or enjoyment of any of the common elements or by abandonment of any condominium unit belonging to him.

Section 2. Budget. The Board of Directors, with the assistance and counsel of the Management Agent, shall prepare and adopt a budget for each annual assessment period, which shall include estimates of the funds required by the Council of Unit Owners to meet its annual expenses for that period. The budget herein required to be prepared and adopted by the Board of Directors shall be in a format consistent with the classification of the accounts of the Council of Unit Owners, as hereinafter in these By-Laws provided for and shall provide for sufficient estimates on a monthly basis to permit comparison to and analysis of deviations from the various periodic reports of the actual results of operations and the actual financial condition of the Council of Unit Owners on both a current basis and for prior corresponding periods, all in accordance with generally accepted accounting practices, consistently applied. Copies of the budget shall be available for examination by the unit owners and by their duly authorized agents and attorneys, and by the institutional holder of any first mortgage on any condominium unit in the condominium and by their duly authorized agents and attorneys during normal business hours for purposes reasonably related to their respective interests.

Section 3. Special Assessments. In addition to the regular assessments authorized by this Article, the Council of Unit Owners may levy in any assessment year a special assessment or assessments applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of a described capital improvement located upon the condominium, including the necessary fixtures and personal property related thereto, or for such other purpose as the Board of Directors may consider appropriate; provided, however, that any such special assessment shall have the assent of the unit owners representing two-thirds (2/3) of the total votes of the Council of Unit Owners. A special meeting of the unit owners shall be duly called for this purpose.

Section 4. Reserve for Replacements. The Council of Unit Owners shall establish and maintain a reserve fund for replacements by the allocation and payment monthly to such reserve fund of an amount to be designated from time to time by the Board of Directors. Such fund shall be conclusively deemed to be a common expense. Such fund shall be deposited in a special account with a lending institution, the accounts of which are insured by an agency of any state or an agency of the United States of America or may, in the discretion of the Board of Directors, be invested in obligations of, or fully guaranteed as to the principal by, any state or the United States of America.

The reserve for replacements may be expended only for the purpose of effecting the replacement of the common elements and equipment of the condominium and for start-up costs and operating con-

tingencies of a nonrecurring nature. The proportionate interest of any unit owner in any reserve for replacements and any other reserves established by the Council of Unit Owners shall be considered an appurtenance of his condominium unit and shall not be separately withdrawn, assigned or transferred or otherwise separated from the condominium unit to which it appertains and shall be deemed to be transferred with such condominium unit.

Section 5. Non-Payment of Assessments - Statement of Condominium Lien. Any assessment levied pursuant to the Declaration or these By-Laws and any installment thereof which is not paid on the date when due shall be delinquent and shall entitle the Council of Unit Owners to claim the amount of such assessment, together with an interest thereon and the actual costs of collection thereof, as a lien on the condominium unit against which it is assessed; provided, however, that such lien shall be effective only after a Statement of Condominium Lien is recorded among the Land Records for the jurisdiction where the Declaration was originally recorded, stating the description of the condominium unit, the name of the unit owner of record, the amount due and the period for which the assessment is due. Any such Statement of Condominium Lien shall be in substantially the following form or as may otherwise be required by the Condominium Act:

STATEMENT OF CONDOMINIUM LIEN

This is to certify that _____,
owner(s) of Unit No. _____ in FRANKLIN PARK
CONDOMINIUM, INC. (is) (are) indebted to The Council of
Unit Owners of Franklin Park Condominium, Inc. in the
amount of \$ _____ as of
_____, 19____, for (his) (their) pro-
portionate share of the common expenses of the condo-
minium for the period from _____, 19____, to
_____, 19____, plus interest thereon at the
rate of _____ percent (____%), a late charge of
\$ _____, costs of collection, and reasonable
attorney's fees.

THE COUNCIL OF UNIT OWNERS OF
FRANKLIN PARK CONDOMINIUM, INC.

By _____
Officer's Title (or Agent)
Address
Telephone Number

I HEREBY AFFIRM under penalties of perjury that the
information contained in the foregoing Statement of
Condominium Lien is true and correct to the best of my
knowledge, information and belief.

Officer (or Agent)

The Statement of Condominium Lien shall be signed and
verified as required in the Condominium Act by any officer of the
Council of Unit Owners, or by the Management Agent or any duly
authorized representative thereof, or by any agent, attorney or

other person duly authorized by the Board of Directors of the Council of Unit Owners for such purposes.

Upon recordation of the Statement of Condominium Lien as aforesaid, the lien shall bind the condominium unit described in the Statement of Condominium Lien in the hands of the unit owner, his heirs, devisees, personal representatives and assigns. The personal obligation of the unit owner to pay the assessment shall, however, remain his personal obligation for the statutory period, and a suit to recover a money judgment for non-payment of any assessment levied pursuant to the Declaration or these By-Laws, or any installment thereof, may be maintained without foreclosing or waiving the lien established by the Statement of Condominium Lien to secure payment of such assessment. Upon full payment of the amount for which the lien is claimed, the unit owner shall be entitled to a recordable satisfaction of the lien.

Any assessment levied pursuant to the Declaration or these By-Laws and any installment thereof that is not paid when due may, upon resolution of the Board of Directors, subject the unit owner who is obligated to pay the same to the payment of a "late charge" of Fifteen Dollars (\$15.00) or one-tenth (1/10th) of the total amount of any delinquent assessment or installment, whichever is greater; provided that the charge may not be imposed more than once for the same delinquent payment and may only be imposed if the delinquency has continued for at least fifteen (15) calendar days. Any assessment or installment thereof not paid when due shall bear interest, at the option of the Council of Unit Owners, which may provide by Resolution for the Board of Directors to exercise such option, from the date when due until paid at the rate of 18 percent per annum or at such lesser or greater rate, in accordance with applicable law, as may be established by resolution of the Council of Unit Owners.

