

## THE TOWERS CONDOMINIUM

## BY-LAWS

INDEX

	<u>Page</u>
<u>Article I</u> Name	1
<u>Article II</u> Definitions	1
<u>Article III</u> Ownership	1
<u>Article IV</u> Meetings	2
Section 1 Place	2
Section 2 Annual	2
Section 3 Special	2
Section 4 Notice	2
Section 5 Quorum	3
Section 6 Adjournment	3
Section 7 Voting	3
Section 8 Proxies	3
Section 9 Mortgagees	3
Section 10 Order of Business	4
Section 11 Rules	4
Section 12 Inspectors of Election	4
<u>Article V</u> Directors	4
Section 1 Number	4
Section 2 Initial	4
Section 3 Powers and Duties	5
Section 4 Management Agent	5
Section 5 Elections	6
Section 6 Vacancies	6
Section 7 Removal	6
Section 8 Compensation	6
Section 9 Organization	6
Section 10 Regular Meetings	6
Section 11 Special Meetings	7
Section 12 Waiver of Notice	7
Section 13 Quorum	7
Section 14 Action	7
Section 15 Bonds	7
<u>Article VI</u> Officers	7
Section 1 Designation	7
Section 2 Election	7
Section 3 Removal	7
Section 4 President	8
Section 5 Vice-President	8
Section 6 Secretary	8
Section 7 Treasurer	8
Section 8 Compensation	8
<u>Article VII</u> Liability and Indemnification	8
Section 1 Officers and Directors	8
Section 2 Common or Interested	9
<u>Article VIII</u> Management	9
Section 1 Expenses	9
Section 2 Duty To Maintain	10
Section 3 Easements for Utilities	11
Section 4 Attorney-In-Fact	11
Section 5 Agent	11
Section 6 Windows and Doors	11
Section 7 Access to Unit	11
Section 8 Liability	11

## THE TOWERS CONDOMINIUM

## BY-LAWS

INDEX CONTINUED

	<u>Page</u>
<u>Article IX Fees and Assessments</u>	12
Section 1 Annual Fees	12
Section 2 Budget	13
Section 3 Special	13
Section 4 Reserves	13
Section 5 Non-Payment	15
Section 6 Certificates	15
Section 7 Enforcement	15
Section 8 Mortgagee	16
Section 9 Declaration In Trust	16
Section 10 Definition	16
Section 11 Foreclosure	16
<u>Article X Use Restrictions</u>	16
Section 1 Residential	16
Section 2 Leases	16
Section 3 Prohibited	17
Section 4 Committee	18
<u>Article XI Architectural Control</u>	19
Section 1 Committee	19
Section 2 Changes In Common Elements	21
<u>Article XII Insurance</u>	21
Section 1 Types	21
Section 2 Limitations	22
Section 3 Owners	23
Section 4 Endorsements	24
<u>Article XIII Casualty Damages</u>	24
Section 1 Use of Proceeds	24
Section 2 Insufficient Proceeds	24
Section 3 Restoration	24
Section 4 Trustee	24
<u>Article XIV Eminent Domain</u>	26
Section 1 Proceeds	26
<u>Article XV Fiscal Management</u>	26
Section 1 Fiscal Year	26
Section 2 Books	26
Section 3 Audit	27
Section 4 Inspections	27
Section 5 Execution Of Documents	27
<u>Article XVI Amendments</u>	28
<u>Article XVII Notice</u>	28
<u>Article XVIII Mortgagees Rights</u>	28
<u>Article XIX Miscellaneous</u>	29
Section 1 Compliance	29
Section 2 Conflict	29
Section 3 Resident Agent	29
Section 4 Notices	29
Section 5 Availability	29
Section 6 Severability	29
Section 7 Waiver	30
Section 8 Captions	30
Section 9 Gender	30

BY-LAWS FOR COUNCIL OF UNIT OWNERS  
THE TOWERS CONDOMINIUM, INC.

ARTICLE I

NAME AND LOCATION

SECTION 1. The name of the council of unit owners is THE TOWERS CONDOMINIUM, INC. Its principal office is located at Suite 301, 3 Greenwood Place, Baltimore, MD 21208.

ARTICLE II

DEFINITIONS

4324  
SECTION 1. "DECLARATION" as used herein means that certain Declaration made this 5th day of December, 1986, by BENHURST PARK JOINT VENTURE, A MARYLAND GENERAL PARTNERSHIP, pursuant to Section 11-101 thru 11-143 inclusive, of the Real Property Article of the Annotated Code of Maryland, 1974 Edition, as amended, by which the property therein described, is submitted to a Condominium Regime and which Declaration is recorded among the Land Records of Baltimore City, immediately prior hereto and to which these By-Laws are appended.

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

SECTION 3. OTHER DEFINITIONS. Unless it is plainly evident from the context that a different meaning is intended all other terms used herein shall have the same meaning as they are defined to have in the Declaration or in Section 11-101 of the Real Property Article, of the Annotated Code of Maryland, 1974 Edition, as amended.

ARTICLE III

OWNERSHIP

SECTION 1. MEMBERSHIP. Every person, group of persons, corporation, trust or other legal entity, or any combination thereof, which owns a condominium unit within the condominium as the same is constituted from time to time shall be a member of the Council of Unit Owners, hereinafter called the "Council", provided, however, that any person, group of persons, corporation, trust or other legal entity, or any combination thereof, which hold such interest solely as security for the performance of an obligation shall not be an owner. No lessee of a unit shall be considered an owner unless the lease so provides.

SECTION 2. BY-LAWS APPLICABILITY. The provisions of these By-Laws are applicable to the condominium. The term "Condominium" as used herein shall include the land, as well as the improvements thereon. In construing these By-Laws, and the government of the condominium pursuant thereto, the provisions of the Corporations and Associations Article of the Annotated Code of Maryland, 1975 Edition, as amended, pertaining to the government of non-stock business corporations, shall be considered as governing to the extent not inconsistent with the provisions of the Real Property Article, Section 11-101, et seq., of the Annotated Code of Maryland, the Declaration and these By-Laws, and condominium being considered the corporation and the owners being considered the members. Council shall be incorporated as a Maryland non-stock corporation to provide for administration of the condominium.

ARTICLE IV

MEETING OF COUNCIL OF UNIT OWNERS

SECTION 1. PLACE OF MEETINGS. Meetings of the Council shall be held at the principal office, or place of business of the condominium or at such other suitable place convenient to the Council as may be designated by the Board of Directors.

SECTION 2. ANNUAL MEETINGS. The Organizational and First Meeting of the Council of the Condominium shall be held within 60 days after fifty percent (50%) of the units in the Condominium Regime as then constituted have been sold and title to the same has been conveyed, or on the 5th day of December, 1987, whichever shall first occur. Thereafter, annual meetings of the Council of the condominium shall be held during each fiscal year of the Council on such date as shall be designated by the Board of Directors. At such meeting there shall be elected by ballot of the Unit Owners, a Board of Directors in accordance with the requirements of Section 5 of Article V of these By-Laws. The Council may also transact such other business of the Condominium as may properly come before them.

SECTION 3. SPECIAL MEETINGS. It shall be the duty of the President to call a special meeting of the Council as directed by resolution of the Board of Directors or upon a petition signed by Unit Owners representing at least thirty-three percent (33%) of the total votes of the Condominium Regime, as then constituted, 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 4. NOTICE OF MEETINGS. It shall be the duty of the Secretary to mail a notice of each annual or special 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 as it appears on the Ownership Book of the Condominium, or if no such address appears, at his last known place of address, at least fifteen (15) but not more than thirty (30) days prior to such meeting. Service may also be accomplished by the delivery of any such notice to the Unit Owner at his condominium unit or last known address. Notice by either such method shall be considered as notice served. Attendance by a Unit Owner at any meeting of the Council shall be a waiver of notice by him of the time, place, and purpose thereof.

SECTION 5. QUORUM. The presence, either in person or by proxy, of owners representing at least thirty-three percent (33%) of the total votes of the Condominium Regime, as then constituted, shall be requisite for and constitute a quorum for the transaction of business at all meetings of the Council. If the number of votes at a meeting drops below the quorum and the question of a lack of a quorum is raised, no business may thereafter be transacted.

SECTION 6. ADJOURNED MEETINGS. If any meeting of unit owners cannot be organized because a quorum has not attended, the unit owners who are present, either in person or by proxy, may, except as otherwise provided by law or in accordance with Title 5 of the Corporations and Associations Article of the Annotated Code of Maryland, adjourn the meeting to a time not less than fifteen (15) days from the time the original meeting was called and additional notice given.

