

Page

Section

Article

Plan of Condominium

I

- 1. The Condominium
- 2. Definitions
- 3. Applicability of Statute

Council of Unit Owners

II

- 1. Purpose and Scope of Authority
- 2. Name and Membership
- 3. Powers of the Council
- 4. Members
- 5. Annual Meetings
- 6. Special Meetings
- 7. Place of Meetings
- 8. Notices
- 9. Adjournment
- 10. Order of Business
- 11. Voting

BYLAWS
OF
COUNCIL OF UNIT OWNERS
OF
GROSVENOR PARK TOWNHOUSE CONDOMINIUM

Board of Directors

III

- 1. Number and Qualifications
- 2. Powers and Duties
- 3. Managing Agent
- 4. Election and Term of Office
- 5. Removal of Members of the Board of Directors
- 6. Vacancies
- 7. Organization of the Board
- 8. Regular and Special Meetings
- 9. Waiver of Notice
- 10. Quorum of Board of Directors
- 11. Fiduciary Duties
- 12. Compensation
- 13. Liability of the Board of Directors; Indemnification
- 14. Executive Committee
- 15. Common or Limited Common
- 16. Board as Agent
- 17. Resolutions

TABLE OF CONTENTS

<u>Article</u>	<u>Section</u>	<u>Page</u>
I	<u>Plan of Condominium Ownership</u>	
	1. The Condominium	1
	2. Definitions	1
	3. Applicability of Bylaws	1
II	<u>Council of Unit Owners</u>	
	1. Purpose and Status of Association	1
	2. Name and Mailing Address	1
	3. Powers of the Association	2
	4. Members	2
	5. Annual Meetings	2
	6. Special Meetings	2
	7. Place of Meetings	2
	8. Notice of Meetings	2
	9. Adjournment of Meeting	3
	10. Order of Business	3
	11. Voting	3
	12. Absentee Ballots	4
	13. Open Meetings	4
	14. Majority of Unit Owners	4
	15. Quorum	5
	16. Majority Vote	5
	17. Liquidation Rights	5
III	<u>Board of Directors</u>	
	1. Number and Qualification	5
	2. Powers and Duties	5
	3. Managing Agent	6
	4. Election and Term of Office	7
	5. Removal of Members of the Board of Directors	7
	6. Vacancies	7
	7. Organization Meeting	8
	8. Regular and Special Meetings	8
	9. Waiver of Notice	9
	10. Quorum of Board of Directors	9
	11. Fidelity Bonds	9
	12. Compensation	9
	13. Liability of the Board of Directors; Indemnification	9
	14. Executive Committee	10
	15. Common or Interested Directors	10
	16. Board as Attorney-in-Fact	10
	17. Committees	11

<u>Article</u>	<u>Section</u>	<u>Page</u>
IV	<u>Officers</u>	
	1. Designation	11
	2. Election of Officers	11
	3. Removal of Officers.	11
	4. President	11
	5. Vice President	11
	6. Secretary	11
	7. Treasurer	12
	8. Compensation of Officers	12
V	<u>Operation of the Condominium</u>	
	1. Determination of Common Expenses and Fixing of Common Charges	12
	2. Preparation and Approval of Budget	13
	3. Reserves	13
	4. Amendment to Budget	14
	5. Initial Assessment	14
	6. Payment of Common Charges; Lien	14
	7. Collection of Assessments	15
	8. Default in Payment of Common Charges	15
	9. Statement of Common Charges; Resale Certificate	16
	10. Insurance	16
	11. Repair or Reconstruction After Fire or Other Casualty	18
	12. Abatement and Enjoinment of Violations by Unit Owners	19
	13. Maintenance and Repair	20
	14. Restrictions on Use of Units	21
	15. Rules - Adoption and Enforcement	23
	16. Additions, Alterations or Improvements by Board of Directors	24
	17. Architectural Control Committee	24
	18. Architectural Control Committee - Operation	25
	19. Architectural Control Committee - Approvals, Etc.	25
	20. Architectural Control Committee - Limitations	25
	21. Architectural Control Committee - Certificate of Compliance	25
	22. Architectural Control Committee - Rules, Etc.	26
	23. Declarant's Exemption	26
VI	<u>Mortgages</u>	
	1. Notice to Board of Directors	26
	2. Notice of Unpaid Common Charges or Other Default	26
	3. Examination of Books	27
	4. Notice of Loss to or Taking of Common Elements	27
	5. Definition	27

<u>Article</u>	<u>Section</u>	<u>Page</u>
VII	<u>Sales and Mortgages of Units</u>	
	1. Sales	27
	2. No Severance of Ownership	27
VIII	<u>Condemnation</u>	28
IX	<u>Records and Audits</u>	28
X	<u>Parking Spaces</u>	28
XI	<u>Easements for Utilities and Related Purposes</u>	28
XII	<u>Resident Agent and Annual Registration</u>	
	1. Resident Agent	29
	2. Annual Registration	29
XIII	<u>Miscellaneous</u>	
	1. Notices	29
	2. Invalidity	29
	3. Captions	29
	4. Gender	30
	5. Waiver	30
	6. Amendments to Bylaws	30
	7. Conflicts	30

BYLAWS
OF
COUNCIL OF UNIT OWNERS
OF
GROSVENOR PARK TOWNHOUSE CONDOMINIUM

ARTICLE I
PLAN OF CONDOMINIUM OWNERSHIP

Section 1. The Condominium. The property described on Exhibit "A" to the Declaration has been established as a Condominium pursuant to the Act. These Bylaws are attached to and made part of the Declaration as Exhibit "B" and are intended by the Declarant to set forth, inter alia, a plan by which the affairs of the Condominium shall be administered and governed by the Council of Unit Owners and its Board of Directors pursuant to the Act.

Section 2. Definitions. In these Bylaws, all words shall have the same meanings as designated in the Declaration unless otherwise apparent from the context.

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

ARTICLE II
COUNCIL OF UNIT OWNERS

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

Section 2. Name and Mailing Address. The Association hereby organized and formed for the purposes set forth above shall be known as "Council of Unit Owners of Grosvenor Park Townhouse Condominium". Unless changed from time to time by the Board of Directors, the office and mailing address of the Association and the Board of Directors shall be the same as the address of the Resident Agent designated with the State Department of Assessments and Taxation.

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

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

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

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

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

Section 8. Notice of Meetings. It shall be the duty of the Secretary to provide notice of each annual or special meeting of the Association at least ten (10) days, but not more than ninety (90) days prior to such meeting, stating the purpose thereof as well as the time and place where it is to be held, to each Unit owner of record, at his address shown on the roster (hereinafter called the "Roster") required to be kept pursuant to Section 11-109(c) of the Act. If the purpose of any meeting shall be to act upon a proposed amendment to the Declaration or to these Bylaws, the notice of meeting shall be mailed at least thirty (30) days prior to such meeting. The mailing of a notice of meeting in the manner provided in this Section shall be considered service of notice as of the date of such mailing. In addition to the mailing of notice of each annual and special meeting, notice may be personally delivered to each Unit owner at his address as shown on the Roster. Service of notice shall be proven by affidavit of the person serving such notice. Attendance by a Unit owner at a meeting in person or by

proxy shall constitute waiver of notice of the time, place and purposes of such meeting. All meetings of the Association, Board of Directors or any committee created by the Board of Directors shall be held at places and times convenient to the Unit owners.

