

Restated and Amended Bylaws of Crofton Georgetown Houses Horizontal Property Regime No. 3

The following are the restated Bylaws of Crofton Georgetown Houses Property Regime No. 3, together with amendments adopted at the annual meeting of the Council of Co-owners held on March 17, 1996. The effective date of the amendments is the date of the recordation of the attached Certification and this Restatement and Amendment.

Article I: General Provisions

Section 1: Condominium Submission

The project located in Crofton, MD, and known as Crofton Georgetown Houses, Horizontal Property Regime No. 3, has been declared and constituted a horizontal property regime or condominium project by the Master deed and shall be governed by these Bylaws and by the applicable laws of Maryland.

Section 2: Application

All owners of any freehold or leasehold interest, all occupants or users of the premises, and the agents and servants of any of them are subject to the provisions of the Master deed, these Bylaws, and the applicable laws of Maryland.

Section 3: Definitions

The definitions utilized in the Maryland Condominium Act, the Master Deed and these Bylaws, in that order and all amended from time to time, shall apply as utilized in these Bylaws.

Section 4: "Council of Unit Owners" or "Association"

"Council of Unit Owners" or "Association" means the body that governs the affairs of the condominium and is comprised of all unit owners and as further defined in the Maryland Condominium Act as amended from time to time.

Article II: Council of Unit Owners

Section 1: Constitution

There is hereby constituted the Council of Unit Owners and sometimes herein referred to as the Council or the Association, which shall be comprised of every person, firm, or corporation which owns, severally or with others, any condominium unit within the project.

Section 2: Voting

Voting shall be on a unit basis and the percentage of the vote which a unit is entitled to cast is that percentage established for that unit by the Master Deed. In the case of multiple ownership of a unit, the percentage of the vote for that unit shall be divided among the several owners of the unit (for voting purposes only) on a per capita basis, unless a different division is effected by one or more proxies.

Section 3: Majority of Owners

As used in the Bylaws, "majority of owners" means that number of votes which equals or exceeds fifty-one (51%) of all the votes established in accordance with the percentages assigned in the Master Deed.

Section 4: Quorum

Except as otherwise provided in these Bylaws, the presence in person or by proxy of a "majority of owners" as defined in Section 3 of this Article shall constitute a quorum.

Section 5: Proxies

Votes may be cast in person or by proxy. Proxies must be filed with the Secretary before the appointed time of each meeting. A proxy is valid for a maximum of one hundred eighty (180) days following its issuance.

Article III: Administration

Section 1: Association Responsibilities

The owners of the units constitute the Council of Unit Owners who have the responsibility of:

1. Recommending projects to improve the Horizontal Property, Regime No. 3,
2. Approving at the annual meeting the annual budget developed by the Board of Directors,
3. Paying their assessments in a timely manner,
4. Approving the management of the property or, an agreement, containing provisions relating to the duties, obligations, removal and compensation of an accountant and/ or management agent as recommended by the Board of Directors. Except as otherwise provided, decisions and resolutions of the Council shall require approval by the majority of owners.

Section 2: Place of Meeting

Meetings of the Council of Unit Owners shall be held at the principal office of the project or such other suitable place convenient to the Council as may be designated by the Board of Directors.

Section 3: Annual Meeting

The first annual meeting of the Council of Unit Owners was held on January 1, 1967. Thereafter the Council of Unit Owners annual meetings will be held in early March of each succeeding year at a date and time selected by the Board of Directors and for which notice is given as set forth in Section 11-109 of the Maryland Condominium Act, as amended from time to time. At such meetings there shall be elected by ballot of owners a Board of Directors in accordance with the requirements of Section 1 and 2 of Article IV of these Bylaws. The owners may also transact such other business of the Council as presented to the Board of Directors 30 days prior to the Annual meeting.

Section 4: Special Meetings

It shall be the duty of the President to call a special meeting of the Council of Unit Owners as directed by resolution of the Board of Directors or upon a petition signed by twenty-five (25%) of the Council of Unit Owners of record and having been presented to the Secretary. The notice of any special meeting shall

state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

Section 5: Notice of Meetings

It shall be the duty of the Secretary to ensure that the Management Agent mails a notice of each annual or special meeting, stating the purpose thereof, as well as the time and the place where it is to be held, to each unit owner of record, at least ten (10) days prior to any special meeting and thirty (30) days prior to the annual meeting. The mailing of a notice in the manner provided in this Section shall be considered notice served. Each unit owner shall furnish the Council of Unit Owners his/ her name and current mailing address.

Section 6: Adjourned Meetings

If any meetings of owners cannot be organized because a quorum has not been attained, the Board of Directors may adjourn the meeting and re-schedule it to take place within forty-eight (48) hours from the original meeting, or to a time agreed upon by the majority of unit owners present.

Section 7: Order of Business

The order of business at all meetings of the Council shall be as follows:

- a) Roll call
- b) Proof of notice of meeting or waiver of notice
- c) Reading of minutes of preceding meeting
- d) Reports of officers (At the Annual Meeting this includes approving the budget under Treasurer's Report)
- e) Reports of Committees
- f) Election of inspectors of election, if applicable
- g) Election of Directors, if applicable
- h) Unfinished business
- i) New business

Article IV: Board of Directors

Section 1: Number and Qualification

The affairs of the Council of Unit Owners shall be governed by a Board of Directors composed of seven (7) owners of record of units in the condominium. The election of Directors shall be held in accordance with the terms of Section 11 – 109 of the Maryland Condominium Act. Whenever practical, nominees will be selected from buildings where Directors have completed their terms of office so as to have one Director living and owning a unit in and representing the owners of each of the six (6) buildings of the Condominium.