The Council of Unit Owners may bring an action at law against the unit owner personally obligated to pay any assessment or other amount to the Council of Unit Owners, or it may, after the recordation of the Statement of Condominium Lien provided for in this Article and in the Condominium Act, foreclose the lien against the condominium unit or units then belonging to said unit owner in the same manner, and subject to the same requirements, now or hereafter provided, for the foreclosure of mortgages or deeds of trust in the State of Maryland containing a power of sale or an assent decree. In either event, actual costs of collection and reasonable attorney's fees of not less than twenty percent (20%) of the sum claimed shall be added to the amount of each assessment. Suit for any deficiency following foreclosure may be maintained in the same proceeding. No suit may be brought to foreclose the lien except after ten (10) days' written notice to the unit owner given by Registered Mail - Return Receipt Requested to the address of the unit owner shown on the roster of unit owners maintained by the Council of Unit Owners. Fees and fines levied pursuant the Condominium Act and the provisions of these By-Laws may be collected as if and in the same manner as assessments as provided herein.

In the event that any proceeding to foreclose the lien for any assessment due the Council of Unit Owners pursuant to this Article is commenced with respect to any condominium unit or units in the condominium, then the owner of such condominium unit or units, upon resolution of the Board of Directors, may be required to pay a reasonable rental for such unit or units, and the Council of Unit Owners shall be entitled to the appointment of a receiver to collect the same.

The Board of Directors may post a list of members who are delinquent in the payment of any assessment or other fees which may be due the Council of Unit Owners, including any installment thereof which becomes delinquent, in any prominent location within the condominium.

Section 6. Priority of Lien. The lien established by the recordation of a Statement of Condominium Lien, as in this Article provided, shall have preference over any other assessments, liens, judgments or charges of whatever nature, except the following:

(a) general and special assessments for ad valorem real estate taxes on the condominium unit; and

(b) the lien of any bona fide deed of trust, mortgage or other encumbrance duly recorded on the condominium unit prior to the recordation of the Statement of Condominium Lien or duly recorded on the condominium unit after receipt by the holder of any such mortgage (or the holder of the indebtedness or note secured thereby) of a certificate or statement in writing signed by an officer or agent of the Council of Unit Owners stating that the payments on account of all assessments levied by the Council of Unit Owners against the condominium unit were current as of the date of recordation of such deed of trust, mortgage instrument or other encumbrance.

The lien established by the recordation of a Statement of Condominium Lien, as in this Article provided, shall be subordinate to the lien of any deed of trust, mortgage or other encumbrance duly recorded on the condominium unit and made in good faith and for value received; provided, however, that such subordination shall apply only to assessments and installments thereof that have become due and payable prior to a sale or transfer of the condominium unit pursuant to a foreclosure or any deed, assignment or other proceeding or arrangement in lieu of foreclosure. Any holder of any deed of trust, mortgage or other encumbrance duly recorded on the condominium unit and made in good faith and for value received who comes into possession of the condominium unit pursuant to a foreclosure or any deed, assignment or other proceeding or arrangement in lieu of foreclosure and any other purchaser at a foreclosure sale shall take the condominium unit free of any claims for unpaid common expense assessments levied against the condominium which accrue prior to the time such holder comes into possession of the condominium unit or prior to the foreclosure sale, except for claims for a proportionate share of such unpaid common expense assessments resulting from a reallocation of such unpaid common expense assessments among all of the condominium units in the condominium. Such foreclosure, deed, assignment or other proceeding or arrangement in lieu of foreclosure shall not relieve the mortgagee in possession or the purchaser at any foreclosure sale from any liability for any common expense assessments thereafter becoming due or from the lien established by the recordation of a Statement of Condominium Lien with respect to any common expense assessments thereafter becoming due.

No amendment to this Section shall affect the rights of the holder of any such deed of trust, mortgage or other encumbrance recorded prior to the recordation of such amendment unless the holder of such deed of trust, mortgage or other encumbrance shall join in the execution of such amendment.

Section 7. Additional Rights of Mortgagees - Notice. The Council of Unit Owners shall promptly notify the holder of any first mortgage, who has provided the Council of Unit Owners with written

notice of his name and address, on a condominium unit for which any assessment levied pursuant to the Declaration or these By-Laws, or any installment thereof, becomes delinquent for a period in excess of thirty (30) days, and the Council of Unit Owners shall promptly notify the holder of any first mortgage, who has provided the Council of Unit Owners with written notice of his name and address, on a condominium unit with respect to which any default in any provision of the Declaration or these By-Laws remains uncured for a period in excess of thirty (30) days following the date of such default. Any failure to give any such notice shall not affect the priorities established by this Article, the validity of any assessment levied pursuant to the Declaration or these By-Laws or the validity of any lien to secure the same.

No suit or other proceeding may be brought to foreclose the lien for any assessment levied pursuant to the Declaration or these By-Laws except after ten (10) days' written notice to the holder of any first mortgage, who has provided the Council of Unit Owners with written notice of his name and address, on a condominium unit that is the subject matter of such suit or proceeding.

Section 8. Acceleration of Installments. Upon default in the payment of any one or more monthly installments of any annual assessment levied pursuant to the Declaration or these By-Laws, or any installment thereof, the entire balance of said assessment may be accelerated at the option of the Board of Directors and be declared due and payable in full, provided that the unit owner, within fifteen (15) days of failure to pay a monthly installment, is notified that full payment of the remaining annual assessment will be due and shall constitute a lien against the unit unless the monthly installment is paid within fifteen (15) days of the notice.

Section 9. Assessment Certificates. The Council of Unit Owners shall, upon demand at any time, furnish to any unit owner liable for any assessment levied pursuant to the Declaration or these By-Laws (or any other party legitimately interested in the same) a certificate in writing signed by an officer or agent of the Council of Unit Owners setting forth the status of said assessment, i.e., whether the same is paid or unpaid. Such certificate shall be conclusive evidence of the payment of any installment of any assessment therein stated to have been paid. A reasonable charge in such amount as may be set by the Board of Directors may be levied in advance by the Council of Unit Owners for each certificate so delivered, except that no charge shall be levied against any institutional mortgagee of any condominium unit in the condominium who requests such a certificate.

ARTICLE IX

Use Restrictions

Section 1. Use. No Unit shall be used for other than office use and the related common purposes for which the Condominium is designed, consistent with the limitations of law.