Section 9. Adjournment of Meeting. If any meeting of the Association cannot be held because a quorum of members has not attended, a majority of the Unit owners holding a majority of votes who are present at such meeting, either in person or by proxy, may adjourn the meeting and call for an additional meeting provided at least fifteen (15) days' notice of the time, place and purpose of the additional meeting is given to all Unit owners.

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

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

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

Section 11. Voting. Each Unit owner, or, subject to the proxy limitations set forth below, some person designated by such Unit owner to act as proxy on his behalf (and who need not be a Unit owner), shall be entitled to cast the vote appurtenant to his Unit at all meetings of the Association. The designation of any such proxy shall be made in writing and filed with the Secretary, in a form approved by the Board of Directors, which approval may not be unreasonably withheld, before the appointed time of each meeting. Each proxy shall be revocable at any time by written notice to the Secretary by the Unit owner who so designated the proxy, and shall automatically expire one hundred eighty (180) days following its issuance unless granted to a mortgagee or lessee. Proxies may be utilized to establish a quorum pursuant to Section 15 of this Article II and may be utilized to vote on any other matter at the meeting of the Association, provided, however, that an undesignated proxy may not be

utilized to vote for nominees to the Board of Directors or officers to the Association. In the case of a Unit which is owned by more than one person or entity, any or all of such owners may be present at any meeting of the Association and (those constituting the group acting unanimously) may vote or take any other action as a Unit owner, either in person or by proxy. A fiduciary shall be the voting member with respect to any Unit owned in a fiduciary capacity. Where title to a Unit is in more than one person or entity, such multiple owners shall be entitled to cast, in the aggregate and as a solid block, the vote allocated to the Unit. If such multiple owners shall be unable to agree upon their vote upon any subject at any meeting, they shall either designate a third party to cast their vote or shall lose their right to vote on such subject, but if all of them shall not be present at a meeting, either in person or by proxy, the collective vote of the one or more present shall be the vote of all of the owners of the Unit. Whenever the vote of the Unit owners at a meeting is required or permitted to be taken by any provisions of the Act, the Declaration or by these Bylaws, the meeting and vote of Unit owners may be dispensed with if all of the Unit owners who would have been entitled to vote thereat upon the action, if such meeting were held, consent in writing to such action being taken.

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

No Unit owner shall be entitled to vote at a meeting of the Association unless and until he (1) shall have furnished the Association with his name and current mailing address and the name and current mailing address of his mortgagee(s), if any, for listing on the Roster in accordance with Section 11-109(c) of the Act, (2) has provided a copy of any lease agreement entered into with respect to his Unit in accordance with Article V, Section 14(g), of these Bylaws, and (3) is current in the payment of the monthly installment of his assessments in accordance with Article V, Section 6, of these Bylaws.

Section 12. Absentee Ballots. Absentee ballots may be utilized for purposes of (1) establishing a quorum pursuant to Section 15 of this Article II, (2) voting for officer or Board of Director nominees listed on the absentee ballot or written in by the absentee Unit owner, or (3) voting for any other matter as set forth on the absentee ballot. Any unsigned absentee ballot, to be valid, shall be received in a signed, sealed envelope bearing the identification of the dwelling unit and proportional voting percent, if any, on the outside, and shall be opened only at a meeting at which all candidates or their delegates have a reasonable opportunity to be present.

Section 13. Open Meetings. All meetings of the Association shall be open to all owners or occupants (and other interested parties in the discretion of the Board of Directors or as required by law) of units in the Association. Meetings of the Board of Directors shall be held in accordance with Article III of these Bylaws.

Section 14. Majority of Unit Owners. As used in these Bylaws, the term "majority of Unit owners" shall mean those Unit owners having more than fifty percent (50%) of the total authorized votes of all Unit owners present, in person or by proxy, and voting at any meeting of the Association.

Section 15. Quorum. Except as otherwise provided in these Bylaws or in the Act, the presence in person or by proxy of Unit owners having more than twenty-five percent (25%) of the total authorized votes of all Unit owners constitutes a quorum at all meetings of the Association.

Section 16. Majority Vote. The vote of a majority of the total authorized votes of Unit owners present at a meeting which has been duly called shall be binding upon all Unit owners for all purposes except where in the Declaration, under the Act or pursuant to these Bylaws a higher percentage vote is required.

Section 17. Liquidation Rights. In the event of any voluntary or involuntary dissolution of the Association, each Unit owner shall be entitled to receive out of the assets of the Association available for distribution to the members thereof an amount equal to his Percentage Interest in the Common Profits and Common Expenses of the Association.

ARTICLE III BOARD OF DIRECTORS

Section 1. Number and Qualification. The affairs of the Association shall be governed by a Board of Directors acting on behalf of the Association. Until the first annual meeting of the Association as provided for in Article II, Section 5, of these Bylaws, and thereafter until their successors shall have been elected by the Unit owners, the Board of Directors shall consist of three (3) members to be designated by the Declarant. Thereafter, the Board of Directors shall be composed of five (5) members, all of whom shall be elected by the Unit owners.

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

- (a) Operation, care, upkeep and maintenance of the Common Elements.
- (b) Determination of the common expenses required for the affairs of the Association.
- (c) Collection of the common charges and expenses from the Unit owners.
- (d) Employment and dismissal of the personnel necessary for the maintenance and operation of the Common Elements.
- (e) Opening of bank accounts on behalf of the Association and designating the signatories required therefor.

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

(g) Obtaining of insurance for the Condominium.

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

(i) Enacting uniform Rules from time to time which govern the use and operation of the Condominium, as well as the conduct and the enjoyment of the Unit owners; provided, however, that such Rules are adopted in accordance with the Act and Article V, Section 15, of these Bylaws or the Declaration; and provided further that no such Rules shall be so construed so as to impair in any manner the lien of any mortgage or deed of trust with respect to any Unit and/or the Common Elements if such Rules are promulgated after the recordation of said mortgage or deed of trust.

(j) Enforcing obligations of Unit owners, allocating common profits and common expenses, if any, and doing anything and everything else necessary and proper for the sound management of the Condominium. In this connection, the Board of Directors shall have the power to enforce the provisions of the Act, the Declaration, Bylaws and Rules and, subject to the provisions of the Act, to levy reasonable fines against Unit owners for violations of the same after notice and an opportunity to be heard is given pursuant to the Act. Collection of fines may be enforced against the Unit owner or Unit owners involved as if the fines are a common charge owed by the particular Unit owner or Unit owners. Where a Unit owner persists in violating the Rules, the Board of Directors may require him to post a bond, satisfactory to it, to secure future compliance with the Rules.