SECTION 7. VOTING. At every meeting of the Council, each Unit shall have the right to cast one vote. The votes established in Article IX, Section 1 of the Declaration shall be applicable to voting rights. If there is a quorum present of the Unit Owners either in person or by proxy, then a majority of vote of said Unit Owners shall decide any question brought before such meeting, unless the question is one upon which, by express provision of the statute, the Declaration or these By-Laws, a different vote is required, in which case such express provision shall govern and control. No Unit Owner shall be eligible to vote or to be elected to the Board of Directors or to an office in the Condominium if the Council of Unit Owners has recorded a statement of condominium lien on his Unit and the amount necessary to release the lien has not been paid at the time of the meeting.

SECTION 8. PROXIES. A Unit Owner may appoint any other person as his proxy. Any proxy must be in writing and must be filed with the Secretary before the appointed time of each meeting. The proxy is effective only for a maximum period of 180 days following its issuance, unless granted to a lessee or mortgagee. It may be revoked sooner by a written notice of revocation filed with the Secretary or by the death of the Unit Owner. Proxies must designate candidates for office or member of the Board in order to be voted. Blank proxies may be used for any other purpose.

SECTION 9. RIGHTS OF MORTGAGEES AND FEDERAL HOUSING COMMISSIONER. Any institutional mortgagee of any condominium unit in the condominium who desires notice of the annual and special meetings of the unit owners shall notify the secretary to that effect by Certified Mail - Return Receipt Requested. Any such notice shall contain the name and post office address of such institutional mortgagee and the name of the person to whom notice of the annual and special meetings of the unit owners should be addressed. The Secretary of the Council of Unit Owners shall maintain a roster of all institutional mortgagees from whom such notices are received and it shall be the duty of the Secretary to mail or otherwise cause the delivery of a notice of each annual or special meeting of the unit owners to each such institutional mortgagee, in the same manner, and subject to the same requirements and limitations as are provided in this Article for notice to the members. Any such institutional mortgagee shall be entitled to designate a representative to attend any annual or special meeting of the unit owners and such representative may participate in the discussion at any such meeting of the unit owners and may, upon his request made to the Chairman in advance of the meeting, address the unit owners present at any such meeting. Such representative shall have no

voting rights at any such meeting. Such representative shall be entitled to copies of the minutes of all the meetings of the unit owners upon request made in writing to the Secretary.

SECTION 10. ORDER OF BUSINESS. The order of business at all annual meetings of the unit owners of the Council of Unit Owners shall be as follows:

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

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

SECTION 11. RULES OF ORDER AND PROCEDURE. The rules of order and all other matters of procedure at all annual and special meetings of the unit owners shall be determined by the Chairman of such meeting.

SECTION 12. INSPECTORS OF ELECTION. The Board of Directors may, in advance of any annual or special meeting of the unit owners, appoint an uneven number of one or more inspectors of election to act at the meeting and at any adjournment thereof. In the event inspectors are not so appointed, the Chairman of any annual or special meeting of unit owners shall appoint such inspectors of election. No officer or director of the Council of Unit Owners, and no candidate for Director of the Council of Unit Owners, shall act as an inspector of election at any meeting of the unit owners if one of the purposes of such meeting is to elect Directors.

#### ARTICLE V

##### DIRECTORS

SECTION 1. NUMBER AND QUALIFICATION. The affairs of the Condominium shall be governed by the Board of Directors composed of an uneven number of at least three (3) natural persons and not more than seven (7) natural persons, all of whom, after the Organizational and First Meeting of the Council shall be Unit Owners. An officer of a corporate Unit Owner, partner of a partnership, Unit Owner, or principal in any other entity that owns a Unit is entitled to serve as a member of the Board.

SECTION 2. INITIAL DIRECTORS. The initial Directors shall be selected by the Declarant and need not be Unit Owners. The names of the Directors who shall act as such from the date upon which the Declaration is recorded among the Land Records of Baltimore City until the Organizational and First Meeting of the Council or until such time as their successors are duly chosen and qualified are as follows:

SOL M. BANK  
L. LEONA BANK  
JEFFREY G. BANK

SECTION 3. POWERS AND DUTIES. The Board of Directors shall have all the powers and duties necessary for the administration of the affairs of the Condominium and may do all such acts and things as are not by law or by these By-Laws directed to be exercised and done by the Council. The powers and duties of the Board of Directors shall include but not be limited to the following:

(a) To provide for the care, upkeep and surveillance of the Condominium Regime, as it is constituted from time to time and its general and limited common elements and services in a manner consistent with law and the provisions of the By-Laws and the Declaration.

(b) To establish and provide for the collection of assessments from the Unit Owners and for the assessment and/or enforcement of liens therefore in a manner consistent with law and the provisions of these By-Laws and the Declaration.

(c) Designation, hiring and/or dismissal of the personnel necessary for the good working order of the Condominium Regime and for the proper care of the general and limited common elements and to provide services for the project in a manner consistent with law and the provisions of these By-Laws and the Declaration.

(d) To promulgate and enforce such rules and regulations, and such restrictions on, or requirements, as may be deemed proper respecting the use, occupancy and maintenance of the project, and the use of the general and limited common elements, as they are designated, to prevent unreasonable interference with the use and occupancy of the Condominium and of the general and limited common elements by the Unit Owners, all of which shall be consistent with laws and the provisions of these By-Laws and the Declaration.

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

(f) To lease, grant licenses, easements, rights-of-way and other rights of use on all or any part of the common elements of the Condominium, however these powers and duties are subject to Section 11-125 of the Condominium Act.

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

SECTION 4. MANAGEMENT AGENT. The Board of Directors shall employ for the Council of Unit Owners a management agent or manager (the "Management Agent") at a rate of compensation established by the Board of Directors to perform such duties and services as the Board of Directors shall from time to time authorize in writing. Any management agreement entered into by the Association shall provide, inter alia, that such agreement may be terminated for cause by either party upon thirty (30) days written notice thereof. The term of any such management agreement shall not exceed one (1) year; provided, however, that the term of any such management agreement may be renewable by mutual agreement of the parties for successive one-year periods. Any management agreement entered into by the Declarant or his representatives binding the Council is void unless the Council shall

have the right to terminate said Contract without penalty at any time after transfer of control upon giving not more than ninety (90) days notice to the other party thereto.

a. The Board of Directors shall also have the right on behalf of Council of Unit Owners to enter into a contract with a Swimming Pool Management and/or Service Company for the purposes of servicing and managing the swimming pool, clubhouse and any other recreational facilities.

SECTION 5. ELECTIONS AND TERMS OF OFFICE. The term of the Directors named herein shall expire when their successors have been elected at the Organizational and First Annual Meeting of the Council and are duly qualified. At the first annual meeting of the Council the members shall elect one Director for the term of one year, one Director for the term of two years, and one Director for the term of three years, each to serve until his successor has been chosen and qualified; and at each annual meeting thereafter the members shall elect one Director for the term of three years.

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

SECTION 7. REMOVAL OF DIRECTOR. At a regular or special meeting duly called, any Director may be removed with cause by the affirmative vote of the majority of the entire Council and a successor may then and there be elected to fill the vacancy thus created. Any Director whose removal has been proposed by the Council shall be given an opportunity to be heard at the meeting. The term of any Director who has an unreleased Statement of Lien recorded against him shall be automatically terminated and the remaining Directors shall appoint his successor as provided in Section 6 of this Article.

SECTION 8. COMPENSATION. No remuneration shall be paid to any Director for services performed by him for the Condominium unless a resolution authorizing such remuneration shall have been adopted by the Board of Directors before the services are undertaken, according to Section 2-419 Corporation and Association Article of the Annotated Code of Maryland.

SECTION 9. ORGANIZATIONAL MEETING. The first meeting of a newly elected Board of Directors shall be held within ten (10) days of election at such place 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 such meeting, provided a majority of the whole Board of Directors shall be present.

SECTION 10. REGULAR MEETINGS. Regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time by a majority of the Directors, but at least two (2) such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each Director and Owner, personally or by mail, telephone or telegraph, at least three (3) days prior to the day named for such meeting. Regular meetings of the Board will be open meetings.

SECTION 11. SPECIAL MEETINGS. Special meetings of the Board of Directors may be called by the President on three (3) days notice to each Director given personally or by mail, telephone or telegraph, which notice shall state the time, place (as herein above provided) and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of at least three Directors.

SECTION 12. 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 of Directors shall be a waiver of notice by him of the time, place and purpose thereof. If all the Directors are present at any meeting of the Board of Directors, no notice shall be required and any business may be transacted at such meeting.

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

SECTION 14. ACTION WITHOUT MEETING. Any action by the Board of Directors required or permitted to be taken at any meeting may be taken without a meeting if all of the members of the Board of Directors shall individually or collectively consent in writing to such action. Such written consent or consents shall be filed with the minutes of the proceedings of the Board of Directors. No action can be taken without a meeting when it concerns the adoption of the budget.

SECTION 15. FIDELITY BONDS. The Board of Directors shall require that all officers, directors and employees of the condominium handling or responsible for Council or trust funds shall furnish adequate fidelity bonds in accordance with Article XII of these By-Laws. The premiums on such bonds shall be paid by the Condominium.