Section 2. Leasing. Any owner of any condominium unit who shall lease such unit or any portion thereof shall, promptly following the execution of such lease, forward a conformed copy thereof to the Board of Directors. All leases shall be in writing. Any such lease shall contain a provision to the effect that the rights of the tenant to use and occupy the condominium unit shall be subject

and subordinate in all respects to the provisions of the Declaration and these By-Laws and to such other reasonable rules and regulations relating to the use of the common elements, or other "house rules", as the Board of Directors may from time to time promulgate in accordance with the applicable provisions of the Condominium Act and shall provide, further, that any failure by the tenant to comply with the provisions of such documents shall be a default under the lease.

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

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

(b) There shall be no obstruction of any of the general common elements. Nothing shall be stored upon any of the general common elements, except those areas designated for storage of personal property by the owners of the condominium units.

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

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

(e) Water closets and other plumbing apparatus within the condominium shall be used only for the purposes for which they were designed, and such plumbing apparatus shall not be used for the disposal of sweepings, trash, rubbish, chemicals, reagents, paint or the like.

(f) No unit owner shall permit floor loads in excess of the stated design loads for the condominium, nor shall any unit owner permit concentrated loads of any sort (e.g., for safes, library stacks, filing systems or other heavy equipment) unless and until the adequacy of the structure to support such floor loads is verified by a structural engineer to the satisfaction of the Architectural and Environmental Control Committee and under such reasonable conditions and circumstances as it may require.

(g) The storage, repair or extraordinary maintenance of motor vehicles shall not be carried out upon any of the common elements of the condominium. Junked vehicles shall not be parked or placed upon the common elements at any time.

(h) No burning of any trash and no unreasonable or unsightly accumulation or storage of litter, new or used building materials, or trash of any other kind shall be permitted within any condominium unit or upon any of the common elements. All refuse shall be deposited with care in containers designated for such purpose during such hours as may from time to time be designated by the Board of Directors.

(i) No bell, whistle, horn, siren or other similar devices shall be installed upon the exterior of any condominium unit or upon the common elements except in connection with such security systems as may be maintained by the unit owners or by the Council of Unit Owners.

(j) No outside radio aerial or antenna or other aerial or antenna, for reception or transmission, shall be maintained upon any condominium unit or upon any of the common elements except with the prior written consent of the Architectural and Environmental Control Committee and under such reasonable limitations and conditions as it may establish.

(k) No unit owner shall store any personal property upon the general common elements of the condominium except with the prior written consent of the Architectural and Environmental Control Committee and under such reasonable limitations and conditions as it may establish.

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

(m) No unit owner shall engage or direct any employee of the Council of Unit Owners or the Management Agent on any private business of the unit owner during the hours such employee is employed by the Council of Unit Owners or the Management Agent, nor shall any member direct, supervise or in any manner attempt to assert control over any such employee.

(n) Except for such signs as may be posted by the Declarant or the Council of Unit Owners for promotional or marketing purposes, traffic control or the like, no signs of any character shall be erected, posted or displayed upon, in, from or about any condominium unit or the common elements without the prior consent in writing of the Architectural and Environmental Control Committee and under such conditions as it may establish, provided that unit owners are permitted to post, without prior consent of the Architectural and Environmental Control Committee, one engraved polished brass sign with lacquered finish affixed flat to the building, adjacent to the entrance to the respective unit to identify occupants of units in the building, not to exceed three (3) square feet of sign may be affixed to each unit. Said signs shall be lettered in "London Times" style with letters inlaid with black enamel. The unit number designation shall be two inches (2") high and the occupant's name or other identification shall be in letters not more than one inch (1") high. The type on each sign shall be centered. The Architectural and Environmental Control Committee is hereby authorized to adopt and promulgate rules and regulations regarding the size, color, location and content of all signs to be erected, posted or displayed upon, in, from or about any condominium unit or the common elements.

(o) There shall be no violation of any rules for the use of the common elements or other "house rules" which may from time to time be adopted by the Board of Directors and promulgated among

the unit owners by them in writing and the Board of Directors is hereby and elsewhere in these By-Laws authorized to adopt and promulgate such rules, in accordance with the provisions of the Condominium Act.

ARTICLE X

Architectural Control

Section 1. Architectural and Environmental Control Committee.

Except for the construction of the condominium by the Declarant or its successors and assigns and their respective employees, agents and contractors and except for any improvements to any condominium unit or to the common elements accomplished concurrently with said original construction and except for purposes of proper maintenance and repair or as otherwise in the Condominium Act or these By-Laws provided, it shall be prohibited for any unit owner to install, erect, attach, apply, paste, hinge, screw, nail, build, alter, remove or construct any lighting, signs, shades, screens, awnings, patio covers, decorations, fences, walls, aerials, antennas, radio or television broadcasting or receiving devices, slabs, sidewalks, curbs, gutters, patios, balconies, porches, driveways, walls, or to make any change or otherwise alter (including any alteration in color) in any manner whatsoever the exterior of any condominium unit or upon any of the common elements or to combine or otherwise join two or more condominium units, or to partition the same after combination, to remove or alter any window or exterior doors of any condominium unit, or to make any change or alteration within any condominium unit which will alter the structural integrity of any building or otherwise affect the property, interest or welfare of any other unit owner, or materially increase the cost of operating or insuring the condominium or impair any easement until the complete plans and specifications showing the location, nature, shape, change (including, without limitation, any other information specified by the Board of Directors or its designated committee) shall have been submitted to and approved in writing as to safety, the effect of any such alterations on the costs of maintaining and insuring the condominium and harmony of design, color and location in relation to surrounding structures and topography, by the Board of Directors of the Council of Unit Owners, or by an Architectural and Environmental Control Committee designated by the Board of Directors.

Section 2. Architectural and Environmental Control Committee - Operation. The Architectural and Environmental Control Committee shall be composed of an uneven number of three (3) or more natural persons designated from time to time by the Board of Directors, and such persons shall serve at the pleasure of the Board of Directors. In the event that the Board of Directors fails to appoint an Architectural and Environmental Control Committee, then the Board of Directors shall constitute the Committee. The affirmative vote of a majority of the members of the Architectural and Environmental Control Committee shall be required in order to adopt or promulgate any rule or regulation, or to make any finding, determination, ruling or order, or to issue any permit, consent, authorization, approval or the like pursuant to the authority contained in this Article.