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

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

(m) Generally, to exercise the powers of the Association set forth in the Act, the Declaration and Bylaws and to do every other act not inconsistent with the law, which may be appropriate to promote and attain the purposes set forth in the Act, Declaration and Bylaws.

Section 3. Managing Agent. The Board of Directors shall employ for the Association a professional managing agent at a compensation established by the Board of Directors. The Board of Directors shall not undertake "self-management" or otherwise fail to employ a professional managing agent without the prior written approval of owners of Units to which at least sixty-seven percent (67%) of the votes in the Association are allocated and the approval of eligible mortgage holders representing fifty-one percent (51%) of the votes in the Association. All management agreements entered into on behalf of the Association shall (a) be for a term not in excess of one (1)

year, (b) provide that either party may terminate the agreement, without cause, upon ninety (90) days' written notice, without a termination fee [except that management agreements entered into while the Developer is in control of the Association shall be terminable without cause on thirty (30) days' written notice], (c) provide that the Board of Directors may, for cause, terminate such agreement upon thirty (30) days' written notice (without a termination fee) and (d) provide for renewal upon agreement by the parties for successive one (1)-year periods.

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

At the first annual meeting of the Association, five (5) members of the Board of Directors shall be elected by the Unit owners from among the Unit owners. Commencing with the first annual meeting of the Association, the term of office of the two (2) Directors receiving the greatest number of votes shall be fixed for two (2) years. The terms of office of the remaining Directors shall be fixed at one (1) year. At the expiration of the initial term of office of each respective Director, his successor shall be elected to serve a term of two (2) years. Each Director shall hold office until the next meeting of the Board of Directors following the election of his successor. However, a member of the Board of Directors shall be deemed to have resigned whenever such member, his spouse, or firm, corporation or other entity he is associated with, sells the Unit which qualified such individual to become a member of the Board of Directors. All election materials prepared with Association funds shall list candidates in alphabetical order and shall not suggest a preference among candidates.

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

Section 5. Removal of Members of the Board of Directors. At any regular or special meeting of the Association after the first annual meeting of the Association, any one or more of the members of the Board of Directors elected by the Unit owners may be removed, with or without cause, by a majority of the Unit owners. Any member of the Board of Directors whose removal has been proposed by the Unit owners shall be given an opportunity to be heard at the meeting. The term of office of any Director who becomes more than forty-five (45) days delinquent in the payment of common charges against the Unit of which he is the owner shall automatically terminate on the forty-sixth (46th) day, and his successor shall thereupon be appointed by the Board of Directors from among the Unit owners to fill out the unexpired portion of his term. The Declarant may remove a Board member of the Board of Directors designated by him, at any time, with or without cause, by written notification to the Board of Directors specifying the date of such removal and the name of the individual designated to succeed the member so removed.

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

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

Section 8. Regular and Special Meetings.

(a) All regular meetings of the Board of Directors or any committee created by the Board of Directors shall be held only upon regularly scheduled and established dates or periods at such time and place as shall have been made known to all members in accordance with the procedures required by law. All regular or special meetings shall be open to all owners or occupants of units in the Condominium, as well as their mortgagees, except that such meetings may be held in closed session for the following purposes:

- (i) Discussion of matters pertaining to employees and personnel;
- (ii) Protection of the privacy or reputation of individuals in matters not related to Association business;
- (iii) Consultation with legal counsel;
- (iv) Consultation with staff personnel, consultants, attorneys or other persons in connection with pending or potential litigation;
- (v) Investigative proceedings concerning possible or actual criminal misconduct;
- (vi) Complying with a specific constitutional, statutory or judicially imposed requirement protecting particular proceedings or matters from public disclosure;
- (vii) On an individually recorded affirmative vote of two-thirds (2/3) of the members present, for some other exceptional reason so compelling as to override the general public policy in favor of open meetings;

(b) If a meeting is held in closed session pursuant to the procedures established above,

- (i) No action may be taken and no matter may be discussed other than those permitted above; and
- (ii) A statement of the time, place and purpose of any closed meeting, the record of the vote of each member by which any meeting was closed, and the authority under this Section for closing any meeting shall be included in the minutes of the next meeting of the Board of Directors.

(c) The Secretary shall maintain a current roster of names and addresses of each Unit owner to which notices of regular meetings of the Board of

Directors shall be sent at least annually. If practical, notice of special meetings of the Board of Directors shall be given to each Unit owner, by posting or otherwise, except upon the declaration of an emergency by the person calling the meeting, in which event such notice may be waived.

Section 9. Waiver of Notice. Any member of the Board of Directors may at any time waive notice of any meeting of the Board of Directors, in writing, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member of the Board of Directors at any meeting of the Board shall constitute a waiver of notice by him of the time, place and purpose thereof. If all the members of the Board of Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 10. Quorum of Board of Directors. At all meetings of the Board of Directors, a majority of the members thereof shall constitute a quorum for the transaction of business, and the votes of a majority of the members of the Board of Directors present at a meeting at which a quorum is present shall constitute the decision of the Board of Directors. If at any meeting of the Board of Directors there shall be less than a quorum present, a majority of those present may adjourn the meeting from time to time. At any such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

Section 11. Fidelity Bonds. Blanket fidelity bonds shall be required to be maintained by the Board of Directors for all officers, directors, managers, trustees, employees and volunteers of the Association and all other persons handling or responsible for funds held or administered by the Association, whether or not they receive compensation for these services. Where the Board of Directors has delegated some or all of the responsibility for the handling of funds to a management agent, such management agent shall be covered by its own fidelity bond. Except for fidelity bonds that a management agent obtains for its personnel, all other bonds should name the Association as an obligee and should have their premiums paid as a common expense by the Association. The total amount of fidelity coverage required shall be sufficient to cover the maximum funds that will be in the custody of the Association or management agent at any time, but must at least equal the sum of three (3) months' assessments on all Units within the Condominium. The bonds shall provide that they cannot be canceled or substantially modified (including cancellation for non-payment of premium) without at least ten (10) days' prior written notice to the Association and to all Eligible Mortgage Holders.

Section 12. Compensation. No member of the Board of Directors shall receive any compensation for acting as such, but a Director may be reimbursed for actual out-of-pocket expenses incurred by him in the proper performance of his duties.

Section 13. Liability of the Board of Directors; Indemnification.

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

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

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

Section 14. Executive Committee. The Board of Directors may, by resolution duly adopted, appoint an Executive Committee to consist of three (3) members of the Board of Directors. The Executive Committee shall have and may exercise all of the powers of the Board of Directors in the management of the business and affairs of the Association during the intervals between the meetings of the Board of Directors insofar as may be permitted by law, except that the Executive Committee shall not have power (a) to determine the common charges and expenses required for the affairs of the Association, or (b) to adopt or amend the Rules covering the details of the operation and use of the Condominium.