#### ARTICLE VI

##### OFFICERS

SECTION 1. DESIGNATION. The principal officers of the Council, shall be a President, a Vice-President, a Secretary, and a Treasurer, all of whom shall be elected by the Board of Directors. The officers, except for officers elected by the initial directors, other than the President of the Council need not be Unit Owners. The Directors may appoint an assistant secretary and an assistant treasurer and such other officers as in their judgment may be necessary. The offices of secretary and treasurer may be filled by the same person.

SECTION 2. ELECTION OF OFFICERS. The officers of the Council shall be elected annually by the Board of Directors at the organizational meeting of each new Board and shall hold office at the pleasure of the Board of Directors.

SECTION 3. REMOVAL OF OFFICERS. Upon an affirmative vote of a majority of the members of the Board of Directors, any officer may be removed, either with cause, and his successor elected at any regular

meeting of the Board of Directors, or at any special meeting of the Board of Directors called for such purpose.

SECTION 4. PRESIDENT. The President shall be the chief executive officer of the Council and a member of the Board of Directors. He shall preside at all meetings of the Council and the Board of Directors. He shall have all of the general powers and duties which are usually vested in the office of President of a corporation including but not limited to the power to appoint committees from among the unit owners from time to time as he may, in his discretion, decide is appropriate to assist in the conduct of the affairs of the Council.

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

SECTION 6. SECRETARY. The secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of the Council of Unit Owners, he shall have charge of the "Ownership", "Mortgages" and such other books and papers as the Board of Directors may direct; and he shall, in general, perform all the duties incidental to the office of Secretary including counting the votes at meetings of the Council.

SECTION 7. TREASURER. The Treasurer shall have the responsibility for Council funds and securities, and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Council. He shall be responsible for the deposit of all monies and other valuable effects in the name, and to the credit of the Council in such depositories as may from time to time be designated by the Board of Directors.

SECTION 8. COMPENSATION. The officers of the Council will serve without compensation. They may however, be reimbursed for "out-of-pocket" expenses in connection with official duties upon approval of the Board of Directors.

ARTICLE VII

LIABILITY AND INDEMNIFICATION OF OFFICERS AND DIRECTORS

SECTION 1. LIABILITY AND INDEMNIFICATION OF OFFICERS AND DIRECTORS. The Council of Unit Owners may indemnify every officer and director of the Council against any and all expenses, including counsel fees, reasonably incurred by or imposed upon any officer or director in connection with any action, suit or other proceeding, including the settlement of any such suit or proceeding if approved by the then Board of Directors of the Council to which he may be made a party by reason of being or having been, an officer or director of the Council, whether or not such person is an officer or director at the time such expenses are incurred according to Section 2-418 Corporation and Association Article of the Annotated Code of Maryland. The officers and directors of the Council shall be liable to the Unit Owners for any negligence, including their own individual willful misconduct or bad faith, but shall not be liable for mistakes of judgments or otherwise if made in good faith. The officers and directors of the Council shall have no personal liability with respect to any contract or other commitment made

by them, in good faith, on behalf of the Council, except to the extent that such officers or directors may also be Unit Owners, and the Council shall indemnify and forever hold each such officer and director free and harmless against any and all liability to others on account of any such contract or commitment. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any officer or director of the Council, or former officer or director of the Council may be entitled.

SECTION 2. COMMON OR INTERESTED DIRECTORS. The Directors shall exercise their powers and duties in good faith and with a view to the interest of the Council. For so long as the Declarant elects one or more directors to the Board: no contract or other transaction between the Council and one or more of its Directors or between the Council and any corporation, firm or association, including the Declarant, in which one or more of the Directors of this Council are directors or officers, or are pecuniarily or otherwise interested, is 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 any of the conditions specified in any of the following subparagraphs exists:

(1) The fact of the common directorate interest is disclosed or known to the Board of Directors, or a majority thereof, or noted in the Minutes, and the Board authorizes, approves or ratifies such contract or transaction in good faith by a vote of disinterested directors.

(2) The fact of the common directorate interest is disclosed or known to the Unit Owners, or a majority thereof, and they approve or ratify the contract or transaction in good faith by a vote sufficient for the purpose according to Section 2-419 of the Corporation and Association Article of the Annotated Code of Maryland.

(3) The contract or transaction is commercially reasonable to the Council at the time it is authorized, ratified, approved or executed. Common or interested Directors may be counted in determining the presence of a quorum of any meeting of the Board of Directors, or committee thereof, which authorizes, approves or ratifies any contract or transaction, but may not vote thereat to authorize any contract or transaction with like force and effect as if he were not such director or officer of such other corporation or not so interested.

#### ARTICLE VIII

##### MANAGEMENT

SECTION 1. MANAGEMENT AND COMMON EXPENSES. The Council acting through its Board of Directors shall manage, operate and maintain the Condominium Regime and, for the benefit of the units and the Unit Owners thereof, shall enforce the provisions hereof and may pay out of the common expense fund, herein elsewhere provided for, the following, which itemization shall not act as a limitation on the Council:

(a) The cost of providing water, sewer, and other necessary utility services for the common elements and, to the extent that the same are not separately metered or billed to each unit, for the units.

(b) The cost of fire and extended liability insurance on the common elements and the cost of such other insurance as the Council may effect.

(c) The cost of providing such legal and accounting services as may be considered necessary to the operation of the Condominium Regime.

(d) The cost of painting, maintaining, replacing, repairing, and landscaping the general and limited common elements including but not limited to the swimming pool, clubhouse, and other recreational facilities, and such furnishings and equipment for the general and limited common elements as the Board of Directors shall determine are necessary and proper, and the Board of Directors shall have the exclusive right and duty to acquire the same; provided, however, that nothing herein contained shall require the Council to paint, repair, or otherwise maintain the interior of any unit or any fixtures or equipment located therein.

(e) The cost of any and all other materials, supplies, labor, services, maintenance, repairs, taxes, assessments or the like which the Council is required to secure to pay for by law, or otherwise, or which in the discretion of the Board of Directors shall be necessary or proper for the operation of the general and limited common elements; provided, however, that if any of the aforementioned are provided or paid for the benefit of a particular unit or units, the cost thereof shall be specially assessed to the Unit Owner or Owners thereof in the manner provided in subsection (f) of Section 1 of this Article.

(f) The cost of the maintenance or repair of any unit in the event such maintenance or repair is reasonably necessary in the discretion of the Board of Directors to protect the general and limited common elements or to preserve the appearance or value of the Condominium or is otherwise in the interest of the general welfare of all Unit Owners; provided, however that no such maintenance or repair shall be undertaken without a resolution by the Board of Directors and without reasonable written notice to the Unit Owner of the unit proposed to be maintained; and, provided, further, that the cost thereof shall be assessed against the unit on which such maintenance or repair is performed and, when so assessed, a statement for the amount thereof shall be rendered promptly to the then Unit Owner of said unit at which time the assessment shall become due and payable and a continuing lien and obligation of said Unit Owner in all respects as provided in Article IX of these By-Laws.

(g) Any amount necessary to discharge any lien or encumbrance levied against the Condominium, or any portion thereof, which may in the opinion of the Board of Directors, constitute a lien against any of the general or limited common elements rather than the interest of the Unit Owner of any individual condominium unit.

SECTION 2. DUTY TO MAINTAIN. Except for maintenance requirements herein imposed upon the Council, if any, the Unit Owner of any unit shall at his own expense, maintain his unit and any and all equipment, appliances or fixtures therein situate and its other appurtenances in good order, condition and repair, and in a clean and sanitary condition, and shall do all redecorating, painting, and the like which may at any time be necessary to maintain the good appearance of his unit and such appurtenances. The owner of any condominium unit shall also, at his own expense, keep any limited common elements which may be appurtenant to such condominium unit and reserved for his exclusive use in a clean, orderly, and sanitary condition.

SECTION 3. EASEMENTS FOR UTILITIES AND RELATED PURPOSES. The Council through its Board of Directors, 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, gas lines, storm drains, underground conduits and/or such other purposes related, to the provision of public utilities to the Condominium Regime, or other similar Condominium Regime, as may be considered necessary and appropriate by the Board of Directors for the orderly maintenance, preservation, and enjoyment of the general and limited common elements or for the preservation of the health, safety, convenience and/or welfare of the Unit Owners, the Developer, or the Unit Owners of units in the subsequent sections of the Condominium Regime known as THE TOWERS CONDOMINIUM, INC. Any grant of a license, easement or right of way in excess of one year must first be approved by the affirmative vote of Unit Owners having 66 2/3% or more of the votes and with the express written consent of the mortgagees holding an interest in those Units as to which Unit Owners vote affirmatively.