Section 3. Approvals. Upon approval of the Architectural and Environmental Control Committee of any plans and specifications submitted pursuant to the provisions of this Article, a copy of such plans and specifications, as approved, shall be deposited among the permanent records of such Committee, and a copy of such

plans and specifications bearing such approval, in writing, shall be returned to the applicant submitting the same. In the event that the Architectural and Environmental Control Committee fails to approve or disapprove any plans and specifications which may be submitted to it pursuant to the provisions of this Article within sixty (60) days after such plans and specifications (and all other materials and information required by the Architectural and Environmental Control Committee) have been submitted to it in writing, then approval will be deemed to have been given, except in the case of any action which would alter the structural integrity of any building.

Section 4. Limitations. Construction or alterations in accordance with plans and specifications approved by the Architectural and Environmental Control Committee pursuant to the provisions of this Article shall be commenced within six (6) months following the date upon which the same are approved by the Architectural and Environmental Control Committee (whether by affirmative action or by forbearance from action, as in Section 3 of this Article provided) and shall be substantially completed within twelve (12) months following the date of commencement, or within such longer period as the Architectural and Environmental Control Committee shall specify in its approval. In the event construction is not commenced within the period aforesaid, then approval of the plans and specifications by the Architectural and Environmental Control Committee shall be conclusively deemed to have lapsed, and compliance with the provisions of this Article shall again be required. There shall be no deviations from plans and specifications approved by the Architectural and Environmental Control Committee without the prior written consent of the Architectural and Environmental Control Committee. Approval of any particular plans and specifications or design shall not be construed as a waiver of the right of the Architectural and Environmental Control Committee to disapprove such plans and specifications, or any elements or features thereof, in the event that such plans and specifications are subsequently submitted for use in any other instance.

Section 5. Certificate of Compliance. Upon the completion of any construction or alteration or other improvements in accordance with plans and specifications approved by the Architectural and Environmental Control Committee in accordance with the provisions of this Article, the Architectural and Environmental Control Committee shall, at the request of the owner thereof, issue a certificate of compliance which shall be prima facie evidence that such construction, alteration or other improvements referenced in such certificate have been approved by the Architectural and Environmental Control Committee and constructed or installed in full compliance with the provisions of this Article and with such other provisions and requirements of these By-Laws as may be applicable.

Section 6. Rules and Regulations. The Architectural and Environmental Control Committee may from time to time adopt and promulgate such rules and regulations regarding the form and content of plans and specifications to be submitted for approval and may publish such statements of policy, standards, guidelines and establish such criteria relative to architectural styles or details or other related matters as it may consider necessary or appropriate, all in accordance with the applicable provisions of the Condominium Act. No such rules, regulations, statements, criteria or the like shall be construed as a waiver of the provisions of this Article or any other provision or requirement of these By-Laws. The Architectural and Environmental Control Committee may charge and collect a reasonable fee for the exami-

nation of any plans and specifications submitted for approval pursuant to the provisions of this Article. The decisions of the Architectural and Environmental Control Committee shall be final, except that any unit owner who is aggrieved by any action or forbearance from action by the Architectural and Environmental Control Committee may appeal the decision of the Architectural and Environmental Control Committee to the Board of Directors of the Council of Unit Owners and, upon the request of such unit owner, shall be entitled to a hearing before the Board of Directors.

Section 7. Additions, Alterations or Improvements by Board of Directors. Except in cases of bona fide emergencies involving manifest danger to life, safety or property, or the interruption of essential services to the condominium, whenever in the judgment of the Board of Directors the common elements of the condominium shall require additions, alterations or improvements requiring the expenditure of funds of the Council of Unit Owners in excess of Twenty-Five Thousand Dollars (\$25,000.00), such additions, alterations or improvements shall not be made until the same shall have been approved by (a) unit owners representing a majority of the total votes of the Council of Unit Owners at a meeting of the unit owners duly called for such purpose; and (b) the institutional holder of any mortgages or other obligations secured by any condominium unit or units in the aggregate principal sum of more than Five Hundred Thousand Dollars (\$500,000.00), which approval shall be in writing and shall not be unreasonably withheld or delayed.

ARTICLE XI

Insurance

Section 1. Insurance. The Board of Directors of the Council of Unit Owners shall obtain and maintain, to the extent reasonably available, at least the following:

(a) Casualty or physical damage insurance in an amount equal to the full replacement value (i.e., 100% of "replacement cost" exclusive of land, foundation and excavation) of the condominium (including all building service equipment and the like) with an "Agreed Amount Endorsement" or its equivalent, a "Demolition Endorsement" or its equivalent, an "Increased Cost of Construction Endorsement" or its equivalent, a "Condominium Replacement Cost Endorsement" or its equivalent and a "Contingent Liability from Operation of Building Laws Endorsement" or its equivalent, without deduction or allowance for depreciation, as determined annually by the Board of Directors with the assistance of the insurance company affording such coverage, such coverage to afford protection against at least:

- (i) loss or damage by fire and other hazards covered by the standard extended coverage endorsement; and
- (ii) such other risks as shall customarily be covered with respect to projects similar in construction, location and use, including but not limited to, sprinkler leakage, debris removal, cost of demolition, vandalism, malicious mischief, windstorm, water damage, boiler and machinery explosion or damage, and such other insurance as the Board of Directors may from time to time determine.

(b) Public liability insurance with a "Severability of Interest Endorsement" or its equivalent in such amounts and in

such forms as may be considered appropriate by the Board of Directors (but not less than One Million Dollars [\$1,000,000.00] covering all claims for bodily injuries and/or property damage arising out of a single occurrence) including, but not limited to, legal liability, hired automobile liability, non-owned automobile liability, liability for property of others, and such other risks as shall customarily be covered with respect to projects similar in construction, location and use, including any and all other liability which is incident to the ownership and use of the condominium or any portion thereof.

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

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

(e) Such other policies of insurance, including insurance for other risks of a similar or dissimilar nature and fidelity coverage as required by the Condominium Act and by Section 16 of Article V of these By-Laws, as are or shall hereafter be considered appropriate by the Board of Directors. The Board of Directors shall maintain adequate fidelity coverage to protect against dishonest acts on the part of officers and Directors of the Council of Unit Owners, trustees for the Council of Unit Owners and such employees and agents of the Council of Unit Owners who handle or are responsible for the handling of funds of the Council of Unit Owners.