Section 15. Common or Interested Directors. The Directors shall exercise their powers and duties in good faith and with a view to the interests of the Association and consistent with the purposes set forth in the Declaration. No contract or other transaction between the Association and one or more of its Directors, or between the Association and any corporation, firm, entity or association in which one or more of the Directors are directors or officers or are pecuniarily or otherwise interested, shall be either void or voidable because such Director or Directors are present at the meeting of the Board of Directors or any committee thereof which authorizes or approves the contract or transaction, or because his or their votes are counted for such purpose, if such action complies with the provisions of Section 2-419 of the Corporations and Associations Article of the Annotated Code of Maryland (1981 Cum. Supp.) or its successor statute.

Section 16. Board as Attorney-in-Fact. The Board of Directors is hereby irrevocably appointed as attorney-in-fact for the owners of all of the Units, and for each of them, to manage, control and deal with the interests of such owners in the Common Elements of the Condominium so as to permit the Board of Directors to fulfill all of its powers, functions and duties under the provisions of the Act, the Declaration and these Bylaws, and to exercise all of its rights thereunder and to deal with the Condominium upon its destruction and/or the proceeds of any insurance indemnity as hereinafter provided and to grant easements in accordance with Article XI hereof. The foregoing shall be deemed to be a power of attorney coupled with an interest, and the

acceptance by any person or entity of any interest in any Unit shall constitute an appointment of the Board of Directors as attorney-in-fact as aforesaid.

Section 17. Committees. The Board of Directors may appoint an Architectural Control Committee and, if necessary, an Executive Committee, as provided in these Bylaws. In addition, the Board of Directors may appoint other committees as deemed appropriate in carrying out its purpose.

ARTICLE IV OFFICERS

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

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

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

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

Section 5. Vice President. The Vice President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board of Directors shall appoint some other member of the Board of Directors to act in the place of the President on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon him by the Board of Directors or by the President, including, without limitation, the counting of votes at meetings of the Association.

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

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

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

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

ARTICLE V OPERATION OF THE CONDOMINIUM

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

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

- (i) Management fees;
- (ii) Insurance premiums;
- (iii) Charges for landscaping, snow removal and maintenance of the Common Elements, including the walks, driveways, parking areas and green areas;
- (iv) Audit, attorneys' fees, and like administrative costs;
- (v) Reserves for replacements or other expenses of a non-recurring nature;
- (vi) Service contracts and employees' salaries;
- (vii) Payment of utility bills and like expenses (except to the extent that such bills or expenses are individually metered for any Unit, in which event such bills or expenses shall be the responsibility of the Unit owner receiving the benefit of such individually metered service); and
- (viii) Such other expenses as shall be necessary or desirable in the judgment of the Board of Directors for the administration and operation of the

Condominium, or which may be declared to be common expenses by the Act, the Declaration, these Bylaws or by resolution of the Council of Unit Owners.

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

Section 2. Preparation and Approval of Budget. Each year at least thirty (30) days before the adoption of a budget for the Condominium, the Board of Directors shall cause to be prepared and submitted to the Unit owners a proposed annual budget for the next fiscal year of the Association. The proposed annual budget shall contain, at a minimum, an estimate of the total amount of income the Association expects to receive, as well as an estimate of expenses for administration, maintenance, utilities, general expenses, reserves and capital items that are expected for the next fiscal year. The budget shall be adopted at an open meeting of the Board of Directors. The Board of Directors shall thereafter send to each Unit owner a copy of the approved budget which sets forth the amount of the common expenses payable by each Unit owner, on or before thirty (30) days preceding the beginning of the fiscal year to which the budget applies or as soon thereafter as is possible. The said budget shall constitute the basis for determining each Unit owner's contribution for the common expenses of the Condominium. The failure or delay of the Board of Directors to prepare or adopt the annual budget for any fiscal year shall not constitute a waiver or release in any manner of a Unit owner's obligation to pay his allocable share of the common expenses, as herein provided, whenever the same shall be determined, and in the absence of any annual budget, each Unit owner shall continue to pay his allocable share of the common expenses at the then existing rate established for the previous fiscal period until the new payment is established.

Section 3. Reserves. As part of the annual budget the Board of Directors shall build up and maintain an adequate reserve for working capital and contingencies, and an adequate reserve for replacement of the Common Elements required to be replaced by the Association. All funds accumulated for reserves shall be kept in a separate bank account, segregated from the general operating funds, and, if the Board of Directors deems it advisable, funds accumulated for each type of reserve shall be kept in a separate bank account, identified by reference to the specific category of reserve. Extraordinary expenditures not originally included in the annual budget which may become necessary during the year shall be charged first against such reserves. Except where an emergency requires an expenditure to prevent or minimize loss from further damage to, or deterioration of, the Common Elements, reserves accumulated for one purpose may not be expended for any other purpose unless approved by the Association. If the reserves are inadequate for any reason, including non-payment of any Unit owner's assessment, the Board of Directors may, subject to the limitations of Section 4 below, levy a further assessment, which shall be assessed against the Unit owners according to their proportionate share, and which may be payable in a lump sum or in installments as the Board of Directors may determine. The Board of Directors shall serve notice of any such further assessment on all Unit owners by a statement in writing giving the amount and reasons therefor, and such further assessment shall, unless otherwise specified in the notice, become effective with the next regular payment which is due more than ten (10) days after the delivery or mailing of such notice of further assessment.

Section 4. Amendment to Budget. Any expenditure which is deemed necessary by the Board of Directors (other than those required because of conditions which, if not corrected, could reasonably result in a threat to the health or safety of the Unit owners or a significant risk of damage to the Condominium) that, if made, would result in an increase in the amount of assessments for the current fiscal year of the Condominium in excess of fifteen percent (15%) of the budgeted amount previously adopted shall be approved by an amendment to the Budget adopted at a special meeting of the Board of Directors, upon not less than ten (10) days' written notice to the Unit owners.

Section 5. Initial Assessment. When the first Board of Directors takes office, it shall determine the budget for the period commencing upon the conveyance of legal title to the first Unit by the Declarant and ending on the last day of the fiscal year established by the Board of Directors in which such conveyance occurs. The Board of Directors shall establish an initial working capital fund equal to three (3) months' regular assessments through a special assessment of each Unit owner upon purchase of his Unit from the Declarant. The Declarant will deliver the funds so collected to the Board of Directors, who shall maintain the funds in a segregated account for the use and benefit of the Association to provide the necessary working capital for the Council of Unit Owners. Such funds may be used for certain prepaid items, initial equipment, supplies, organizational costs and other start-up costs, or for such other purposes related to the operation of the Association as the Board of Directors may determine, but may not be used for ordinary operating expenses of the Association.

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

The amount levied and assessed against each Unit for common charges shall constitute a lien against said Unit from the date of assessment until the date of full payment, provided that a "Statement of Lien" is recorded against the Unit as provided in the Act. Unless otherwise provided in the Act, at least fifteen (15) days prior to recording the Statement of Lien, the Association shall notify the delinquent Unit owner of the Association's intention to file the Statement of Lien and thereafter provide the delinquent Unit owner with a right to a hearing before the Board of Directors. At the option of the Board of Directors, said amount may be payable in annual, quarterly, monthly or other convenient installments, and to the Board of Directors or to such person or entity who or which the Board of Directors shall designate.