SECTION 4. COUNCIL OF UNIT OWNERS AS ATTORNEY-IN-FACT. The Council of Unit Owners is hereby irrevocably appointed as attorney-in-fact for the owners of all of the condominium units in the condominium, and for each of them, to manage, control and deal with the interests of such unit owners in the common elements of the condominium so as to permit the Council of Unit Owners to fulfill all of its powers, functions, and duties under the provisions of the Condominium Act, the Declaration and the By-Laws, and to exercise all of its rights thereunder and to deal with the condominium upon its destruction and the proceeds of any insurance indemnity, as herein elsewhere provided. 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 condominium unit shall constitute an irrevocable appointment of the Council of Unit Owners as attorney-in-fact as aforesaid.

SECTION 5. MANAGEMENT AGENT. The Council of Unit Owners may by contract in writing delegate any of its ministerial duties, powers or functions to the Management Agent. The Council of Unit Owners and the Board of Directors shall not be liable for any omission or improper exercise by the Management Agent of any such duty, power or function so delegated.

SECTION 6. WINDOWS AND DOORS. The owner of any condominium unit shall, at his own expense, clean and maintain the interior surfaces of all windows of such condominium unit and shall, at his own expense, clean and maintain the interior surface of all entry doors of the unit.

SECTION 7. ACCESS AT REASONABLE TIMES. The Council of Unit Owners shall have an irrevocable right and an easement to enter condominiums for the purpose of making repairs to the common elements when the repairs reasonably appear necessary for public safety or to prevent damage to other portions of the condominium. Except in cases involving manifest damage to public safety or property, the Council of Unit Owners shall make a reasonable effort to give notice to the owner of any condominium unit to be entered for the purpose of such repairs. No entry by the Council of Unit Owners for the purpose specified in this Section may be considered a trespass.

SECTION 8. LIMITATION OF LIABILITY. The Council shall not be liable for any failure of water supply or other services to be obtained by the Council or paid for out of the Common Expenses, or for injury or damage to persons or property caused by the elements or by the Unit Owner of any unit, or any other person.

or resulting from electricity, water, snow, or ice which may leak or flow from any portion of the general or limited common elements or from any pipe, drain, conduit, appliances or equipment. The Council shall not be liable to the Unit Owner of any unit for loss or damage, by theft or otherwise, of articles which may be stored upon any of the general or limited common elements. No diminution or abatement of Common Expense Assessments, as herein elsewhere provided, shall be claimed or allowed for inconvenience or discomfort arising from the making or repairs or improvements to the general or limited common elements or from any action taken by the Council to comply with any law, ordinance, or with the order or directive of any municipal or other governmental authority.

ARTICLE IX

CONDOMINIUM FEES/ASSESSMENTS

SECTION 1. ANNUAL CONDOMINIUM FEES/ASSESSMENTS.

(a) Each Unit Owner shall pay to the Council, monthly a sum equal to one-twelfth (1/12th) of the Unit Owner's proportionate share of the sum required by the Council pursuant to the Percentage Interests in Common Expenses and Common Profits as set forth in Exhibit "B" of the Declaration, (hereinafter called "Assessments"), to meet its annual expenses, including but in no way limited to the following:

- (1) The cost of all operating expenses of the Condominium Regime as the same may be constituted from time to time, and services furnished, including charges by the Council for facilities and services furnished by it.
- (2) The amount of all taxes and assessments levied against the Council or upon any property which it may own or which it is otherwise required to pay, if any.
- (3) The cost of liability insurance on the property and the cost of such other insurance as the Council may effect.
- (4) The cost of furnishing water, and any other utilities or services to the extent furnished by the Council.
- (5) The cost of funding all reserves established by the Council, including, when appropriate, a general operating reserve and/or reserve for replacements.
- (6) The estimate cost of repairs, maintenance and replacements of the Condominium Regime including general and limited common elements, swimming pool, clubhouse, and other recreational facilities to be made by the Council.
- (7) The cost of necessary management and administration, including fees paid to any Management Agent, and swimming pool management and/or service company.
- (8) The cost of all operating expenses, repairs, maintenance and replacement for roads, curbs, and walkways, recreational facilities, janitorial services, legal and audit services.

(b) The Board of Directors shall determine the amount of the assessments annually, but may do so at more frequent intervals should circumstances require. Upon resolution of both

the Board of Directors and the unit owners representing at least fifty-one percent (51%) of the total votes of the unit owners, installments of annual assessments may be levied and collected on a quarterly, semi-annual or annual basis rather than on the monthly basis herein above provided.

(c) The Board of Directors of the Council shall make reasonable efforts to fix the amount of the assessment against each Unit Owner for each assessment period at least thirty (30) days in advance of such date or period, and shall, at that time, prepare a roster of the Council and assessments applicable thereto which shall be kept in the office of the Council and shall be open to inspection by any Unit Owner upon reasonable notice to the Board. Written notice of the assessment shall thereupon be sent to each Unit Owner. The omission of the Board of Directors, before the expiration of any assessment period, to fix the assessments hereunder for that or the next period, shall not be deemed a waiver or modification in any respect of the provisions of this Article, or a release of any Unit Owner from the obligation to pay the assessment, or any installment thereof, for that or any subsequent assessment period, but the assessment fixed for the preceding period shall continue until a new assessment is fixed. No Unit Owner may exempt himself from liability for assessments by a waiver of the use or enjoyment of any of the common elements, or by abandonment of any unit belonging to him.

SECTION 2. BUDGET. The Board of Directors, with the assistance and counsel of the Management Agent, if any, shall prepare and adopt a budget for each annual assessment period which shall include estimates of the funds required by the Council of Unit Owners to meet its annual expenses for that period which shall include but not be limited to the costs of administration, maintenance, utilities, general expenses, reserves, capital expenses, insurance, and taxes. Copies of the budget thus prepared shall be available for examination by the unit owners and their duly authorized agents and attorneys, including institutional holders of any first mortgage during normal business hours. The proposed budget will be given to each unit owner of record at least thirty days prior to its adoption.

SECTION 3. SPECIAL ASSESSMENTS. In addition to the regular assessment authorized by this Article, the Council may levy in any assessment year a special assessment or assessments, applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of a described capital improvement located upon the Regime, as then constituted, including the necessary fixtures and personal property related thereto, or for such other purpose as the Board of Directors may consider appropriate, provided that any such assessment shall have the assent of the owners representing two-thirds (2/3) of the total votes of the Condominium. A meeting of the Unit Owners shall be duly called for this purpose, written notice of which shall be sent to all owners at least fifteen (15) days, but not more than forty-five (45) days, in advance of such meeting, which notice shall set forth the purpose of the meeting.

SECTION 4. RESERVE FOR REPLACEMENTS AND GENERAL OPERATING RESERVES.

(a) The Council of Unit Owners shall establish and maintain a reserve fund for replacement by the allocation and payment monthly to such reserve fund of an amount to be designated from time to time by the Federal Housing Commissioner, or if no such amount is designated by the Federal Housing

Commissioner, by the Board of Directors. The reserve for replacements may be expended only for the purpose of effecting the replacement of the common elements and equipment of the condominium, for start-up costs and operating contingencies of a non-recurring nature and for such other purposes as may be agreed to in writing by the Federal Housing Commissioner. Disbursements from the reserve for replacements may be made only after receiving the consent in writing of the Federal Housing Commissioner.

(b) The Council of Unit Owners shall establish and maintain a general operating reserve by the allocation and payment monthly to such general operating reserve fund of an amount equivalent to not less than three percent (3%) of the monthly assessments chargeable to the unit owners in the condominium pursuant to the provisions of these By-Laws. Upon the accrual in said general operating reserve account of an amount equal to fifteen percent (15%) of the current annual amount of assessments chargeable to the unit owner in the condominium pursuant to the provisions of these By-Laws, the rate of such monthly allocations may, by appropriate resolution of the Board of Directors, be reduced to two percent (2%); provided, however, that in the event withdrawals from such general operating reserve account reduces the account below such fifteen percent (15%) accrual, then the rate of such monthly deposits shall immediately be restored to three percent (3%). Thereafter, upon accrual in the general operating reserve account of an amount equal to twenty-five percent (25%) of the current annual amount of assessments chargeable to the unit owners in the condominium pursuant to the provisions of these By-Laws such monthly deposits may, by appropriate resolution of the Board of Directors, be discontinued and no further deposits need be made into such general operating reserve account so long as said twenty-five percent (25%) level is maintained; provided, however, that in the event withdrawals from such general operating reserve account reduce the account below said twenty-five percent (25%) accrual, then at the rate of such monthly deposit shall immediately be restored to three percent (3%) until the twenty-five percent level is restored. The general operating reserve is intended to provide a measure of financial stability for the condominium and may be used to meet deficiencies from time to time for other contingencies. Disbursements totaling in excess of twenty percent (20%) of the total balance in the general operating reserve as of the close of the preceeding annual period may not be made during any annual period without the consent in writing of the Federal Housing Commissioner.