Section 2. Limitations. Any insurance obtained pursuant to the requirements of this Article shall be subject to the following provisions:

(a) all policies shall be written or reinsured with a company or companies licensed to do business in the state where the condominium is located; and

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

(c) in no event shall the insurance coverage obtained and maintained pursuant to the requirements of this Article be brought into contribution with insurance purchased by the owners of the condominium units or their mortgagees, as herein permitted, and any "no other insurance" or similar clause in any policy obtained by the Council of Unit Owners pursuant to the requirements of this Article shall exclude such policies from consideration; and

(d) such policies shall contain no provision relieving the insurer from liability because of loss occurring while the hazard is increased in the building, whether or not within the control or knowledge of the Board of Directors, and shall contain no provision relieving the insurer from liability by reason of any breach of warranty or condition caused by the Board of Directors or any owners of any condominium unit, or their respective agents,

employees, tenants, mortgagees or invitees, or by reason of any act of neglect or negligence on the part of any of them; and

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

(f) all policies of casualty insurance shall provide that, notwithstanding any provisions thereof which give the carrier the right to elect to restore damage in lieu of making a cash settlement, such option shall not be exercisable without the prior written approval of the Board of Directors (or any Insurance Trustee) or when in conflict with the provisions of any Insurance Trust Agreement to which the Council of Unit Owners may be a party, these By-Laws or the provisions of the Condominium Act; and

(g) all policies shall contain a waiver of subrogation by the insurer as to any and all claims against the Council of Unit Owners, the Board of Directors, and owner of any condominium unit and their respective agents, employees or tenants, and of any defenses based upon co-insurance or invalidity arising from the acts of the insured; and

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

(i) in addition to the requirements herein, but not in lieu thereof, all policies shall comply with any applicable requirements of the Condominium Act, as amended, relating to insurance.

Section 3. Individual Policies - Recommendation of Declarant - Notice to Board of Directors. The owner of any condominium unit (including the holder of any mortgage thereon) may obtain additional insurance (including a "Condominium Unit Owner's Endorsement" or its equivalent for improvements and betterments to the condominium unit made or acquired at the expense of the owner) at his own expense. Such insurance shall be written by the same carrier as that purchased by the Board of Directors pursuant to this Article or shall provide that it shall be without contribution as against the same. Such insurance shall contain the same waiver of subrogation provision as that set forth in Section 2(g) of this Article. The Declarant recommends that each owner of a condominium unit in the condominium obtain, in addition to the insurance hereinabove provided to be obtained by the Board of Directors, insurance against loss or damage to personal property used or incidental to the occupancy of the condominium unit, business interruption, vandalism or malicious mischief, theft, personal liability and the like. Such insurance should cover losses to improvements and betterments to the condominium unit made or acquired at the expense of the unit owner. Copies of all such policies shall be filed with the Secretary.

The owner of any condominium unit shall notify the Board of Directors in writing of any and all improvements and betterments made to the condominium unit at the expense of such unit owner, the value of which is in excess of Five Thousand Dollars (\$5,000.00).

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

ARTICLE XII

Casualty Damage - Reconstruction or Repair

Section 1. Use of Insurance Proceeds. In the event of damage or destruction to the condominium by fire or other casualty, the same shall be promptly repaired or reconstructed in substantial conformity with the original plans and specifications for the condominium with the proceeds of insurance available for that purpose, if any.

Section 2. Proceeds Insufficient. In the event that the proceeds of insurance are not sufficient to repair damage or destruction by fire or other casualty or in the event that such damage or destruction is caused by any casualty not insured against, then the repair or reconstruction of the damage shall be accomplished promptly by the Council of Unit Owners at its common expense, pursuant and subject to such conditions and subject to such controls as the Insurance Trustee, as defined in Section 4 of this Article, may require. The ratable share of the expense of such repairs or reconstruction may be assessed and, in the event that any Statement of Condominium Lien is recorded with respect to any such assessments, then the lien shall have all the priorities provided for by law and in Article VIII of these By-Laws. In the event that the proceeds of casualty insurance are paid to any Insurance Trustee pursuant to the requirements of Section 4 of this Article, then all funds collected from the unit owners of the condominium units pursuant to this Section 2 shall likewise be paid over to such Insurance Trustee and shall be disbursed by such Insurance Trustee in accordance with the provisions of Section 4 of this Article.

Section 3. Restoration. In the event the condominium or any part thereof is damaged or destroyed by fire or other casualty, the damage shall be repaired or replaced promptly by the Council of Unit Owners, unless:

(i) The condominium is terminated as provided by law and the Declaration;

(ii) Repair or replacement would be illegal under any State or local health or safety statute or ordinance; or

(iii) Eighty (80) percent of the unit owners, including every unit owner of a unit or assigned limited common element which will not be rebuilt, vote not to rebuild.

The cost of repair or replacement in excess of insurance proceeds and reserves is a common expense. If the entire condominium is not repaired or replaced:

(i) The insurance proceeds attributable to the damaged common elements shall be used to restore the damaged area to a condition compatible with the remainder of the condominium;

(ii) The insurance proceeds attributable to units and limited common elements which are not rebuilt shall be distributed to the owners of those units and the owners of the units to which those limited common elements were assigned; and

(iii) The remainder of the proceeds shall be distributed to all the unit owners in proportion to their common element interest.

If the unit owners vote not to rebuild any unit, that unit's entire common element interest, votes in the Council of Unit Owners, and common expense liability are automatically reallocated upon the vote as if the unit had been condemned under the applicable provisions of the Condominium Act, and the Council of Unit Owners promptly shall prepare, execute, and record an amendment to the Declaration reflecting the reallocations.