Section 2: Election and Term of Office

Directors' terms of office shall be staggered with directors elected each year by the Council to serve three (3) year terms. Each Director shall serve until his or her successor shall have been elected and qualified, subject to provisions of Article IV.

Section 3: Vacancies

Vacancies in the Board of Directors caused by any reason other than removal of a director by a vote of the Council shall be filled by vote of the majority of the remaining Directors, even though they may constitute less than a quorum of said Board; and each person so elected shall be a Director until a successor is elected at the next annual meeting of the Council, to serve out the remaining term created by the vacancy.

Section 4: Removal of Directors

The Board of Directors may remove a Director at any time with or without cause by a majority vote. If the Board of Directors cannot agree on the removal of a Director, a special meeting of the Council of Unit Owners shall be called.

Section 5: Compensation

No compensation shall be paid to Directors for their services as Directors. No remuneration shall be paid to a Director for services performed by him for the Council of Unit Owners in any other capacity, unless a resolution authorizing such remuneration shall have been unanimously adopted by the Board of Directors before the services are undertaken.

Section 6: Organization Meeting

The first meeting of a newly elected Board of Directors shall be held within ten (10) days of election at such place in Anne Arundel County as shall be fixed by the Directors at the meeting at which such Directors were elected, and no notice shall be necessary to the newly elected Directors in order legally to constitute each meeting, providing a majority of the whole Board shall be present.

Section 7: Powers and Duties

The Board of Directors shall have the responsibility and duty necessary for the administration of affairs of the Council of Unit owners and are to conduct all business in the best interest of the Council of Unit Owners and its property.

In addition to duties imposed by these Bylaws or by resolutions of the Council of Unit Owners, the board of Directors shall be responsible for the following:

- a) Providing for the care, upkeep and surveillance of any project, the common elements and facilities
- b) Designating a credible and responsible management agent to control the personnel necessary for the maintenance and operation of any project relating to the common elements and facilities.

- c) Overseeing the collection of monthly assessments from the unit owners, the financial records of the Council of Unit Owners and ensuring that the management agent pays all bills in a timely manner.
- d) Promulgation and enforcement of such rules and regulations and such instructions on or requirements as may be deemed appropriate respecting the use, occupancy, maintenance, repair and replacement of units within the condominium and use of and the maintenance, repair and replacement of the general and limited common elements.

Section 8: Management Agent and/ or Accountant

The Board of Directors may employ for the Council of Unit Owners a Management agent and/ or accountant at a compensation established by the Board to perform such duties and services as the Board shall authorize, including but not limited to, the duties listed in Section 7 of this Article. The duties conferred upon the accountant and/ or management agent by the Board of Directors or by the majority of the owners at a duly constituting meeting.

Section 9: Regular meetings

Regular meetings of the Board of Directors may be held at such time and place in Anne Arundel County as shall be determined, from time to time, by a majority of the Directors, but at least four such meetings shall be held during the fiscal year. Notice of regular meetings of the Board of Directors shall be given to each Director, personally or by mail, telephone or telegraph, at least three (3) days prior to the scheduled meeting.

Section 10: Special Meetings

Special meetings of the Board of Directors may be called by the president with at least three (3) day notice to each Director, given personally or by mail, telephone or telegraph. The notice shall state the time, place (as hereinabove provided) and the purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of at least three (3) Directors.

Section 11: Waiver of Notice

Before or at any meeting of the Board of Directors, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board shall be a waiver of notice by him or her of that time and place thereof. If all the Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 12: Board of Directors' Quorum

At all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors.

Section 13: Fidelity Bonds

The Board of Directors shall require that all officers, agents, and employees of the Council of Unit Owners handling or responsible for, funds shall furnish fidelity bonds. The premiums on such bonds shall be paid by the council of Unit Owners. The amount of each bond shall be determined by the Board of Directors, but shall not, in any event be less than the amount of the current year's annual budget for common charges.

Article V: Officers

Section 1: Designation

The principal officers of the Council of Unit Owners shall be a President, Vice President, Secretary, and Treasurer, all of whom shall be elected by and from the Board of Directors. The Directors may appoint assistants and such other officer as in their judgment may be necessary.

Section 2: Election of Officers

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

Section 3: Removal of Officers

Upon an affirmative vote of a majority of the members of the Board of Directors, any officer may be removed, with just cause, and his or her successor elected at any regular meeting of the Board of Directors, or at any special meeting of the Board called for such purpose.

Section 4: President

The President shall be chief executive officer of the Council of Unit Owners. He or she shall preside at all meetings of the Council of Unit Owners, and of the Board of Directors. He or she shall have all the general powers and duties which are usually vested in the office of president of an association, including but not limited to the power to appoint committees from among owners from time to time as he or she may in his or her discretion decide it is appropriate to assist in the conduct of affairs of the Council of Unit Owners.