(c) Allocations to all reserve funds shall be conclusively deemed to be common expenses. Such reserve funds shall be deposited in a special account with a lending institution the accounts of which are insured by an agency of the United States of America, or may, in the discretion of the Board of Directors, be invested in obligations of, or fully guaranteed as to principal by, the United States of America.

(d) The proportionate interest of any unit owner in any reserve accounts established by the Council of Unit Owners shall be considered an appurtenance of his condominium unit and shall not be separately withdrawn, assigned or transferred or otherwise separated from the condominium unit to which it appertains and shall be deemed to be transferred with such condominium unit.

SECTION 5. NON-PAYMENT OF ASSESSMENT.

(a) A Unit Owner shall be liable for all assessments, or installments thereof, coming due while he is the owner of a unit. 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 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.

(b) All assessments, until paid, together with interest on them, actual costs of collection, attorneys fees and late charges constitute a lien on the units on which they are assessed, if within two years after the date the assessment becomes due, written notice is given the owner against whose unit the lien is intended to be imposed which notice shall be given by certified or registered mail, return receipt requested, and shall be addressed to said Unit Owner at the Unit Owner's last known address. If all the requirements of Title 14-203 of the Real Property Article of the Annotated Code of Maryland, as amended, have been complied with, the lien may be recorded upon the expiration of thirty days after an Order of Court has been obtained to impose a lien or one hundred twenty days after notice was mailed to the Unit Owner, whichever shall occur earlier. The lien shall be effective against a unit from and after the time a Statement of Lien is recorded among the Land Records of Baltimore City. The Statement of Lien shall be in the form as set forth in Title 14-203 (J) of the Real Property Article of the Annotated Code of Maryland, as amended.

(c) Any assessment, or installment thereof, not paid when due shall bear interest, from the date when due until paid, at the rate not exceeding the maximum permissible legal rate per annum, which shall be at the option of the Council of Unit Owners.

(d) The Council shall notify the holder of the first mortgage on any unit for which any assessment levied pursuant to these By-Laws becomes delinquent for a period in excess of thirty (30) days, and in any other case, where the Unit Owner is in default with respect to the performance of any other obligation hereunder for a period in excess of thirty (30) days.

SECTION 6. ASSESSMENT CERTIFICATES. The Council shall, upon demand, at any time furnish to any Unit Owner liable for any assessment levied pursuant to the By-Laws (or any other party legitimately interested in the same), a certificate in writing signed by an officer of the Council or its agent, 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 for each certificate so delivered.

SECTION 7. ENFORCEMENT. The lien may be enforced and foreclosed by the Council of Unit Owners, or any other person specified in the By-Laws, in the same manner, and subject to the same requirements, as the foreclosure of mortgages or deeds of trusts on real property in the state containing a power of sale, or an assent to a decree. Suit for any deficiency following foreclosure may be maintained in the same proceeding and suit to recover a money judgment for unpaid assessments may be maintained without waiving the lien securing the same. No action may be brought to foreclose the lien unless brought within three years following the recordation of the Statement of Condominium

Lien. No action may be brought to foreclose the lien except after ten days written notice to Unit Owner given by Registered Mail, Return Receipt Requested, to the address of the Unit Owner shown on the books of the Council of Unit Owners.

SECTION 8. SUBORDINATION AND MORTGAGEE PROTECTION.

(a) Notwithstanding any other provisions hereof to the contrary, the lien of any assessment levied pursuant to these By-Laws upon any unit in the Regime shall be subordinate to, and shall in no way affect the rights of the holder of any indebtedness secured by any recorded first mortgage, meaning a Mortgage with priority over other mortgages, upon such interest, made in good faith and for value received, provided, however, that such subordination shall apply only to assessments which have become due and payable prior to a sale or transfer of such unit pursuant to a decree of foreclosure, or any other proceeding in lieu of foreclosure. Such sale or transfer shall not relieve the purchaser at such sale of the unit from liability for any assessment thereafter becoming due, nor from the lien of any such subsequent assessment, which lien, if claimed, shall have the same effect, and be enforced in the same manner as provided herein.

(b) 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 9. NO DECLARATION IN TRUST. Nothing herein shall be construed as a Declaration in Trust for the enforcement of the lien above provided for.

SECTION 10. DEFINITION. As used herein the term "Mortgage" shall include deed of trust and the term "Holder" or "Mortgagee" shall include the party secured by any deed of trust or any beneficiary thereof.

SECTION 11. FORECLOSURE OF ASSESSMENT LIEN. Foreclosure of the assessment shall not take place until after the mortgagee of that unit is notified pursuant to Section 5 of this Article and the said mortgagee is given fifteen (15) days to obtain compliance by the unit owner with the assessment requirements hereinbefore stated.

ARTICLE X

USE RESTRICTIONS

SECTION 1. RESIDENTIAL USE. All units shall be used for residential purposes exclusively.

Nothing in these By-Laws shall be construed to prohibit the Declarant from either using units which Declarant owns or leases from others for promotional or display purposes as "Model Homes" or leasing any unit or units which Declarant owns. Leasing of any unit for transient or hotel purposes is specifically prohibited except for the holder of a first mortgage and possession following a default, foreclosure proceeding or any deed or any other arrangement proceeding in lieu of foreclosure.

SECTION 2. LEASING. 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. All leases shall be in writing. Any such lease shall contain a provision to the effect that the rights of the tenant to use and occupy the condominium unit shall be subject and subordinate to the provisions of the Declaration and these By-Laws and to such other reasonable rules and regulations relating to the use of the common elements, or other "house rules", as the Board of Directors may from time to time promulgate and shall provide, further, that any failure by the tenant to comply with the provisions of such documents shall be a default under the lease. The initial term of any lease shall not be for less than one (1) month and no more than one lease may be written in any given year.

SECTION 3. PROHIBITED USES AND NUISANCES.

(a) No noxious or offensive trade or activity shall be carried on within the Regime nor shall anything be done thereon which may be or become an annoyance to the neighborhood or the other Unit Owners.

(b) There shall be no obstruction of any general or limited common elements, except as herein provided. Nothing shall be stored upon any general common elements, except as herein provided, without the approval of the Board of Directors.

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

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

(e) The maintenance, keeping, 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 one dog, one cat, and/or caged birds as domestic pets; provided that they are not kept, bred or maintained for commercial purposes; and provided further that the keeping of such dog, cat, and/or caged birds will constitute such type of noxious or offensive activity as covered in subsection (a) of this Section. All dogs must be kept inside their respective Unit Owners' unit and may be walked on the common elements, only on a leash; each unit owner is responsible for disposing of any waste left by said dogs. It is expressly agreed and understood that the above right to harbor one pet applies only to the pet owned at the time of the settlement of any unit and such pet cannot, under any condition, be replaced upon its loss or demise. Each unit owner is required to register such pet with the Condominium regime at the time of settlement.

(f) Except for such signs as may be posted by the Declarant for promotional purposes, no signs of any character shall be erected, posted, or displayed upon, in or from or about any unit or the general or limited common elements except with the consent of the Board of Directors.

(g) Except as herein elsewhere provided; no junk vehicle or other vehicle, on which current registration plates

are not displayed, trailer, truck, camper, camp truck, house trailer, boat or the like shall be kept upon any general or limited common elements, nor shall the repair or extraordinary maintenance of automobiles or other vehicles, be carried out thereon.

(h) No part of the general or limited common elements shall be used for commercial activities of any character, except with the consent of the Board of Directors. This subsection shall not apply to the use of units by the Declarant for display, promotional or sales purposes.

(i) No burning of any trash, and no unreasonable or unsightly accumulation or storage of litter, new or used building materials, or trash or any other kind shall be permitted within any unit or upon any general or limited common elements. Trash and garbage containers shall not be permitted to remain in public view, except within the rear exclusive use easements hereinafter provided for. This subsection shall not apply to the Declarant during the period of construction of the units and common elements. Trash collection subject to approval by Baltimore City, Maryland.

(j) No structure of a temporary character, trailer, tent, shack, barn or other outbuilding shall be maintained upon any of the general or limited common elements at any time. Outdoor clothes dryers or clothes lines shall not be maintained upon any of the general or limited common elements at any time. This subsection shall not apply to the Developer during the period of construction of the units and common elements.

(k) No outside television or radio aerial, antenna, or dish, or other aerial or antenna, for reception or transmission, shall be maintained upon any unit or upon any general or limited common elements, except with the consent of the Board of Directors.

(l) No cooking or preparation of food shall be permitted upon any portion of the general common elements of the project, except with the consent of the Board of Directors.

(m) 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.

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

(o) There shall be no violation of any rules for the use of the general or limited common elements which may from time to time be adopted by the Board of Directors and promulgated among the Unit Owners by said Board in writing; and the Board of Directors is hereby, and elsewhere in these By-Laws, authorized to adopt such rules.