Section 4. Insurance Trustee. In the event that the cost of reconstruction or repair (as estimated by the Board of Directors) shall exceed an amount equal to two and one-half percent (2 1/2%) of the full replacement value of the condominium as estimated by the Board of Directors and the insurer pursuant to the requirements of Section 1(a) of Article XI of these By-Laws for the period during which such loss was sustained, and the institutional holder or holders of any mortgage or other obligations secured by any condominium unit or units in the aggregate principal sum of more than Five Hundred Thousand Dollars (\$500,000.00) [hereinafter in this Section 4 called the "mortgagee"] shall so require, then all proceeds of insurance shall be paid over to a trust company or bank (the "Insurance Trustee") having trust powers and authorized to engage in trust business in the jurisdiction wherein the condominium is located, selected by the Board of Directors with the approval of the mortgagee, or all of the mortgagees, and shall be paid out from time to time as the reconstruction or repair progresses in accordance with the provisions of an Insurance Trust Agreement satisfactory in form and substance to the mortgagee, or all of the mortgagees, and which shall contain, inter alia, the following provisions:

(a) an architect or engineer, who may be an employee of the Council of Unit Owners, satisfactory to the mortgagee, or all of the mortgagees, and hereinafter in this Section 4 called the "architect" shall be in charge of reconstruction or repair; and

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

(c) unless otherwise required by the mortgagee, or all of the mortgagees, each request for an advance of the proceeds of insurance shall be made to the mortgagee, or all of the mortgagees, at least ten (10) days prior to delivery to the Insurance Trustee and shall be accompanied by a certificate from the architect to the effect that (i) all work then completed has been performed in accordance with the plans and specifications and all building codes or similar governmental requirements; (ii) the amount requested to be advanced is required to reimburse the Council of Unit Owners for payments previously made by the Council of Unit Owners or is due to the contractor responsible for the restoration or repair, or to subcontractors, materialmen, laborers, engineers, architects or to other persons responsible for services or materials in connection with such restoration or

repair, or for fees or the like necessarily incurred in connection with the same; (iii) when added to amounts previously advanced by the Insurance Trustee, the amount requested to be advanced does not unreasonably exceed the value of the work done and materials delivered to the date of such request; and (iv) funds remaining available to the Insurance Trustee for the purpose are sufficient to complete the reconstruction or repair; and

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

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

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

Upon completion of the reconstruction or repair and payment in full of all amounts due on account thereof, any proceeds of insurance then in the hands of the Insurance Trustee shall be paid to the Council of Unit Owners, shall be considered as one fund and shall be divided among the owners of all of the condominium units in the same proportion as that established in the Declaration for ownership of appurtenant undivided interests in the common elements after first paying out of the share of the owner of any condominium unit, to the extent that such payment is required by any lienor and to the extent that the same is sufficient for the purpose, all liens upon said condominium unit in accordance with the priority of interest in each unit.

ARTICLE XIII

Fiscal Management

Section 1. Fiscal Year. The fiscal year of the Council of Unit Owners shall begin on the first day of January every year, except for the first fiscal year of the Council of Unit Owners, which shall begin at the date of recordation of the Declaration among the Land Records for Montgomery County, Maryland. The commencement date of the fiscal year herein established shall be subject to change by resolution of the Board of Directors should the practice of the Council of Unit Owners subsequently dictate.

Section 2. Principal Office - Change of Same. The principal office of the Council of Unit Owners shall be as set forth in Article I of these By-Laws. The Board of Directors, by appropriate resolution, shall have the authority to change the location of the principal office of the Council of Unit Owners from time to time; provided, however, that no such change shall become effective until a certificate evidencing such change shall have been made by the Secretary or any Assistant Secretary of the Council of Unit Owners and recorded, in the name of the Council of

Unit Owners, among the Land Records of Montgomery County, Maryland.

Section 3. Books and Accounts. Books and accounts of the Council of Unit Owners shall be kept under the direction of the Treasurer in accordance with generally accepted accounting practices, consistently applied. The same shall include books with detailed accounts in chronological order of receipts and of the expenditures and other transactions of the Council of Unit Owners and its administration, and shall specify the maintenance and repair expenses of the common elements of the condominium, services provided with respect to the same and any other expenses of the common elements of the condominium incurred by the Council of Unit Owners and the amount of any assessment required for payment of any capital expenditures or for reserves of the Council of Unit Owners. The receipts and expenditures of the Council of Unit Owners shall be credited and charged to other accounts under at least the following classifications:

(a) "Current Operations" which shall involve the control of actual expenses of the Council of Unit Owners, including reasonable allowances for necessary contingencies and working capital funds in relation to the assessments and expenses herein-elsewhere provided for; and

(b) "Reserves for Deferred Maintenance" which shall involve the control of monthly funding and maintenance of such deferred maintenance costs and reserves as are approved by the Board of Directors from time to time; and

(c) "Reserves for Replacement" which shall involve the control of such reserves for replacement as are provided for in these By-Laws and as may from time to time be approved by the Board of Directors; and

(d) "Other Reserves" which shall involve the control over funding and charges against any other reserve funds that may from time to time be approved by the Board of Directors; and

(e) "Investments" which shall involve the control over investment of reserve funds and such other funds as may be deemed suitable for investment on a temporary basis by the Board of Directors; and

(f) "Betterments" which shall involve the control over funds to be used for the purpose of defraying the cost of any construction or reconstruction, unanticipated repair or replacement of a described capital improvement and for expenditures for additional capital improvements or personal property made or acquired by the Council of Unit Owners with the approval of the Board of Directors.

Section 4. Auditing. At the close of each fiscal year, the books and records of the Council of Unit Owners shall be reviewed by an independent Certified Public Accountant whose report shall be prepared and certified in accordance with generally accepted standards, consistently applied. Based upon such report, the Council of Unit Owners shall furnish the unit owners and any mortgagee requesting the same with an annual financial statement, including the income and disbursements of the Council of Unit Owners, within ninety (90) days following the end of each fiscal year.

Section 5. Inspection of Books. The roster of unit owners, books and accounts of the Council of Unit Owners, vouchers accrediting

the entries made thereupon and all other records maintained by the Council of Unit Owners shall be available for examination by the unit owners and their duly authorized agents or attorneys, and to the institutional holder of any first mortgage on any condominium unit and its duly authorized agents or attorneys, during normal business hours and for purposes reasonably related to their respective interests and after reasonable notice.

Section 6. Execution of Corporate Documents. With the prior authorization of the Board of Directors, all notes and contracts shall be executed on behalf of the Council of Unit Owners by either the President or a Vice-President, and all checks shall be executed on behalf of the Council of Unit Owners by such officers, agents or other persons as are from time to time so authorized by resolution of the Board of Directors.