Section 5: Vice President

The Vice President shall take the place of the President and perform his or her 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 members of the Board to so do on an interim basis. The Vice President shall also perform such other duties as shall from time to time be assigned to him or her by the Board of Directors.

Section 6: Secretary

The Secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of the Council of Unit Owners; he or she shall have charge of such books and papers as the Board of Directors may direct, and he or she shall in general perform all the duties incident to the office of Secretary.

Section 7: Treasurer

The Treasurer shall have responsibility for the Council of Unit Owners funds and securities and shall be responsible for seeing that full and accurate accounts are kept of all receipts and disbursements in books belonging to the Council of Unit Owners. He or she shall be responsible for the deposit of all monies and other valuable effects in the name, and to the credit, of the Council of Unit Owners in such depositories as may from time to time be designated by the Board of Directors. The Board shall arrange for an external annual audit, by a certified public accountant, of the fiscal records of the Council of Unit Owners. Council of Unit Owners checks shall require two signatures: the President's and the Treasurer's unless the accountant. Management Agent has been employed in which case his or her signature may be substituted for the President's and Treasurer's.

Article VI: Obligation of the Owners

Section 1: Annual Assessments, Carrying Charges and Annual Budget

Each member shall pay to the Council of Unit Owners in advance on or before the first day of each month, an annual sum payable monthly (herein elsewhere sometimes referred to as "assessments" or "carrying charges" equal to one-twelfth (1/12) of the member's proportionate share of the sum required by the Council of Unit Owners as estimated by its Board of Directors, to meet the annual common expense, including, but in no way limited to the following:

- a) The cost of all services furnished, including charges by the Council of Unit Owners for facilities and maintenance of the general common elements.
- b) The estimated cost of necessary management, repairs, maintenance and the administration of the general common elements.
- c) The amount of all taxes and assessments levied against the Council of Unit Owners or upon any property which it may own or which it is otherwise required to pay, if any.
- d) The cost of extended liability insurance on the general common elements and the cost of such other insurance as the Council of Unit Owners may incur.
- e) The cost of funding the contribution to the "Paid-in-Surplus" account and all necessary replacements established by the Council of Unit Owners, including when appropriate, general operating allocation and/ or replacement disbursements, if required to be so kept by the Council of Unit Owners.

The Board of Director shall determine the amount of the assessment annually, but may do so at more frequent intervals should circumstances require. Upon resolution of both the Board of Directors and the majority of owners, installments of annual assessments may be levied and collected on a quarterly, semi-annual or annual basis rather than on the monthly basis hereinabove provided for. For administrative convenience, when and if the annual assessments are increased in accordance with the procedures set forth herein, the increases shall be rounded off to the next higher dollar amount.

The Board of Directors shall determine and fix the amount of the assessment annually, and shall submit a copy of the annual proposed budget to the Unit Owners at least thirty (30) days before its adoption at a meeting of the Council of Unit Owners scheduled for that purpose. Assessment shall be made against the Unit Owners in proportion to their percentage interest in the common expenses and common profits. The budget shall be adopted at an open meeting of the Council of Unit Owners.

The annual budget shall provide for at least the following items:

1. Income
2. Administration
3. Maintenance
4. Utilities
5. General expenses
6. Reserves
7. Capital items

The omission of the Board of Directors, before the expiration of any assessment period, to fix the assessments hereunder for that of the next period, shall be deemed a waiver or modification in any respect of the provisions of this Article, or release of any Unit Owners from the obligation to pay the assessment, or any installment thereof, for that or any subsequent assessment period, but the assessment is fixed until the procedure set forth above is complied with. No Unit Owner may exempt himself from liability for assessments or carrying charges by a waiver of the use or enjoyment of any of the common elements or by abandonment of any Condominium Unit belonging to him.

Section 2: Special Assessments

In addition to the regular assessments authorized by this Article the Council of Unit Owners may levy any assessment year a special assessment or assessments, applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement, of a described capital improvement located upon the general common elements, including the necessary fixtures and personal property related thereto, or for such purpose as the Board of Directors may consider appropriate provide that such assessment shall have the assent of the members representing a majority of the total of the Council of Unit Owners. A meeting of the members shall be duly called for this purpose, written notice of which shall be sent to all members at least ten (10) days but not more than thirty (30) days in advance of such meeting, which notice shall set forth the purpose of the meeting.

Section 3: Maintenance and Repair

- a) Every unit owner shall perform promptly all maintenance, repair and replacement work within his or her own unit and limited common elements including exterior maintenance and painting of the outside of the unit, fences, steps, railings, shutters, roofs, gutters and such other portions of the unit and the limited common elements. If the omission of such repair work would be detrimental to the condominium's common elements or to any other units, the unit owner shall be liable for damages incurred by reason of his or her failure to do or perform such work. If such

work is not commenced, and thereafter diligently pursued by the owner within ten (10) days after written notice, the Board of Directors may enter the unit or limited common elements and perform the work at the expense of the unit owner, which expense shall be added to, and collected with the owner's annual assessment.