**SECTION 4. AD HOC COMMITTEE.** The Board of Directors may designate an Ad Hoc Committee to investigate and hear complaints of violation of the foregoing Use Regulations.

ARTICLE XI

ARCHITECTURAL CONTROL

SECTION 1. ARCHITECTURAL CONTROL COMMITTEE.

(a) Except for the original construction of the units situate within the property by the Declarant and any improvements to any unit or to the general or limited common elements accomplished concurrently with said original construction, and except for purposes of proper maintenance and repair, or as otherwise in these By-Laws provided, it shall be prohibited to install, erect, attach, apply, paste, hinge, screw, nail, build, alter, remove or construct any lighting, shades, screens, awnings, patio covers, decorations, fences, aerials, antennas, radio or television broadcasting or receiving devices, slabs, sidewalks, curbs, gutters, patios, decks, platforms, porches, driveways, fences, walls or to make any change or otherwise alter, including any alteration in color, in any manner whatsoever, to the exterior of any unit or upon any of the general or limited common elements within the property until the complete plans and specifications, showing the location, nature, shape, height, material, color, type of construction and/or any other proposed form of 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 harmony of external design, color, and location in relation to surrounding structures and topography, by the Board of Directors of the Council, or by an "Architectural Committee" designated by it.

(b) The Architectural and Environmental Control Committee shall be composed of any uneven number of three (3) or more natural persons designated from time to time by the Board of Directors of the Council of Unit Owners 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 and Environmental Control Committee, then the Board of Directors shall constitute the Committee. The affirmative vote of a majority of the members of the Architectural and Environmental Control Committee shall be required in order to adopt or promulgate any rule or regulation, or to make any finding, determination, ruling or order, or to issue any permit, consent, authorization, approval or the like pursuant to the authority contained in the Article.

(c) Upon approval of the Architectural and Environmental Control Committee of any plans and specifications submitted pursuant to the provisions of this Article, a copy of such plans and specifications, as approved, shall be deposited among the permanent records of such Committee and a copy of such plans and specifications bearing such approval, in writing, shall be returned to the applicant submitting the same.

(d) In the event the Board of Directors, or its designated Committee, fails to approve, or disapprove, such design and location within sixty (60) days after said plans and specifications have been submitted to it, or in any event, if no suit to enjoin the addition, alteration or change has been commenced prior to the completion thereof, approval will not be required, and this Article will be deemed to have been fully complied with.

(e) Any Unit Owner aggrieved by a decision of the Committee may appeal the same to the Board of Directors by giving notice in writing to the Committee and the Board of

Directors within ten (10) days of the rendering of such decision. The Board of Directors shall, within thirty (30) days after receipt of such notice of appeal, convene a meeting and consider all evidence presented to the Committee and may affirm, reverse or remand the decision of the Committee.

(f) Construction or alterations in accordance with plans and specifications approved by the Architectural and Environmental Control Committee pursuant to the provisions of this Article shall be commenced within six (6) months following the date upon which the same are approved by the Architectural and Environmental Control Committee (whether by affirmative action or by forbearance from action, as in Section 1 (c) of this Article provided), and shall be substantially completed within twelve (12) months following the date of commencement or within such longer period as the Architectural and Environmental Control Committee shall specify in its approval. In the event construction is not commenced within the period aforesaid, the approval of the plans and specifications by the Architectural and Environmental Control Committee shall be conclusively deemed to have lapsed and compliance with the provisions of this Article shall again be required. There shall be no deviations from plans and specifications approved by the Architectural and Environmental Control Committee. Approval of any particular plans and specifications or design shall not be construed as a waiver of the right of the Architectural and Environmental Control Committee to disapprove such plans and specifications, or any elements or features thereof, in the event such plans and specifications are subsequently submitted for use in any other instance.

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

(h) The Architectural and Environmental Control Committee may from time to time adopt and promulgate such rules and regulations regarding the form and content of plans and specifications to be submitted for approval and may publish such statements of policy, standards, guidelines and establish such criteria relative to architectural styles of 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 By-Laws. The Architectural and Environmental 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 decisions of the Architectural and Environmental Control Committee shall be final except that any Unit Owner who is aggrieved by any action or forbearance from action by the Architectural and Environmental Control Committee may appeal the decision to the Board of Directors of the Council of Unit Owners and, upon the request of such unit owners, shall be entitled to a hearing before the Board of Directors.

SECTION 2. ADDITIONS, ALTERATIONS OR IMPROVEMENTS BY BOARD OF DIRECTORS. Except in cases of bona fide emergencies involving manifest danger to life, safety or property, or the interruption of essential services to the Condominium, whenever in the judgment of the Board of Directors the common elements of the condominium shall require additions, alterations or improvements requiring the expenditure of funds of the Council of Unit Owners in excess of Fifty Thousand Dollars (\$50,000.00), such additions, alterations or improvements shall not be made until the same shall have been approved by unit owners representing a majority of the total votes of the Council of Unit Owners at a meeting of the unit owners duly called for such purpose.

ARTICLE XII

INSURANCE

SECTION 1. INSURANCE. The Board of Directors shall obtain and maintain, to the extent reasonably available, at least the following, except with respect to Paragraph (a) of this Section 1 which shall be mandatory, to the extent reasonably available:

(a) That required by Section 11-114 of the Condominium Act including public liability insurance with a "Severability of Interest" endorsement in such amounts and in such forms as may be considered appropriate by the Board of Directors (But not less than One Million Dollars [\$1,000,000.00]) covering all claims for bodily injuries and/or property damage arising out of a single occurrence including, but not limited to, water damage, legal liability, liability for property of others, and any and all other liability incident to the ownership and/or use of the Condominium Regime or any portion thereof. Notice is hereby given that such public liability insurance has been arranged by the Declarant effective as of the date of recordation hereof; and

(b) Workmen's compensation insurance to the extent necessary to comply with any applicable law; and

(c) Adequate fidelity coverage to protect against dishonest acts on the part of officers, directors, trustees and employees of the Condominium and all others who handle, or are responsible for handling funds of the Condominium. Such fidelity bonds shall meet the following requirements:

1. All such fidelity bonds shall name the Condominium as an obligee; and

2. Such fidelity bonds shall be written in an amount equal to at least 150% of the Condominium Fund, including reserves, unless a greater amount is required by any Mortgagee; and

3. Such fidelity bonds shall contain waivers of any defense based upon the exclusion of persons who serve without compensation from any definition of "employee" or similar expression; and

4. Such bonds shall provide that they may not be cancelled or substantially modified (including cancellation for nonpayment of premium) without at least 30 days prior written notice to all Mortgagees of units in the Condominium.

(d) Casualty or physical damage insurance in an amount equal to the full replacement value (i.e., 100% of "replacement

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

(i) Loss or damage by fire and other hazard covered by the standard extended coverage endorsement; and

(ii) Such other risks as shall customarily be covered with respect to project similar in construction, location and use, including, but not limited to sprinkler leakage, debris removal, cost demolition, vandalism, malicious mischief, windstorm, water damage, boiler and machinery explosion or damage, and such other insurance as the Board of Directors may from time to time determine; and

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

(f) Such other policies of insurance, including insurance for other risks of a similar or dissimilar nature and fidelity coverage as required by Section 15 of Article V of these By-Laws, as are or shall hereafter be considered appropriate by the Board of Directors. The Board of Directors shall maintain adequate fidelity coverage to protect against dishonest acts on the part of officers and Directors of the Council of Unit Owners, trustees for the Council of Unit Owners and such employees and agents of the Council of Unit Owners who handle or are responsible for the handling of funds of the Council of Unit Owners. Such fidelity coverage shall meet the following requirements:

(i) All such fidelity bonds and policies of insurance shall name the Council of Unit Owners as obligee or named insured, as the circumstances may require; and

(ii) All such fidelity bonds and policies of insurance shall be written in an amount equal to at least one hundred fifty percent (150%) of the estimated annual operating budget of the condominium, including reserves; and

(iii) All such fidelity bonds and policies of insurance shall contain waivers of any defense based upon the exclusion of persons who serve without compensation from any definition of "employee" or similar expression; and

(iv) All such fidelity bonds and insurance shall provide that they may not be cancelled or substantially modified (including cancellation for non-payment of premium) without at least thirty (30) days prior written notice to any and all obligees and insureds named thereon and to any mortgagee of any condominium unit who requests such notice in writing.

**SECTION 2. LIMITATIONS.** Any insurance obtained pursuant to the requirements of this Article shall be subject to Section 11-114 (c) of the Condominium Act and the following provisions:

(a) All policies shall be written or reinsured with a company or companies licensed to do business in the State of Maryland and holding a policy holder's rating of A or better and a financial rating of X or larger in the current edition of BEST'S INSURANCE GUIDE.

(b) Exclusive authority to negotiate losses under said policies shall be vested in the Board of Directors, as a Trustee for the Unit Owners, or its authorized representative, including any Trustee with which the Council may enter into any Insurance Trust Agreement, or any successor Trustee, each of which shall be herein elsewhere referred to as the "Insurance Trustee".