No Unit owner may be exempted from liability for the assessment of common expenses by waiver of the use or enjoyment of any of the Common Elements or by abandonment of his Unit. No Unit owner shall be liable for the payment of any part of the common expenses assessed against his Unit subsequent to the date of recordation of a conveyance by him in fee of such Unit. Prior to or at the time of such conveyance, all liens, unpaid charges and assessments shall be paid in full and discharged. The purchaser of a Unit shall be jointly and severally liable with the selling Unit owner for all unpaid assessments against the latter for his proportionate share of the common expenses up to the time of such recordation, without prejudice to the purchaser's right to recover from the selling Unit owner amounts paid by the purchaser therefor; provided, however, that no purchaser from a selling Unit owner other than the developer shall be liable for, nor shall the Unit conveyed be subject to a lien for, any

unpaid assessments greater than the amount set forth in any resale certificate provided by the Association or its management agent. Notwithstanding anything contained herein to the contrary, any mortgagee who comes into possession of a Unit by virtue of foreclosure of a deed of trust or mortgage or a deed or other conveyance in lieu of foreclosure shall take the Unit free of any claims for unpaid assessments or charges against such Unit which accrue prior to the time such mortgagee comes into possession thereof, except for claims for a pro-rata share of such assessments or charges resulting from a pro-rata reallocation of such assessments or charges to all Units, including the mortgaged Unit. Such sale or transfer shall not relieve the purchaser at such sale of the Unit from liability for any assessments thereafter coming due, nor from the lien of such subsequent assessments, which lien, if any, claimed shall have the same effect and may be enforced in the same manner as provided herein.

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

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

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

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

In any action brought by the Association to foreclose a lien against a Unit because of unpaid common charges, the Unit owner shall be required to pay a reasonable rental for the use of his Unit, and the plaintiff in such foreclosure action shall be entitled to the appointment of a receiver to collect the same, such rent to

accrue from the date that the foreclosure decree becomes final until the plaintiff in such foreclosure action regains possession from the Unit owner.

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

Section 9. Statement of Common Charges; Resale Certificate. Any owner, first mortgagee or any purchaser in connection with any sale or conveyance of a Unit, shall be entitled to a statement furnished by the Board of Directors setting forth in detail the amount of any unpaid assessments owed by the Unit owner, and such party shall be entitled to rely on such statement and shall have no liability for, nor shall the Unit be encumbered with, an amount of unpaid assessments accruing prior to the date of such statement which are greater than that shown on such statement. The Board may impose a reasonable fee to furnish this information.

Upon written request by a Unit owner and receipt of a reasonable fee therefor, the Board of Directors shall furnish a certificate containing the information required by Section 11-135(a) of the Act.

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

The Board of Directors shall be required to obtain and maintain a master or blanket type of hazard insurance policy covering all of the Common Elements and Units that are normally included in a policy of this type, including, but not limited to fixtures and building service equipment and common personal property and supplies belonging to the Association. The policy must also cover fixtures, equipment and other personal property inside individual Units if such items are typically conveyed as part of the Unit. The insurance should cover one hundred percent (100%) of the current replacement cost (less a reasonable deductible) of the insured property. Coverage need not include land, foundations, excavations or other items that are usually excluded from insurance coverage. If available, the policy shall contain an Agreed Amount and Inflation Guard Endorsement, as well as a Demolition Cost Endorsement, Contingent Liability from Operation of Building Laws Endorsement, and Increase Cost of Construction Endorsement.

If there is a steam boiler in operation in connection with the Condominium, there must be in force boiler explosion insurance evidenced by the standard form of boiler and machinery insurance policy and providing as a minimum Fifty Thousand Dollars (\$50,000.00) per accident per location, unless a higher amount of coverage is

required by a Mortgagee. If the Condominium is located in special flood hazard areas, as defined by the Federal Emergency Management Agency, a master or blanket policy of flood insurance on the Condominium must be maintained. The amount of flood insurance shall be at least equal to the lesser of (i) one hundred percent (100%) of the current replacement cost of all buildings and other insurable property located in the flood hazard area; or (ii) the maximum coverage available for the property under the National Flood Insurance Program. The insured under each required policy shall be the Association for use and benefit of the individual Unit owners.

The Board of Directors shall obtain and maintain a comprehensive general liability policy of insurance covering all of the Common Elements, public ways and any other areas that are under the Association's supervision. The policy shall also cover any commercial space owned by the Association, even if such space is leased to others. The policy should provide coverage for bodily injury and property damage that results from the operation, maintenance or use of the Common Elements and any legal liability that results from law suits related to employment contracts in which the Association is a party. Supplemental coverage to protect against additional risks should also be obtained, if required by a Mortgagee. Such insurance policy shall contain a "severability of interest" endorsement which shall preclude the insurer from denying the claim of a Unit owner because of negligent acts of the Association or other unit owners. Liability coverage shall be at least One Million Dollars (\$1,000,000.00) per occurrence, for bodily injury and property damage, unless higher amounts of coverage are required by a Mortgagee.

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

Each hazard insurance policy must be written by a hazard insurance carrier which has a current rating by Best's Insurance Reports of B/VI or better. Hazard insurance policies are also acceptable from an insurance carrier which has a financial rating by Best's Insurance Reports of Class V, provided it has a general policyholder's rating of at least A. Each insurer must be specifically licensed or authorized by law to transact business within the State of Maryland. The policy contract shall provide that no assessment may be made against the mortgagee, and that any assessment made against others may not become a lien on the mortgaged Unit superior to the first mortgage.

The insurance policy must provide that the insurance carrier shall notify the Association and each Mortgagee named in the Mortgagee clause at least ten (10) days before it cancels or substantially changes the Condominium's coverage.

Notwithstanding any provision of the Declaration or these Bylaws relating to property or liability insurance, there may be named as an insured, on behalf of the Association, the Association's authorized representative, including any trustee with

whom such Association may enter into any Insurance Trust Agreement or any successor to such trustee (each of whom shall be referred to herein as the "Insurance Trustee"), who shall have exclusive authority to negotiate losses under any policy providing such property or liability insurance.

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

Section 11. Repair or Reconstruction After Fire or Other Casualty. Except as hereinafter provided, and as provided in the Act (and inconsistent herewith), in the event of damage to or destruction of the Common Elements as a result of fire or other casualty, the Board of Directors shall arrange for the prompt repair and restoration thereof, and the Board of Directors or the Insurance Trustee, as the case may be, shall disburse the proceeds of all insurance policies to the contractors engaged in such repair and restoration, as provided below.

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

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

In the event of reconstruction or repair (as estimated by the Board of Directors) which shall exceed Twenty-Five Thousand Dollars (\$25,000.00), all proceeds of insurance shall be paid over to a trust company or bank having trust powers and authorized to engage in the trust business in the State of Maryland (hereinafter the "Insurance Trustee"), selected by the Board of Directors and shall be paid out from time to time as the reconstruction or repair progresses in accordance with the provisions of an Insurance Trust Agreement and which contains, inter alia, the following provisions:

(a) the reconstruction or repair shall be in the charge of an architect or engineer, who may be an employee of the Association, and hereinafter called the "Architect";

(b) any restoration or repair of the Common Elements shall be performed substantially in accordance with the Declaration and the original plans and specifications, unless other action is approved by at least fifty-one percent (51%) of the eligible mortgage holders (based upon one vote for each first mortgage owned), and two-thirds (2/3) of the Unit owners.