- b) All the repairs of internal installations of the unit such as water, light, gas, power, sewage, telephone, air conditioners, sanitary installations, doors, windows, lamps and all other accessories within the unit shall be the owner's expense.
- c) Common element (or facilities) damaged through the fault of an owner or his family or guests shall be repaired or returned to its condition prior to the damage promptly or the owner shall reimburse the Council for any expenditures incurred in repairing the common element or returning it to its previous condition.
- d) No exterior changes shall be made and no fences or walls shall be erected, placed or altered within a unit or on the limited common elements without prior approval of the Architectural committee, in writing, through the management agent, if any. The Board shall have the obligation to approve or disapprove, in writing, within thirty (30) days of receipt of the complete architectural form. No alterations of or encroachments to the general common elements shall be made by the unit owner.

Section 4: Residential Use

All condominium units shall be used for private residential purposes exclusively except for such non-residential uses as may be permitted by the Board of Directors, the applicable zoning ordinance and recorded covenants and restrictions (such as licensed home day care where deemed appropriate).

Section 5: Leasing

No portion of a unit (other than the entire unit) may be rented, and no transient tenants may be accommodated therein. Any owner of any condominium unit who shall lease such unit shall, promptly following the execution of any such lease, forward a conformed copy thereof to the Board of Directors. Any such lease shall contain a provision to the effect that the rights of the tenant to use and occupy the condominium unit shall be subject to and subordinate in all respects to the provisions of the Declaration and these Bylaws and to such other reasonable rules and regulations relating to the use of the common elements or other "house rules", as the Board of Directors may from time to time promulgate. No unit may be leased or rented for less than thirty (30) days. A copy of the Declaration and these Bylaws and other "House Rules" shall be retained in the leased Condominium Unit. The provisions of this Section shall not apply to any institutional mortgagee of any Condominium Unit who comes into possession of the unit by reason of any remedies provided by law, in such mortgage, or as a result of a foreclosure or other judicial sale or as a result of any proceeding, arrangement, or deed in lieu of foreclosure.

Section 6: Prohibited Uses and Nuisances

Except as may be reasonable and necessary in connection with the repair or reconstruction of any portion of the condominium by the Association:

- a) No part of the property may be used for other than housing and the related common purposes for which the property was designed. Each unit shall be used for residential purposes and for no other purpose, except that a unit may be used as a profession office or licensed home day care facility, 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 Property, and provided further, that as a condition for such consent each Unit Owner agrees to pay and pays any increase in the rate of insurance for the Property which results from such Professional use or licensed home day care. Subject to any limitations established by the Board of Directors and Maryland Law, any owner may use his unit for licensed home day care or he or she may use a portion of his unit for an office or studio provided that activities therein shall not interfere with the quiet enjoyment or comfort of any other owner, and further provided that such used are previously approved by the Board of Directors, and not violate any applicable zoning ordinances or other provisions of law. Notwithstanding the above, in no event shall any part of the Property be used as a school or music studio. Any home daycare provider shall notify the Board of Directors in writing a minimum of sixty (60) days before opening a family day care home in a unit. The use of a unit for home family day care may, at any time, be permitted or prohibited (even if previously operating), by a simple majority of the total of eligible voters of the Condominiums at a special or annual meeting. The Board of Directors may regulate (including the regulation of the total number Units which may be used at one time for home family day care), and charge appropriate fees for providers of home day care in Units in accordance with the provisions of Maryland Law, as amended from time to time.
- b) No noxious or offensive trade or activity shall be carried on within any Condominium Unit nor shall anything be done therein or thereon which may be or become an annoyance to the neighborhood or the other owners. No nuisances shall be permitted within the Association, nor shall any use or practice be permitted which is or becomes a source of annoyance to the members or which interferes with the peaceful use and possession thereof by the members. By way of example and not limitation, examples of nuisances include loud music or noise; loud, frequent and late night parties; use of electrical equipment which interferes with normal television or radio reception.
- c) There shall be no obstruction of an common elements. Nothing shall be stored upon any common elements excepting those areas designated for storage of personal property by the owners of the Condominium Units, without the approval of the Board of Directors. Vehicular parking upon general common elements may be regulated by the Board of Directors. Parking spaces and bicycle storage upon the general common elements may be assigned by the Board of Directors for use by the owners of particular Condominium Units.
- d) Nothing shall be done or maintained in a Condominium Unit or upon any common elements which will increase the rate of insurance on any of the common elements, or result in the cancellation thereof, without the prior written approval of the Board of Directors. No waste shall be committed upon any common element.

- e) No modification, alteration, construction, addition or removal of any condominium unit or common elements shall be commenced or conducted except in strict accordance with the provisions of these Bylaws.
- f) Except for such use permitted by the Declaration or these Bylaws, no industry, business, trade occupation or profession of any kind, commercial, religious, educational, or otherwise designed for profit, altruism, exploration, or otherwise, shall be conducted, maintained, or permitted on any part of the Condominium Regime. 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. In the event 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;
 - iii. When required by law.
- g) There shall be no violation of any rules for the use of the common elements or other "house rules" which may from time to time be adopted by the Board of Directors and promulgated among the membership by them in writing, and the Board of Directors.
- h) No unlawful use shall be made of any condominium Unit or any portion of the common elements and all laws, zoning and other ordinances, regulations of governmental and other municipal bodies and the like shall be observed at all times.
- i) No recreational vehicles, boats, boat trailers, camping trailers, trucks or motor vehicles of any kind except passenger cars, passenger van-type vehicles, and other vehicles approved by a majority of the Board of Directors shall be parked or stored in or on any Condominium Units or common elements except in the area designated for such vehicles and/ or boats by the Board of Directors, if any. All approved vehicles must be properly registered, licensed and in operating condition. Nothing herein shall be construed to prevent the Unit owners from parking such vehicles at the Unit for the purposes of servicing, loading or unloading and except as may be permitted by regulations adopted by the Board of Directors. In the event parking spaces are assigned to Unit owners, visitor parking shall be restricted to those assigned spaces and violating vehicles may be towed away upon the direction of the Board of directors, provided the Board of Directors is assigned the enforcement authority over parking areas. Repairs or extraordinary maintenance of automobiles or other vehicles is prohibited.
- j) No motorized vehicles may be used or maintained on the yard or sidewalks of any unit and no unlicensed vehicles are allowed on the property.
- k) No antennas that are visible from the exterior of any unit may be erected or maintained. No satellite dishes may be installed. No transmitting, listening or receiving device may be installed or maintained which may or will interfere with the reception of telephone, television, radio or other similar devices within the Association.