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

(d) Such policies shall contain no provision relieving the insurer from liability because of loss occurring while the hazard is increased in the building, whether or not within the control or knowledge of the Board of Directors and shall contain no provision relieving the insurer from liability by reason of any breach of warranty or condition caused by the Board of Directors or any Unit Owner, and/or their respective agents, employees, tenants, mortgagees or invitees or by reason of any act of neglect or negligence on the part of any of them.

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

(f) All policies of casualty insurance shall provide that, notwithstanding any provision thereof which gives the carrier the right to elect, to restore damage in lieu of making a cash settlement, such option shall not be exercisable or when in conflict with the provisions of any Insurance Trust Agreement to which the Council may be a party, these By-Laws or the provisions of the Condominium Act.

(g) All policies shall contain a waiver of subrogation by the insurer as to any and all claims against the Council, the Board of Directors, the Unit Owners and/or their respective agents, employees or tenants, and of any defenses based upon co-insurance or invalidity arising from the non-malicious act of the insured.

SECTION 3. INDIVIDUAL POLICIES - RECOMMENDATION OF DECLARANT - NOTICE TO BOARD OF DIRECTORS. The owner of any condominium unit (including the holder of any mortgage thereon) may obtain additional insurance (including a "Condominium Unit Owner Endorsement" or its equivalent, for improvements and betterments to the condominium unit made or acquired at the expense of the owner) at his own expense. Such insurance shall be written by the same carrier as that purchased by the Board of Directors pursuant to this Article or shall provide that it shall be without contribution as against the same. Such insurance shall contain the same waiver of subrogation provision as that set forth in Section 2 (g) of this Article. The Declarant recommends that each owner of a condominium unit in the condominium obtain, in addition to the insurance hereinabove provided to be obtained by the Board of Directors, a plate glass damage policy and a "Tenant's

Homeowners Policy" or its equivalent, to insure against loss or damage to personal property used or incidental to the occupancy of the condominium unit, additional living expense, vandalism or malicious mischief, theft, personal liability and the like. Such later policy should include a "Condominium Unit-Owner's Endorsement", or its equivalent, covering losses to improvements and betterments to the condominium unit made or acquired at the expense of the unit owner. The owner of any condominium unit shall notify the Board of Directors in writing of any and all improvements and betterments made to the condominium unit at the expense of such unit owner, the value of which is in excess of One Thousand Dollars (\$1,000.00).

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

#### ARTICLE XIII

##### CASUALTY DAMAGES - RECONSTRUCTION OR REPAIR AND CONDEMNATION

SECTION 1. USE OF INSURANCE PROCEEDS. In the event of damage or destruction by fire or other casualty the same shall be promptly repaired or reconstructed in substantial conformity with the original plans and specifications with the proceeds of insurance available for that purpose, if any, or an option exercised according to Section 11-114 of the Condominium Act.

SECTION 2. PROCEEDS INSUFFICIENT. In the event that the proceeds of insurance are not sufficient to repair damage or destruction by fire or other casualty, or in the event such damage or destruction is caused by any casualty not herein required to be insured against, then the repair or reconstruction of the damage to the Common Elements may be accomplished promptly by the Council as a Common Expense pursuant and subject to such controls as mortgagees, as defined in Section 4 of this Article may require, and the repair or reconstruction of any unit shall be accomplished promptly by the Council at the expense of the Unit Owner of the affected unit. The ratable share of the expense of such repairs or reconstruction may be assessed, and the lien for the same shall have all the priorities provided for in Article IX of these By-Laws. In the event that the proceeds of casualty insurance are paid to any Insurance Trustee pursuant to the requirements of Section 4 of this Article, then all funds collected from the unit owners of the condominium units pursuant to this Section 2 shall likewise be paid over to such Insurance Trustee and shall be disbursed by such Insurance Trustee in accordance with the provisions of Section 4 of this Article.

SECTION 3. RESTORATION NOT REQUIRED. Repair or reconstruction is not required if the provisions of Sections 11-114 (g) and 123 of the Maryland Condominium Act are complied with.

SECTION 4. INSURANCE TRUSTEE. In the event the cost of reconstruction or repair (as estimated by the Board of Directors) shall exceed an amount equal to five percent (5%) of the full replacement value of the condominium, as estimated by the Board of Directors and the insurer pursuant to the requirements of Section 1 (a) of Article XII of these By-Laws for the period

during which such loss was sustained, and the institutional holder or holders of any mortgages or other obligations secured by any condominium unit or units in the aggregate principal sum of more than \$500,000.00 (hereinafter in this Section 4 called the "mortgagee") shall so require, all proceeds of insurance shall be paid over to a trust company or bank (the "Insurance Trustee") having trust powers and authorized to engage in trust business in the jurisdiction wherein the condominium is located, and having a construction loan department, through which such trust fund shall be administered, 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 satisfactory in form and substance to the mortgagee and which shall contain, 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 Council of Unit Owners, and hereinafter in this Section 4 called the "architect".

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

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

(d) Each request for an advance of the proceeds of insurance shall, if required by the mortgagee, be accompanied by satisfactory waivers of liens covering that portion of the repair or reconstruction for which payment or reimbursement is being requested, together with appropriate evidence from a title insurance company or the like to the effect that there has not been filed with respect to the condominium any mechanic's or other lien, or notice or intention to file the same, which has not been dismissed 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 Council of Unit Owners as a common expense, and such fees and expenses may be deducted from any insurance proceeds in the hands of the Insurance Trustee, pro rata as the reconstruction or repair progresses.

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

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

ARTICLE XIV

EMINENT DOMAIN

SECTION 1. EMINENT DOMAIN. The proceeds of any award or claim for damages, direct or consequential, in connection with any taking through eminent domain or other taking of a unit in the Condominium or portion thereof, or the common elements or any portion thereof or for any conveyance in lieu of condemnation are assigned and shall be paid to an institutional holder of a first mortgage lien on such units affected thereby. With respect to the proceeds of any award or claim for damages in connection with a condemnation or taking of the common elements or any portion thereof, such proceeds are assigned and shall be paid to the institutional holder of first mortgages affected thereby in accordance with the undivided percentage interest pertinent to such unit.

ARTICLE XV

FISCAL MANAGEMENT

SECTION 1. FISCAL YEAR. The fiscal year of the Council shall begin on the first day of January each year, except that the first fiscal year of the Council shall begin at the date of the recording of the Declaration, By-Laws and Condominium Plat. The commencement date of the fiscal year herein established shall be subject to change by the Board of Directors should practice subsequently dictate.

SECTION 2. BOOKS AND ACCOUNTS. Books and accounts of the Council shall be kept under the direction of the Treasurer in accordance with good accounting practices. The same shall include books with detailed accounts, in chronological order, of the receipts and expenditures affecting the Condominium Regime and its administration and shall specify the maintenance and repair expenses of the general and limited common elements and services and any other expenses incurred. That amount of any assessment required for payment on any capital expenditures of the Council shall be credited upon the books of the Council to the "Paid-in-Surplus" account as a capital contribution by the Unit Owners. The receipts and expenditures of the Council of Unit Owners shall be credited and charged to other accounts under at least the following classifications:

- (a) "Current Operations" which shall involve the control of actual expenses of the Council of Unit Owners, including reasonable allowances for necessary contingencies and working capital funds in relation to the assessments and expenses herein elsewhere provided for; and
- (b) "Reserves for Deferred Maintenance" which shall involve the control of monthly funding and maintenance of such deferred maintenance costs and reserves as are approved by the Board of Directors from time to time; and
- (c) "Reserves for Replacement" which shall involve the control of such reserves for replacement as are provided for in these By-Laws and as may from time to time be approved by the Board of Directors; and
- (d) "Other Reserves" which shall involve the control over funding and charges against any other reserve funds which may from time to time be approved by the Board of Directors; and
- (e) "Investments" which shall involve the control over the investment of reserve funds and such other funds as may be deemed suitable for investment on a temporary basis by the Board of Directors; and
- (f) "Betterments" which shall involve the control over funds to be used for the purpose of defraying the cost of any construction or reconstruction, unanticipated repair or replacement of a described capital improvement and for expenditures for additional capital improvements or personal property made or acquired by the Council of Unit Owners with the approval of the Board of Directors.

SECTION 3. AUDITING. At the close of each fiscal year, the books and records of the Condominium shall be audited by an independent Public Accountant whose report shall be prepared and certified in accordance with generally accepted auditing standards. Based upon such report, the Council shall furnish the Unit Owners with an annual financial statement, including the income and disbursements of the Council. All such audited financing statements shall be sent to each institutional holder of a first mortgage with ninety (90) days following the end of the fiscal year, upon written request by the said institution. Such statement shall be made available upon written request to the Federal Housing Commission or his agent.