(c) each request for an advance of the proceeds of insurance shall be made to the Insurance Trustee and shall be accompanied by a certificate from the Architect and Board of Directors to the effect that (i) all work then completed has been performed in accordance with the plans and specifications; and (ii) the amount requested to be advanced is required to reimburse the Board of Directors for payments previously made by the Board of Directors or is due to the contractor responsible for the restoration or repair, or to subcontractors, materialmen, laborers, engineers, architects or to other persons responsible for services or materials in connection with such restoration or repair, or for fees or the like necessarily incurred in connection with the same; and (iii) when added to amounts previously advanced by the Insurance Trustee, the amount requested to be advanced does not unreasonably exceed the value of the work done and materials delivered to the date of such request;

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

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

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

Upon completion of the reconstruction or repair and payment in full of all amounts due on account thereof, any proceeds of insurance then in the hands of the Insurance Trustee shall be paid to the Board of Directors, shall be considered as one fund and shall be divided among the owners of all the Unit owners in accordance with their Percentage Interests set forth in the Declaration after first paying out of the share of the owner of any Unit owner (to the extent such payment is required by any lienor and to the extent the same is sufficient for such purpose), an amount sufficient to satisfy all liens upon said Unit.

Section 12. Abatement and Enjoinment of Violations by Unit Owners. The violation of any of the Rules adopted by the Board of Directors, or the breach of these Bylaws or of any provision of the Declaration, shall give the Board of Directors the right, in addition to any other rights set forth in these Bylaws: (a) to enter the Unit in which or as to which such violation or breach exists and to summarily abate and remove, at the expense of the defaulting Unit owner, any structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions hereof, and the Board of Directors shall not thereby be deemed guilty in any manner of trespass; or (b) to enjoin, abate or remedy by appropriate legal proceeding, either at law or in equity, the continuance of any such breach.

Section 13. Maintenance and Repair.

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

(i) Except as otherwise provided in paragraph (b) of this Section 13, all of the Common Elements; and

(ii) The sanitary and storm sewer systems and appurtenances; all water, electric, gas, plumbing and telephone lines, facilities and systems that are deemed Common Elements, including all conduits, ducts, plumbing, wiring and other facilities for the furnishing of all utility services into two (2) or more Units, but excluding therefrom all air-handling units, heating units, air-conditioning units, and all plumbing and electrical appliances, fixtures, systems and parts thereof which are enjoyed by only a single Unit and are located solely within the boundary of an individual Unit or in a Limited Common Element designated in the Declaration as being appurtenant to an individual Unit; and

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

(b) By the Unit owner.

(i) Each Unit owner shall keep each Unit owned by him and all improvements therein or thereon in good order and repair and free of debris and snow, including, but not limited to, the seeding, watering and mowing of all lawns, the pruning and cutting of all trees and shrubbery and the painting (and all other external care) of all buildings which comprise the Unit. In the event a Unit owner of any Unit shall fail to maintain the Unit and the improvements situated thereon, as provided in these Bylaws and upon approval by vote of the Board of Directors, the Association (or its designee), shall have the right to enter upon said Unit to correct and to repair, maintain and restore the Unit and the buildings and any other improvements erected thereon. All costs related to such correction, repair, maintenance or restoration shall be collected from the Unit owner obligated therefor in the same manner as set forth in Article V of these Bylaws for the collection of common expenses.

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

(iii) Each Unit owner shall be responsible for, and promptly after demand shall reimburse the Association for the cost of maintaining, repairing or replacing any damage to the Common Elements which is caused by the negligence, misuse or neglect of such Unit owner. Such reimbursement shall be collected by the

Association from the Unit owner obligated therefor in the same manner as set forth in Article V of these Bylaws for the collection of common charges.

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

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

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

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

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

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

(d) Nothing shall be done in any Unit or in, on, or to the Common Elements which will impair the structural integrity of the adjoining Unit and/or Common Elements except as is otherwise provided in these Bylaws.

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

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

(g) No portion of a Unit (other than the entire Unit) may be rented, and
no transient tenants may be accommodated therein, nor shall any Unit be utilized for
hotel purposes, nor shall the term of any such lease be for a term of less than six (6)
months. Any lease agreement shall provide that the terms of the lease shall be subject
in all respects to the provisions of the Act, Declaration and Bylaws and that any failure
of the lessee to comply with the terms of such provisions shall be a default under the
lease, which default may be remedied by the Unit owner in accordance with the lease
and by the Council of Unit Owners, in accordance with the Act. All leases must be in
writing. The limitations of this Section shall not apply to any institutional first mort-
gagee of any Unit who comes into possession of the Unit by reason of any remedies
provided by law or in the mortgage, or as a reason of foreclosure sale or other judicial
sale, or as a result of any proceeding, arrangement, assignment, or deed in lieu of
foreclosure.

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

(i) With the exception of lawn care equipment, no motorized vehicle
may be used or maintained on the yards or sidewalks of any Unit and no unlicensed
vehicles are allowed on the Condominium.

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

(k) The maintenance, keeping, breeding, boarding and/or raising of
animals, livestock, or poultry of any kind, regardless of number, shall be and is hereby
prohibited within any Unit or upon any Common Elements, except that this shall not

prohibit the keeping of orderly house pets provided that they are not kept or maintained for commercial purposes or for breeding. Pets shall not be permitted upon the Common Elements except in areas designated by the Board of Directors. All pets shall be accompanied by an adult and are to be carried or leashed. Any member who keeps or maintains any pet upon any portion of the Condominium shall be deemed to have indemnified and agreed to hold the Association, and each of its members free and harmless from any loss, claim or liability of any kind or character whatever arising by reason of keeping or maintaining such pet within the Condominium. The Board of Directors shall have the right to order any person whose pet is a nuisance to remove such pet from the Condominium.

(l) No junk vehicle or other vehicle on which current registration plates are not displayed, shall be kept upon any of the Common Elements, nor shall the repair or extraordinary maintenance of automobiles or other vehicles be carried out on any of the Common Elements or within any other portion of the Condominium.

(m) No commercial vehicles, trucks (over two tons), trailers, recreational vehicles, boats, or the like shall be kept upon any portion of the Condominium; provided, however, the Board of Directors reserves the right to permit such vehicles on designated portions of the Condominium in accordance with rules and regulations as may, from time to time, be promulgated by the Board of Directors.

(n) No structure of a temporary character, trailer, tent, shack, barn or other outbuilding shall be maintained upon any Common Elements at any time. Outdoor clothes dryers or clotheslines shall not be maintained upon any Common Elements at any time. No clothing, laundry or the like shall be hung from any part of any Unit or upon any of the Common Elements or from or upon any balcony or patio.