- l) The limited common elements and all yards must be kept in an orderly condition so as not to detract from the neat appearance of the community. In this regard, no motorcycles, no mopeds or other motor driven vehicles may be parked on patios, balconies, front entrance ways or yards. The Board of Directors, in its sole discretion, may determine whether or not limited common elements are orderly. If an owner shall fail to keep his limited common elements orderly, the Board of Directors may have any objectionable items removed from the limited common elements so as to restore its orderly appearance, without liability therefore, and charge the Unit Owner for any costs and reasonable attorney's fees incurred in the process.
- m) 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 common elements, except that this shall not prohibit the keeping of a maximum of two (2) orderly house pets provided that they are not kept or maintained for commercial purposes or breeding. Pets shall not be upon the common elements except in those areas designated by the Board of Directors, if any. All pets shall be accompanied by an adult and are to be carried or leashed. Any member who keeps or maintains a pet upon any portion of the Property shall be deemed to have indemnified and agreed to hold the Association, and each of its members free and harmless from any loss, claim, or liability of any such pet within the property. The Board of Directors shall have the right to order any person whose pet is a nuisance, to remove such pet from the property.
- n) No structure of a temporary character, trailer, tent, shack, barn or other out-building shall be maintained upon any common element at any time. Permanent outdoor clothes dryers or clothes lines 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. Sheds, for storage only, may be permitted upon limited common elements only, but only after submission of complete plans to the Architectural Control Committee and upon its approval, and, provided, the sheds are constructed in the location and manner required by the Architectural Control Committee and maintained, repaired and replaced as required by the Association from time to time. Sheds shall not be converted to living space. Notwithstanding the above, the Board of Directors shall allow such improvements necessary to comply with the laws regarding disabled persons.

Section 7: Right of Entry

Every owner does hereby grant the right of entry to the management agent or to any other person authorized by the Board of Directors or the Association in case of any emergency originating in or threatening his or her unit, whether the owner is present at the time or not.

Section 8: Use of Common Elements

- a) Each Unit owner shall have the right to reasonably enjoy the limited common elements pertaining to his Unit, to the exclusion of all others, but subject to the provisions of the Master Deed, all restrictions of record, the reasonable rules and regulations adopted from time to time

as necessary by the Board of Directors in accordance with the Maryland Condominium Act and laws of Maryland.

- b) So subject, each unit owner shall have the right to reasonably enjoy the common general common elements of the regime in accordance with the ordinary and useful purposes for which they are intended and in common with all other unit owners. The Board of Directors may adopt rules and regulations further limiting the use and enjoyment of the general common elements in accordance with the procedures of Section 11-111 of the Maryland Condominium Act, as amended from time to time. The dispute settlement mechanism of Section 11-113 of the Maryland Condominium Act shall apply in enforcement actions of duly adopted rules and regulations.

Article VII: Amendments of Bylaws

The Council of Unit Owners, by vote of three-fourths (3/4) of the owners, may amend these Bylaws as prescribed and permitted by the laws of Maryland; provided, however, that no amendment shall be made of the number or percentage of votes of owners required where that number or percentage of votes of owners is established by law; provided further, that no amendment shall be made of the number or percentage of votes of owners required except by the affirmative vote of all of the owners and provided further, that this Article VII shall not be amended. Any amendment shall be effective upon its recordation among the Land records of Anne Arundel County.

Article VIII: Mortgages

Section 1: Notice to Association

An owner who mortgages his unit shall notify the Association through the management agent, if any, or the President of the Board of Directors in the event there is no management agent, the name and address of his mortgagee; and the Association shall maintain such information in a book entitled "Mortgages of Units." "Mortgages" as used herein and in Section 2 of this Article shall be construed to include any lender whose indebtedness is secured by a Deed of Trust or Mortgage recorded among the Land Records of Anne Arundel County, Maryland.

Article IX: Compliance

These Bylaws are set forth to comply with the requirements of the State of Maryland. In case any of the Bylaws conflict with the provisions of said statute, the provisions of the statute will apply.