Section 7. Seal. The Board of Directors may provide a suitable corporate seal containing the name of the Council of Unit Owners. The Secretary shall be in charge of the corporate seal. If so directed by the Board of Directors, a duplicate seal may be kept and used by the Treasurer or any assistant secretary or assistant treasurer.

ARTICLE XIV

Physical Management

Section 1. Management and Common Expenses. The Council of Unit Owners, acting by and through its Board of Directors, shall manage, operate and maintain the condominium and, for the benefit of the condominium units and the unit owners, shall enforce the provisions hereof and shall pay out of the common expense fund, hereinafter provided for, the cost of managing, operating and maintaining the condominium, including, without limitation, the following:

(a) the cost of providing water, sewer, garbage and trash collection and electrical, gas and other necessary utilities and services for the common elements and, to the extent that the same are not separately metered or billed to each condominium unit, for the condominium units; and

(b) the cost of fire and extended liability insurance on the condominium and the cost of such other insurance as the Council of Unit Owners may effect; and

(c) the cost of the services of a person or firm to manage the condominium to the extent deemed advisable by the Council of Unit Owners consistent with the provisions of these By-Laws, together with the services of such other personnel as the Board of Directors shall consider necessary for the operation of the condominium; and

(d) the cost of providing such legal and accounting services as may be considered necessary by the Board of Directors for the operation of the condominium; and

(e) the cost of repairs, maintenance, service and replacement of the common elements of the condominium, including, without limitation, the cost of painting, maintaining, replacing, repairing and landscaping the common elements and such furnishings and equipment for the common elements as the Board of Directors shall determine are necessary and proper; provided, however, that nothing herein contained shall require the Council of Unit Owners

to repair, replace or otherwise maintain the interior of any condominium unit or any fixtures, appliances, equipment or the like located therein; and

(f) the cost of any and all other materials, supplies, labor, services, maintenance, repairs, taxes, assessments or the like, which the Council of Unit Owners is required to secure or pay for by law, or otherwise, or which in the discretion of the Board of Directors shall be necessary or proper for the operation of the condominium; provided, however, that if any of the aforementioned are provided or paid for the specific benefit of a particular condominium unit or units, the cost thereof shall be specially assessed to the owner or owners thereof in the manner provided in this Article; and

(g) the cost of the maintenance or repair of any condominium unit in the event that such maintenance or repair is reasonably necessary in the discretion of the Board of Directors to protect the common elements or to preserve the appearance or value of the condominium, or is otherwise in the interest of the general welfare of all of the unit owners; provided, however, that except in cases involving emergencies or manifest danger to safety of person or property, no such maintenance or repair shall be undertaken without a resolution by the Board of Directors and not without reasonable written notice to the owner of the condominium unit proposed to be maintained and, provided further, that the cost thereof shall be assessed against the condominium unit for which such maintenance or repair is performed and, when so assessed, a statement for the amount thereof shall be rendered promptly to the then owner of said condominium unit at which time the assessment shall become due and payable and a continuing obligation of said unit owner in all respects as provided by law and in Article VIII of these By-Laws; and

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

Section 2. Management Agent. The Council of Unit Owners may by contract in writing delegate any of its ministerial duties, powers or functions to the Management Agent. The Council of Unit Owners and the Board of Directors shall not be liable for any omission or improper exercise by the Management Agent of any such duty, power or function so delegated.

Section 3. Duty to Maintain. Except for maintenance requirements herein imposed upon the Council of Unit Owners, the owner of any condominium unit shall at his own expense maintain the interior of his condominium unit and any and all equipment, appliances or fixtures therein situated and its other appurtenances (including all mechanical equipment and appurtenances located outside such unit which are designed, designated or installed to serve only that unit) in good order, condition and repair and in a clean and sanitary condition, and shall do all redecorating, painting and the like which may at any time be necessary to maintain the good appearance of his condominium unit. The owner of any condominium unit shall at his own expense maintain and repair, any portion of the common elements designated by the Declaration or the Condominium Plat to be a limited common element appurtenant to his unit. In addition to the foregoing, the owner of any condominium unit shall at his own expense maintain, repair, and replace any plumbing and electrical fixtures, water heaters, furnace, heating and air-conditioning equipment, lighting fixtures and other

equipment that may be in or declared to be appurtenant to such condominium unit.

Section 4. Windows and Doors. The owner of any condominium unit shall at his own expense clean and maintain both the interior and exterior surfaces of all windows of such condominium unit and both the interior and exterior surfaces of all entry doors of the condominium unit. Notwithstanding the provisions of this Section, the Board of Directors may resolve to clean the exterior surfaces of all windows in the condominium at common expense in accordance with a schedule to be determined by the Board of Directors.

Section 5. Access at Reasonable Times. The Council of Unit Owners shall have an irrevocable right and an easement to enter condominium units for the purpose of making repairs to the common elements when the repairs reasonably appear necessary for public safety, to prevent damage to other portions of the condominium or for the proper or efficient functioning of the condominium or are necessary or desirable for the purpose of providing or continuing services to the condominium or a unit or units therein. Except in cases involving danger to public safety or property, the Council of Unit Owners shall make a reasonable effort to give notice to the owner of any condominium unit to be entered for the purpose of such repairs. No entry by the Council of Unit Owners for the purpose specified in this Section may be considered a trespass.

Section 6. Easement for Utilities and Related Purposes. The Council of Unit Owners is authorized and empowered to grant, subject to the provisions of Section 11-125 of the Condominium Act, as amended, such licenses, easements and rights-of-way for sewer lines, water lines, electrical cables, telephone cables, gas lines, storm drains, overhead or underground conduits and such other purposes related to the provision of public utilities to the condominium as may be considered necessary and appropriate by the Board of Directors for the orderly maintenance, preservation and enjoyment of the common elements or for the preservation of the health, safety, convenience and welfare of the owners of the condominium units or the Declarant.

Section 7. Limitation of Liability. The Council of Unit Owners shall not be liable for any failure of water supply or other services to be obtained by the Council of Unit Owners or paid for out of the common expense funds, or for injury or damage to person or property caused by the elements or resulting from electricity, water, snow or ice which may leak or flow from any portion of the common elements or from any wire, pipe, drain, conduit, appliance or equipment. The Council of Unit Owners shall not be liable to the owner of any condominium unit for loss or damage, by theft or otherwise of articles that may be stored upon any of the common elements. No diminution or abatement of common expense assessments, as hereinelsewhere provided, shall be claimed or allowed for inconvenience or discomfort arising from the making of repairs or improvements to the common elements, to any condominium unit, or from any action taken by the Council of Unit Owners to comply with any law or ordinance or with the order or directive of any governmental authority.