(o) Notwithstanding any provision contained in this Article V, Section 14, to the contrary, the use and other restrictions set forth in this Section 14 shall not apply to the use of the Common Elements and/or Units owned by the Declarant for display, marketing, promotion, sales, leasing or construction purposes or the use of Units as "Models".

Section 15. Rules - Adoption and Enforcement. The Board of Directors may, from time to time, enact uniform Rules which govern the use and operation of the Condominium, as well as the conduct and the enjoyment of the Unit owners, provided that such Rules are not in conflict with the Declaration or these Bylaws, and provided further that such Rules are adopted in accordance with the Act and the following procedures:

(a) At least fifteen (15) days prior to the adoption of any proposed new Rule, a notice must be mailed or delivered to each Unit owner. The notice shall (i) contain a copy of the proposed Rule, (ii) inform the Unit owner of the right to submit written comments on the proposed Rule to the Board of Directors, (iii) state the effective date of the proposed Rule, and (iv) inform the Unit owner of the meeting of the Board of Directors which has been scheduled to consider and adopt the proposed Rule.

(b) Provided that the notice set forth in Section 15(a) of this Article V is mailed or delivered to each Unit owner, an open meeting of the Board of Directors

shall be held at which each Unit owner or tenant present at such meeting shall be given an opportunity to comment on the proposed Rule.

(c) If a majority of the members of the Board of Directors present at the open meeting at which a quorum is present vote in favor of the proposed Rule, such proposed rule shall become effective upon its effective date unless (i) within fifteen (15) days after the affirmative vote, fifteen percent (15%) of the Unit owners sign and file a petition with the Board of Directors requesting a special meeting, and (ii) a quorum is present at such special meeting, and (iii) at such special meeting fifty percent (50%) of the Unit owners present and voting vote against the proposed Rule and such Unit owners represent more than thirty-three percent (33%) of the total votes in the Condominium.

All Rules shall have the same force and effect as if they were incorporated in these Bylaws by direct reference and may be enforced in the same manner as all other provisions of these Bylaws.

Section 16. Additions, Alterations or Improvements by Board of Directors. Whenever in the judgment of the Board of Directors the Common Elements shall require additions, alterations or improvements costing in excess of Twenty-Five Thousand Dollars (\$25,000.00), and the making of such additions, alterations or improvements shall have been approved by more than fifty percent (50%) in voting interest of the Unit owners present in person and/or by proxy and voting at a meeting duly held in accordance with these Bylaws, the Board of Directors shall proceed with such additions, alterations or improvements and may assess all Unit owners for the cost thereof as a common expense. If such additions, alterations or improvements, if not made, could reasonably result in a threat to the health or safety of the Unit owners or a significant risk of damage to the Condominium, then such additions, alterations or improvements may be made without the prior approval of Unit owners. Any additions, alterations or improvements costing Twenty-Five Thousand Dollars (\$25,000.00) or less may be made by the Board of Directors without approval of the Unit owners, provided said Unit owners are provided at least ten (10) days' written notice of a special meeting at which such additions, alterations, or improvements are approved by an amendment to the budget by the Board of Directors. The cost of any such additions, alterations or improvements shall constitute a common expense.

Section 17. Architectural Control Committee. Except for purposes of proper maintenance and repair or as otherwise permitted or required by law or these Bylaws and subject to the exemption set forth in Section 23 of this Article, it shall be prohibited for any Unit owner to install, erect, attach, apply, paste, hinge, screw, nail, build, alter, remove or construct any lighting, shades, screens, awnings, patio covers, decorations, fences, walls, aerials, antennas, radio or television broadcasting or receiving devices, slabs, sidewalks, curbs, gutters, patios, balconies, porches, driveways, or to make any change or otherwise alter (including any alteration in color) in any manner whatsoever the exterior of any Unit or upon any of the Common Elements within the Condominium or to combine or otherwise join two (2) or more Units (or parts thereof), or to partition the same or to remove or alter any window or exterior doors of any Unit, or to make any change or alteration within any Unit which will alter the structural integrity of any adjoining Unit or otherwise affect the property, interest or welfare of any other Unit owner, materially increase the cost of operation or insuring the Condominium or impair any easement, until the complete plans and specifications,

showing the location, nature, shape, change (including, without limitation, any other information specified by the Board of Directors or its designated committee) shall have been submitted to and approved in writing as to safety, the effect of any such alterations on the costs of maintaining and insuring the Condominium and harmony of design, color and location in relation to surrounding structures and topography, by the Board of Directors of the Association, or by the Architectural Control Committee designated by the Board of Directors.

Section 18. Architectural Control Committee - Operation. The Architectural Control Committee shall be composed of an uneven number of three (3) or more natural persons designated from time to time by the Board of Directors of the Association and such persons shall serve at the pleasure of the Board of Directors. In the event the Board of Directors fails to appoint an Architectural Control Committee, then the Board of Directors shall constitute the Committee. The affirmative vote of a majority of the members of the Architectural Control Committee shall be required in order to adopt or promulgate any rule or regulation, or to make any finding, determination, ruling or order, or to issue any permit, consent, authorization, approval or the like pursuant to the authority contained in this Article.

Section 19. Architectural Control Committee - Approvals, Etc. Upon approval of the Architectural Control Committee of any plans and specifications submitted pursuant to the provisions of this Article, a copy of such plans and specifications, as approved, shall be deposited among the permanent records of such Committee and a copy of such plans and specifications bearing such approval, in writing, shall be returned to the applicant submitting the same. In the event the Architectural Control Committee fails to approve or disapprove any plans and specifications which may be submitted to it pursuant to the provisions of this Article within thirty (30) days after such plans and specifications (and all other materials and information required by the Architectural Control Committee) have been submitted to it in writing, then approval will not be required and this Article will be deemed to have been fully complied with.

Section 20. Architectural Control Committee - Limitations. Construction of alterations in accordance with plans and specifications approved by the Architectural Control Committee pursuant to the provisions of this Article shall be commenced within six (6) months following the date upon which the same are approved by the Architectural Control Committee (whether by affirmative action or by forbearance from action), and shall be substantially completed within twelve (12) months following the date of commencement, or within such longer period as the Architectural Control Committee shall specify in its approval. In the event construction is not commenced within the period aforesaid, then approval of the plans and specifications by the Architectural Control Committee shall be conclusively deemed to have lapsed and compliance with the provisions of this Article shall again be required. There shall be no deviations from plans and specifications approved by the Architectural Control Committee without the prior consent in writing of the Architectural Control Committee. Approval of any particular plans and specifications or design shall not be construed as a waiver of the right of the Architectural Control Committee to disapprove such plans and specifications, or any elements or features thereof, in the event such plans and specifications are subsequently submitted for use in any other instance.