Article X: Unpaid Assessments

Section 1: Non-payment of Assessments – Statement of Condominium Lien

Any assessment levied pursuant to the Declaration or these Bylaws, and any installment thereof, which is not paid on the date when due shall be delinquent and shall entitle the Council of Unit Owners through its Board of Directors to claim the amount of such assessment, together with interest thereon, late charges as set out in below, the actual costs of collection thereof, and reasonable attorney's fees as

a lien on the Condominium unit against which it is assessed; provided, however, that such lien shall be effective only after a Statement of Condominium Lien is recorded among the Land Records of Anne Arundel County, Maryland, after notice of the amount due and of the unit owner's right to a hearing, all pursuant to Subsection 11-110 (d) of the Condominium Act, and Subsection 14-201, et. Seg., of the Real Property Article of the Annotated Code of Maryland (Maryland Contract Lien Act), both as amended from time to time, and further provided that the Statement of Condominium Lien states that the description of the Condominium Unit, the name of Unit Owner of record, and the amount due. Any such Statement of Condominium Lien shall be in substantially the following form or as may otherwise be required by Title 14, Subtitle 2, Real Property Article of the Annotated Code of Maryland, as amended from time to time.

Statement of Condominium Lien

THIS IS TO CERTIFY that the property described as Unit No. _____, in Crofton Georgetown Houses, Horizontal Property Regime No. 3 is subject to a lien under Title 14, Subtitle 2 of the Real Property Article, Maryland Annotated Code, in the amount of \$ _____. The Property is owned by _____.

I HEREBY AFFIRM under the penalty of perjury that notice was given under Section 14-203 (a) of the Real Property Article, and that the information contained in the foregoing Statement of Condominium Lien is true and correct to the best of my knowledge, information and belief.

Name of the Party Claiming Lien

The Statement of Condominium Lien shall be signed and verified as required in Title 14, Subtitle 2, Real Property Article of the Annotated Code of Maryland, amended from time to time by any Officer of the Council of Unit Owners, or any duly authorized agent, attorney, or other person duly authorized by the Board of Directors of the Council of Unit Owners for such purpose.

Upon recordation of the Statement of Condominium Lien as aforesaid, the Lien shall bind the Condominium Unit described in the Statement of Condominium Lien in the hands of the Unit Owner, his or her heirs, successors, devisees, personal representatives and assigns. In a voluntary grant, the grantee shall be jointly and severally liable with the grantor for all unpaid assessments against the grantor for his share of the common expenses up to the time of the voluntary grant for which a Statement of Condominium Lien is recorded, without prejudice to the rights of the grantee to recover from the grantor the amounts paid by the grantee for such assessments. The personal obligation of the unit owners to pay the assessment shall, however, remain his personal obligation for the statutory period and a suit to recover a money judgment for non-payment of any assessment levied pursuant to the Declaration or these Bylaws, or any installment thereof, may be maintained without foreclosure or

waiving the lien established by the Statement of Condominium Lien to secure payment of such assessment. Upon full payment of the amount for which the lien is claimed, including payment of a fee for preparation and recording of the lien or order of satisfaction, the unit owner shall be entitled to a recordable satisfaction of the lien.

Any assessment levied pursuant to the Declaration or these Bylaws, or any installment thereof, which is not paid within fifteen (15) after it is due, shall be subject to a late fee of fifteen dollars (\$15.00), or one-tenth (1/10) of the total amount of any delinquent assessment or installment, whichever is greater, or for any other greater sum authorized by the Maryland Condominium Act as amended from time to time. If the monthly or other periodic installments of annual assessments are not paid when due, the Council of Unit Owners may demand payment of the remaining annual assessment coming due within that fiscal year provided it does so in compliance with Section 11-110 (e) (3) of the Maryland Condominium Act, as amended from time to time. All unpaid assessments shall bear interest at the rate not to exceed eighteen percent (18%) per annum or such higher rate as permitted by the Maryland Condominium Act, amended from time to time, and the corporation may bring an action for damages against the member personally obligated to pay the same, or foreclose the lien against the member in the manner now or hereafter provided for in the foreclosure of mortgages, deeds of trust, or other liens on real property in the State of Maryland, containing a power of sale or an assent to a decree, and subject to the same requirements, both substantive and procedural, or as may otherwise from time to time be provided by law, in either of which events interest, costs, commissions and reasonable attorney's fees shall be added to the amount of each assessment. Suit for any deficiency following foreclosure may be maintained in the same proceeding.

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

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

Section 2: Assessment Certificate

The Council of Unit Owners shall, upon demand at any time, furnish to any member liable for any assessment levied pursuant to these Bylaws (or any party legitimately interested in the same) a certificate in writing signed by an officer or agent of the Corporation, setting forth the status of said assessment, i.e., whether the same is paid or unpaid. Such certificate shall be conclusive evidence of the payment of any assessment therein stated to have been paid. A charge not to exceed thirty dollars (\$30.00) may be levied in advance by the Council of Unit Owners for each certificate so delivered except that no charge shall be levied against any institutional mortgagee of any Condominium Unit in the Condominium which requests such a certificate.

Section 3: Acceleration of Installments

Upon default in the payment of any one or more monthly installments of any assessments levied pursuant to the Master Deed and/ or these Bylaws, or any other installment thereof, the entire balance of said annual assessment may be accelerated at the option of the Board of Directors and may be declared due and payable in full, provided the Board of Directors complies with the procedures for acceleration set forth in the Maryland Condominium Act, as amended from time to time.