ARTICLE XV

Parking

Section 1. General Requirements. All parking areas within the condominium shall be considered part of the general common elements. Parking may be regulated by the Board of Directors and

parking spaces may initially be assigned by the Declarant and thereafter by the Board of Directors in accordance with the provisions of the Condominium Act, as amended. No unit owner shall make use of any parking space other than the space or spaces appurtenant or assigned to his condominium unit by the Board of Directors, if any, without the express written consent of both the unit owner to whom such space has been assigned and the Board of Directors; nor shall any unit owner invite, encourage or permit the use by his guests of parking spaces appurtenant or assigned to condominium units other than his own. No vehicle belonging to any unit owner or to any guest or employee of any unit owner shall be parked in a manner which unreasonably interferes with or impedes ready vehicular access to any parking space assigned to any other unit owner. Nothing shall be stored upon any parking space, nor shall the same be permitted to accumulate trash or debris.

Section 2. Rules and Regulations. Each unit owner shall comply in all respects with such supplementary rules and regulations, which are not inconsistent with the provisions of these By-Laws, which the Board of Directors may from time to time adopt and promulgate with respect to parking and traffic control within the condominium, and the Board of Directors is hereby and elsewhere in these By-Laws authorized to adopt such rules and regulations in accordance with the applicable provisions of the Condominium Act.

ARTICLE XVI

Amendment

Section 1. Amendments. These By-Laws may be amended by the affirmative vote of unit owners representing sixty-six and two-thirds percent (66 2/3%) of the total votes of the Council of Unit Owners, at any meeting of the unit owners duly called for such purpose, in accordance with the provisions and requirements of these By-Laws and the Condominium Act. Any amendment to these By-Laws shall be effective only upon recordation of such amendment among the Land Records for Montgomery County, Maryland.

Section 2. Proposal of Amendments. Amendments to these By-Laws may be proposed by the Board of Directors of the Council of Unit Owners or by petition signed by the unit owners representing at least twenty-five percent (25%) of the total votes of the Council of Unit Owners, which petition shall be delivered to the Secretary. A description of any proposed amendment shall accompany the notice of any annual or special meeting of the unit owners at which such proposed amendment is to be considered and voted upon.

ARTICLE XVII

Mortgages - Notice - Other Rights of Mortgagees

Section 1. Notice to the Board of Directors. Any owner of any condominium unit in the condominium who mortgages such unit shall promptly notify the Board of Directors of the name and address of his mortgagee and, if requested to do so, shall file a conformed copy of such mortgage with the Board of Directors. The Board of Directors shall maintain suitable records pertaining to such mortgages.

Section 2. Consents. Any other provision of these By-Laws or of the Declaration to the contrary notwithstanding, neither the unit

owners, the Board of Directors nor the Council of Unit Owners shall, by act or omission, take any of the following actions without the prior written consent and approval of the holders of all first mortgages on the condominium units which are of record and which are also listed with the Council of Unit Owners:

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

(b) except as provided for an expansion of the condominium, modify or amend any material provision of the Declaration or of these By-Laws that would change the percentage interests of the unit owners in the common elements of the condominium, the percentage interests of the unit owners in the common expenses and common profits of the condominium or the voting rights of the unit owners; or

(c) modify the method of determining and collecting common expense assessments or other assessments as provided in Article VIII of these By-Laws; or

(d) abandon, partition, subdivide, encumber, sell or transfer any of the common elements of the condominium; provided, however, that the granting of easements and rights-of-way for public utilities or for other public purposes consistent with the continued use of the common elements by the unit owners shall not be deemed a transfer within the meaning of this subparagraph (d); or

(e) resolve to use the proceeds of casualty insurance for any purpose other than the repair, replacement or reconstruction of the condominium.

Section 3. Casualty Losses. In the event of damage or destruction of any condominium unit or any part of the common elements of the condominium, the Board of Directors shall give prompt, written notice of such damage or destruction to the holders of all first mortgages on the condominium units which are of record and which are also listed with the Council of Unit Owners. No provision of the Declaration or these By-Laws shall entitle any unit owner to any priority over the holder of any first mortgage of record on his condominium unit with respect to the distribution to such unit owner of any insurance proceeds.

Section 4. Condemnation or Eminent Domain. In the event that any condominium unit or any part of the common elements of the condominium is made the subject matter of any condemnation or eminent domain proceeding, or is otherwise sought to be acquired by any condemning authority, then the Board of Directors of the Council of Unit Owners shall give prompt written notice of any such proceeding or proposed acquisition to the holders of all first mortgages of record on the condominium units. No provision of the Declaration or these By-Laws shall entitle any unit owner to any priority over the holder of any first mortgage of record on his condominium unit with respect to the distribution to such unit owner of the proceeds of any condemnation award or settlement.

ARTICLE XVIII

Compliance - Interpretation - Miscellaneous

Section 1. Compliance. These By-Laws are set forth in compliance with the requirements of the Condominium Act of the State of Maryland.

Section 2. Conflict. These By-Laws are subordinate and subject to all provisions of the Declaration and to the provisions of the Condominium Act, as amended. All of the terms hereof, except where clearly repugnant to the context, shall have the same meaning as in the Declaration or the aforesaid statute. In the event of any conflict between these By-Laws and the Declaration, the provisions of the Declaration shall control; in the event of any conflict between the aforesaid Declaration and the Condominium Act, the provisions of the statute shall control. In the event of any conflict among the provisions of the Condominium Act, the Declaration, the Condominium Plat or these By-Laws, the provisions of each shall control in the succession listed hereinbefore commencing with the "Condominium Act".

Section 3. Notices. Unless another type of notice is herein-elsewhere specifically provided for, any and all notices called for in the Declaration and in these By-Laws shall be given in writing.

Section 4. Severability. In the event any provision or provisions of these By-Laws shall be determined to be invalid, void or unenforceable, such determination shall not render invalid, void or unenforceable any other provisions hereof which can be given effect.