Section 21. Architectural Control Committee - Certificate of Compliance. Upon the completion of any construction or alteration of other improvements or struc-

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

Section 22. Architectural Control Committee - Rules, Etc. The Architectural Control Committee may from time to time adopt and promulgate such rules and regulations regarding the form and content of plans and specifications to be submitted for approval and may publish such statements of policy, standards, guidelines and establish such criteria relative to architectural styles or details, or other related matters, as it may consider necessary or appropriate. No such rules, regulations, statements, criteria or the like shall be construed as a waiver of the provisions of this Article or any other provision or requirement of these Bylaws. The Architectural Control Committee may charge and collect a reasonable fee for the examination of any plans and specifications submitted for approval pursuant to the provisions of this Article. The decision of the Architectural Control Committee shall be final except that any Unit owner who is aggrieved by any action or forbearance from action by the Architectural Control Committee to the Board of Directors of the Association and, upon the request of such Unit owner, shall be entitled to a hearing before the Board of Directors.

Section 23. Declarant's Exemption. Notwithstanding any provision of Sections 17 through 22 of this Article V to the contrary, the provisions of said Sections 17 through 22 shall not apply to a Unit owned by the Declarant or its designee which is used as a model or is being or will be offered for sale by the Declarant until a deed to such Unit has been delivered by the Declarant to a purchaser thereof. Further, the aforesaid provisions shall not apply to the Declarant's actions with respect to the common areas of the Condominium until the completion of the Declarant's construction thereof.

ARTICLE VI MORTGAGES

Section 1. Notice to Board of Directors. A Unit owner who mortgages his Unit shall in writing notify the Board of Directors of the name and address of his mortgagee, and shall file a conformed copy of the note and mortgage with the Board of Directors. The Board of Directors shall maintain such information in a book entitled "Mortgages of Units".

Section 2. Notice of Unpaid Common Charges or Other Default. The Board of Directors shall report to each eligible mortgage holder who has requested such notice any unpaid common expenses due from, or any other default by, the owner of a mortgaged Unit, which default has not been cured within sixty (60) days.

Section 3. Examination of Books. Each Unit owner and each mortgagee of a Unit shall be permitted to examine the books of account of the Association at reasonable times on business days.

Section 4. Notice of Loss to or Taking of Common Elements. The Board of Directors shall give written notice to eligible mortgage holders who have requested such notice of any condemnation or casualty loss which affects a material portion of the project or any Unit on which there is a first mortgage held, insured or guaranteed by such eligible mortgage holder of any Unit or the Common Elements or related facilities of the Condominium.

Section 5. Definition. As used in these Bylaws, the term "Mortgagee" shall mean any mortgagee or trustee under a deed of trust which is a lien upon a Unit, or the party secured or beneficiary of any recorded deed of trust, and shall not be limited to institutional mortgagees; and the term "mortgage" shall include a deed of trust. As used generally in these Bylaws, the term "institutional holder" or "institutional mortgagee" shall include banks, trust companies, insurance companies, mutual savings banks, mortgage insurance companies, mortgage companies, credit unions, savings and loan associations, pension funds, FNMA, FHLMC, and any corporation, including a corporation of, or affiliated with, the United States Government, or any agency thereof. "First mortgage" shall mean a mortgage with priority over all other mortgages. As used in these Bylaws, the term "eligible mortgage holder" shall mean a holder of a first mortgage on a unit who has requested notice from the Council of Unit Owners of amendments to the condominium documents or other significant matters which would affect the interests of the mortgagee.

ARTICLE VII SALES AND MORTGAGES OF UNITS

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

Section 2. No Severance of Ownership. Except as may be provided in the Act, no Unit owner shall execute any lease, mortgage or other instrument conveying or mortgaging title to his Unit without including therein the appurtenant Common Elements, it being the intention hereof to prevent any severance of such combined ownership. Any such lease, mortgage or other instrument purporting to affect one or more of such interests, without including all such interests, shall be deemed and taken to include the interest or interests so omitted, even though the latter shall not be expressly mentioned or described therein. No part of the appurtenant Common Elements of any Unit may be sold, transferred or otherwise disposed of, except as part of a sale, transfer or other disposition of the Unit to which such interests are appurtenant, or as part of a sale, transfer or other disposition of such part of the appurtenant Common Elements of all Units.

ARTICLE VIII
CONDEMNATION

In the event of a taking in condemnation (or by purchase in lieu thereof) of a Unit or any part thereof or of part or all of the Common Elements, the award made for such taking or purchase shall be distributed in accordance with Section 11-112(c) of the Act, and the distributions shall be made in accordance with the priority of interests at law or in equity in each Unit.

ARTICLE IX
RECORDS AND AUDITS

The Board of Directors or the managing agent shall keep books and records in accordance with good accounting practices on a consistent basis. At the end of each fiscal year, the Board of Directors shall arrange an audit by an independent Certified Public Accountant, provided an audit shall be made not more than once in any consecutive twelve (12)-month period. The cost of such audit shall be a common expense. Every record kept by the Council of Unit Owners shall be available in accordance with the Act and these Bylaws for examination and copying by any Unit owner, his mortgagee, and their respective duly authorized agents or attorneys, during normal business hours and after reasonable notice.

ARTICLE X
PARKING SPACES

With the exception of parking spaces designated as Limited Common Elements on the Condominium Plats, all other parking spaces within the Common Elements of the Condominium are hereby unassigned and designated for general use, to be used, unless otherwise designated by the Board of Directors, on a "first come, first served" basis. Limited Common Element parking spaces are for the exclusive use of the Unit owner(s) to whose Unit the parking space is designated as being appurtenant to on the Condominium Plats. No vehicle belonging to any Unit owner, or to any guest or employee of any Unit owner, shall be parked in a manner which unreasonably interferes with or impedes ready vehicular access to any adjoining parking space.

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

ARTICLE XI
EASEMENTS FOR UTILITIES AND RELATED PURPOSES

Subject to the requirements of Section 11-125 of the Act, the Association is authorized and empowered to grant (and shall from time to time grant) such licenses,

easements and/or rights-of-way for sewer lines, water lines, electrical cables, cable television, telephone cables, gas lines, storm drains, underground conduits and/or such other purposes related to the provision of public utilities to the Condominium as may be considered necessary or appropriate by the Board of Directors for the orderly maintenance, preservation, and enjoyment of the Common Elements or for the preservation of the health, safety, convenience and/or welfare of the owners of the Units or the Declarant and/or as required by the Declaration.

2007⁵

ARTICLE XII
RESIDENT AGENT AND ANNUAL REGISTRATION

Section 1. Resident Agent. Promptly after the creation of the condominium regime, a Resident Agent for the Condominium, who shall be a citizen and actual resident of the state or a corporation duly registered or qualified to do business in the state, shall be appointed and his name and address shall be filed with the Department of Assessments and Taxation. The name or address of the Resident Agent may be changed by the Board of Directors of the Association by filing a notice of such change with the Department of Assessments and Taxation.

Section 2. Annual Registration. Following the first annual meeting of the Association, the Board of Directors shall register with the Department of Assessments and Taxation by providing the Department with the names and mailing addresses of the officers, directors, Resident Agent and Management Agent for the Association. This information should be updated on the following April 15 and each April 15 thereafter.

ARTICLE XIII
MISCELLANEOUS

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

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

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

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

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

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

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