Section 4: Priority of Lien

The lien established by the Council of Unit Owners by a statement of Condominium Lien as hereinbefore provided, shall have preference over any other assessments, liens, judgments or charges of whatever nature, except the following:

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

The lien established by the recordation of a Statement of Condominium Lien, as in this Article provided, shall be subordinate to the lien of any deed of trust, mortgage duly recorded on the Condominium Unit and made in good faith and for value received, provided, however, that such subordination shall apply only to assessments and installments thereof which have become due and payable prior to taking title under a sale or transfer of the Condominium Unit pursuant to a foreclosure or any deed, assignment or other proceeding or arrangement in lieu of foreclosure, and any other purchaser who acquired title, shall take the Condominium free of any claim for unpaid common expense assessments and carrying charges levied against the Condominium Unit which accrued prior to the time such holder comes into possession of the Condominium Unit or prior to the foreclosure sale, except for claims for a proportionate share of such unpaid common expenses assessments and carrying charges resulting from a re-allocation of the Condominium Units in the Condominium. Such foreclosure shall not relieve the mortgagee in possession or the purchaser who acquires title from any liability for any common expense assessments and carrying charges thereafter becoming due or from the lien established by the recordation of a Statement of Condominium Lien with respect to any common expense assessments and carrying charges thereafter becoming due.

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

Section 5: Additional Rights of Mortgages – Notices

The Council of Unit Owners may promptly notify the holder of the first mortgage on any Condominium Unit for which any assessment levied pursuant to the Master Deed or these Bylaws, or any installment thereof becomes delinquent for a period in excess of thirty (30) days and the Condominium Unit with respect to which any provisions of the Master Deed or these Bylaws remains uncured for a period in excess of thirty (30) days following the date of such default. Any failure to give any such notice shall not affect the priorities established by this Article, the validity of any assessment levied pursuant to the Master Deed or these Bylaws or the validity of any lien to secure the same.

No suit or other proceeding may be brought to foreclose the lien for any assessment levied pursuant to the Master Deed or these Bylaws except after ten (10) days written notice by first class mail mailed to the holder of the first mortgage on the Condominium Unit which is the subject matter of such suit or proceeding. For the purpose of this Section 5, a notice shall be deemed mailed when it is postmarked and not when it is received.

Article XI: Resident Agent

The Resident Agent for the Horizontal Property Regime is Frank C. Serio, who resides in Anne Arundel County, Maryland, and whose post office address is 212 Duke of Gloucester Street, Annapolis, Maryland. The Board of Directors may change the name and/ address of the resident agent upon a majority vote of the Board of Directors taken from time to time.

Article XII: Public Liability and Workmen's Compensation and Directors and Officers (D&O) Insurance

Section 1: Public Liability Insurance

The Council of Unit Owners shall acquire, maintain and pay for an insurance policy providing public liability coverage, insuring the Board and each and every Owner against liability to the public or to the Owners or to their invitees, guests, or persons claiming under them, resulting from any occurrence in or about any unit or common elements, including any and all risks incident to the occupancy, maintenance and use of the entire project. Such policy or policies shall contain waivers of subrogation, requirement of notice of cancellation and non-diminution clauses by reason of other insurance carried by any Owner or Owners, in the same manner as is required for hazard insurance as herein provided. The liability under said insurance policy or policies shall be not less than \$500,000.00 for any one person insured, \$1,000,000.00 for any one occurrence and \$200,000.00 for property damage for any one occurrence. Such policy limits shall be reviewed at least annually by the board of Directors and increased at its discretion.

Section 2: Workmen's Compensation Insurance

The Council of Unit Owners shall acquire, maintain and pay for Workmen's Compensation Insurance to the extent necessary to comply with any applicable laws, including employer's liability for a minimum of \$100,000.00.

Section 3: Termination

Of more than two-thirds (2/3) of the units within the horizontal property regime shall be destroyed by disaster, the Unit Owners by an affirmative vote of eighty percent (80%) of them, may waive and terminate the regime, by deed of termination, and divide their respective interests as all of the Unit Owners shall agree, or filing a unanimous division agreement, as the laws of Maryland shall provide. Similarly, even absent such a disaster, all of the Unit Owners may effect such a termination.

Article XIV: Ratification

A person by his purchase of a unit in the Condominium shall thereby ratify all actions previously taken by the Council of Unit Owners.

Article XV: Hazard Insurance

The Board of Directors shall purchase and maintain in force a policy of fire insurance, with extended coverage endorsement, for not less than the full replacement value to building standards of the units and common elements, to the extent that they are insurable. The replacement value to the building standards shall include architects' and engineers' fees, and such value is to be determined from time to time by an independent appraisal made by a recognized appraisal firm a member of which shall be a member of the Appraisal Institute of the National Association of Real Estate Boards, such appraisal to be made not less frequently than every three (3) years. The original of each such appraisal shall be filed with the Insurance Trustee. The first such appraisal shall be made not later than Jan. 1, 1967. The insurer shall be any insurance company of good repute having a net worth of not less than ten (10) times the full replacement value to building standards, and licensed to do business in Maryland. The policy, or other policies covering damage to the project, shall insure all Unit Owners and their respective mortgage lien holders, as their interest may appear, and shall include a non-contributory mortgagee clause satisfactory to first mortgagees having an interest in the property. Such policy shall provide, unless waived by first mortgagees having a majority of the total first mortgage interest:

1. That such coverage shall not be diminished by reason of any other insurance maintained in force by any individual Unit owners.
2. For a waiver of the right of subrogation against individual Unit Owners, members of their households, the Council of Unit Owners, the Board of Directors, and employees of any of them.
3. For a written notice of cancellation to each individual unit owner, and his mortgagee, at least thirty (30) days prior to the effective date of cancellation.
4. That the insurer's liability under the policies shall not be diminished or avoided by reason of the conduct of any unit owner.
5. That the insurer shall pay over the proceeds of the policy in cash having no option to restore the property.
6. That each unit and its respective interest in the common elements has a stated amount, or a stated percentage, of the total coverage.
7. Certificates evidencing such policies and all the provisions thereof shall be furnished to the mortgagees of the unit.

In case of fire or other casualty resulting in damage to the units or common elements, the insurance proceeds shall be applied to repair, restore or reconstruct the damaged property, unless more than two-thirds (2/3) of the units shall have been destroyed.

If more than two-thirds (2/3) of the units are so destroyed, no reconstruction shall be made except upon the eighty percent (80%) of the Unit Owners. In such case, absent such eighty (80%), the insurance proceeds shall be paid to the Insurance Trustee who shall distribute same pro rata to the individual Council of Unit Owners and owners entitled thereto, after first paying out the respective shares of the unit owners, to the extent sufficient for the purpose, all mortgage liens on the unit of each unit owner

The Board of Directors shall obtain within ten (10) days after any casualty loss a written report by an independent appraisal firm a member of which shall be a member of the Appraisal Institute of the national Association of Real Estate Boards, which report states the extent of destruction of the buildings in fractional terms. Except that in any case where no more than twenty-eight (28) have been in any way directly physically affected by a particular casualty loss, the Board of Directors may make a determination that not more than two-thirds (2/3) of the building have been destroyed and the report of an independent appraisal firm will not be required. When the destruction is so reported to comprise more than two-thirds (2/3) of the buildings the Board of Directors shall call a special meeting of the Council of Unit Owners, to be held within fifteen (15) days of the occurrence of the casualty loss, for the purpose of determining whether or not reconstruction shall be undertaken.

When the destruction is so reported to comprise not more than two-thirds (2/3) of the buildings, or when the Council of Unit Owners by eighty percent (80%) vote have agreed to reconstruct, the Board of Directors, within ninety (90) days from the occurrence of the casualty loss, shall cause to be prepared the necessary plans and specifications and shall obtain firm bids from two or more responsible general contractors for the restoration and replacement of the damaged buildings.

If the cost of the repair or reconstruction exceeds the amount of insurance proceeds, the excess shall be assessed against, and collected from the owner of each condominium unit, each unit owner to pay his or her pro rata share.

The insurance required by this Article may be provided, in form, by more than one policy, provided that all other terms and conditions herein established are fulfilled.

The Board of Directors shall, by proper agreement with any bank, trust company, title insurance company or life insurance company having assets of not less than \$10,000,000.00, appoint that company as Insurance Trustee, setting out appropriate powers, duties and compensations of the Trustee in the trust agreement which will be in form and substance satisfactory to first mortgagees having a majority of the total first mortgage interest. Proceeds of insurance shall be paid to the Insurance Trustee for the benefit of the owners and lien holders, to be received, held, and disbursed in accordance with the trust agreement.

“Replacement value to the building standards,” as used in this Article XV shall mean the cost of repair or reconstruction in accordance with the original plans and specifications filed with the Insurance Trustee, without regard to depreciation.

The Board of Directors shall purchase such additional insurance as they deem appropriate, from time to time.

Crofton Georgetown Houses Horizontal Property Regime No. 3 Certification of Amendments to Bylaws

THE UNDERSIGNED, being all the directors of Georgetown Houses Horizontal Property Regime No. 3, an unincorporated condominium association, whose mailing address is C/O Comanco, Inc., P.O. Box 3637, Crofton, Maryland 21114, hereby certify, this ____ day of April, 1996, pursuant to Section 11-104 of the Real Property Article , Annotated Code of Maryland (1996 Replacement Volume), as follows:

WHEREAS, the Bylaws of Crofton Georgetown Houses Horizontal Property Regime No. 3, (the "Condominium"), dated November 1, 1966, recorded among the Land Records of Anne Arundel County in Book 2023, page 233, provide in relevant part in Article VII, that they may be amended by an affirmative vote of three-fourths (3/4) of the owners of units within the Condominium: and

WHEREAS, notice was duly given to all unit owners within the Condominium along with copies of the proposed amendments; and

WHEREAS, the following Amendments to the Bylaws attached to this Certification were adopted by the affirmative vote of 79.7596% of the 82.0072% of the percentage interests of the owners of units in the Condominium who were present at the annual meeting held on March 14, 1996, said number of votes being greater than the three-fourths (3/4) of the owners required for approval by Article VII of the current Bylaws; and

WHEREAS, the following Bylaws include the Bylaws prior to the amendments with the amendments included in order to include all of the current Bylaws of the Condominium included in one document.

SIGNED

Kathi Linville, President

Christ Gaeng, Vice President

Mary McCormick, Secretary

Francis Silverstris, Treasurer

Bob Stone, Director

Kathy Rosekrans, Director

Salvatore Vella, Director