SECTION 4. INSPECTION OF BOOKS. The books and accounts of the Council and vouchers accrediting the entries made thereupon, shall be available for examination by the Unit Owners and/or their duly authorized agents, attorneys and mortgagees, during normal business hours and for purposes reasonably related to their interests as Unit Owners.

SECTION 5. EXECUTION OF CORPORATE DOCUMENTS. With the prior authorization of the Board of Directors, all notes and contracts shall be executed on behalf of the Council of Unit Owners by either the President or Vice-President, and all checks shall be executed on behalf of the Council of Unit Owners by such officers, agents or other persons as are from time to time so authorized by the Board of Directors.

ARTICLE XVI

AMENDMENT

SECTION 1. AMENDMENTS. These By-Laws may be amended by the affirmative vote of Unit Owners representing 66 2/3% of the total votes of the Condominium Regime, as then constituted, at any meeting of the Unit Owners duly called for such purposes in accordance with the provisions of Section 11-104 of the Real Property Article of the Annotated Code of Maryland, 1974 Edition, as amended, effective only upon the recordation among the Land Records of Baltimore City, of an amendment to these By-Laws setting forth such amendments to these By-Laws and the applicable provisions of the statute aforesaid; and only after thirty (30) days prior written notice to the institutional holders of all first mortgages on the units in the Condominium Regime, as then constituted, amendments may be proposed by the Board of Directors or by Petition signed by Unit Owners of the Condominium Regime, as then constituted. A description of any proposed amendment shall accompany the notice of any regular or special meeting at which such proposed amendment is to be voted upon. The provisions of this paragraph are subject to the rights of the Declaration as set out in Article X of the Declaration.

ARTICLE XVII

NOTICE TO COUNCIL

SECTION 1. OWNERSHIP BOOK. The Council shall maintain a current roster of names and addresses of each Unit Owner to which notice of meetings of the Council shall be sent and each Unit Owner shall furnish the Council with this information. No Unit Owner may vote at meetings of the Council until this information is furnished.

SECTION 2. MORTGAGES. A Unit Owner who mortgages his unit shall notify the Secretary of the Board of Directors of the name and address of his mortgagee; and the Council shall maintain such information in a list entitled "Mortgagees of Units".

ARTICLE XVIII

ADDITIONAL RIGHTS OF MORTGAGEES

SECTION 1. CHANGE IN PERCENTAGE INTERESTS IN COMMON EXPENSES. The consent of all mortgagees, obtained in advance in writing, is mandatory if the Council should adopt any change in the pro rata interest of the Unit Owners in the common elements of the Condominium.

SECTION 2. RIGHT TO INSPECT BOOKS. All mortgagees shall have the right to inspect the books of the Condominium, obtain financial statements and review budgets of the Condominium.

SECTION 3. RENTAL BY MORTGAGEE. All mortgagees shall have the right, notwithstanding any provision herein to the contrary, to rent any units which such mortgagee or mortgagees may own through foreclosure sale or voluntary sale, subject to same restrictions as owners.

SECTION 4. NOTICE OF LOSS OR TAKING. The Board of Directors shall notify all mortgagees including the Federal National Mortgage Association and the Federal Home Loan Mortgage

Corporation (c/o the servicer at the servicer's address) in writing whenever (a) damage to a unit covered by a mortgage exceeds \$1,000.00 and (b) damage to common areas and related facilities exceed \$10,000.00.

ARTICLE XIX

COMPLIANCE - INTERPRETATION - MISCELLANEOUS

SECTION 1. COMPLIANCE. These By-Laws are set forth in compliance with the requirements of Sections 11-101 et. seq. of the Real Property Article of the Annotated Code of Maryland, 1974 Edition, as amended.

SECTION 2. CONFLICT. These By-Laws are subordinate and subject to all provisions of the Declaration and to the provisions of Sections 11-101 et. seq. of the Real Property Article of the Annotated Code of Maryland, 1974 Edition, as amended. All of the terms hereof, except where clearly repugnant to the context, shall have the same meaning as in the Declaration or the aforesaid statute. In the event of any conflict between these By-Laws and the Declaration, the provisions of the Declaration shall control, in the event of any conflict between these By-Laws and the applicable Sections of the Real Property Article, the provisions of the Statute control.

SECTION 3. RESIDENT AGENT. Sol E. Bank, President, a resident of the State of Maryland shall be designated as the person authorized to accept service of process in any action relating to the Condominium Regime or to general or limited common elements, as authorized under Section 11-119 of the Real Property Article of the Annotated Code of Maryland, 1974 Edition, as amended. The Board of Directors may, at its discretion, substitute another Resident Agent for the purpose of accepting such service or process as set forth above; provided that proper notification of such change be promptly filed with the Maryland Department of Assessments and Taxation. The Council of Unit Owners shall also file the names and mailing addresses of the Condominium officers and directors pursuant to Section 11-119 of the Act.

SECTION 4. NOTICES. Unless another type of notice is herein-elsewhere specifically provided for, any and all notices called for in the Declaration and in these By-Laws shall be given in writing.

SECTION 5. AVAILABILITY. The Council of Unit Owners shall be required to make available to unit owners, lenders and the holders and insurers of the first mortgage on any unit, current copies of the Declaration, By-Laws, and other rules governing the condominium, and other books, records, and financial statements of the owners association. The Council of Unit Owners also shall be required to make available to prospective purchasers current copies of the Declaration, By-Laws, other rules governing the condominium, and the most recent annual audited financial statement, if such is prepared. "Available" shall at least mean available for inspection upon request, during normal business hours or under other reasonable circumstances.

SECTION 6. SEVERABILITY. In the event any provision or provisions of these By-laws shall be determined to be invalid, void, or unenforceable, such determination shall not render invalid, void or unenforceable any other provisions hereof which can be given effect.

SECTION 7. WAIVER. No restrictions, condition, obligation or provisions of these By-Laws shall be deemed to have been abrogated or waived by reason of any failure or failures to enforce the same.

SECTION 8. CAPTIONS. The captions contained in these By-Laws are for convenience and ease of use only, and are not part of these By-Laws and are not intended in any way to limit or enlarge the terms and provisions of these By-Laws.

SECTION 9. GENDER, ETC. Whenever in these By-Laws the context so required, the singular number shall include the plural and the converse; and the use of any gender shall be deemed to include all genders.

IN WITNESS WHEREOF, the said BENHURST PARK JOINT VENTURE, A MARYLAND GENERAL PARTNERSHIP, has on the 5th day of December, 1986, caused these presents to be executed by Sol M. Bank, President of QAR Corporation, General Partner to acknowledge and deliver these presents as the act and deed of said THE TOWERS CONDOMINIUM, INC.

THE TOWERS CONDOMINIUM, INC.

By: *Sol M. Bank*  
Sol M. Bank, President of  
QAR Corporation, General Partner

STATE OF MARYLAND, COUNTY OF BALTIMORE

I HEREBY CERTIFY, That on this 5th day of December, 1986, before me, the subscriber, a Notary Public in and for the State and County aforesaid, personally appeared Sol M. Bank, President of QAR Corporation, General Partner, to acknowledge and deliver these presents as the act and deed of said BENHURST PARK JOINT VENTURE, A MARYLAND GENERAL PARTNERSHIP.

WITNESS my hand and Notarial Seal the year and day first above written.

*Edward C. Fey*  
Notary Public

My commission expires July 1, 1990.



2      4  
 BY-LAW  
 FOR  
 THE TOWERS CONDOMINIUM

---

4324

---

RECEIVED FOR RECORD  
 DEC 5 1986 901  
 E.B. NO. 1090 / 216  
 SAUNDRA E. BANKS, CLERK

---

LAW OFFICES  
**POWER AND MOSNER**  
 21 WEST SUSQUEHANNA AVENUE  
 TOWSON, MARYLAND 21284

13350




I HEREBY CERTIFY:

1. That I am the Acting Secretary of the Towers Condominium.
2. That the Towers Condominium consists of a total of 192 units, owners of all of which are qualified to vote on issues relating to the Condominium.
3. That a general meeting of all Condominium owners was called for May 25, 2006, at 7:30 PM, and that all owners were individually notified of the meeting according to the requirements of the law and of the Condominium By-Laws.
4. That included in the notice to the owners was a copy of a proposed amendment to the By-Laws of the Condominium regarding residential use and leasing of Condominium units, a copy of which amendment is attached hereto.
5. That a total of 134 unit owners voted in favor of the proposed amendment, being in excess of 662/3 of the total number of owners, or 128.
6. That a copy of the amendment is attached hereto.

4324

IN WITNESS WHEREOF my signature this 7<sup>th</sup> day of June, 2006.

  
 Malcolm L. Jacobson  
 Acting Secretary

BK 08239PG0210

Amendment to Article X  
of the By-Laws  
of The Towers Condominium

(By-Laws Recording Reference  
Liber 1090 Page 236)

**ARTICLE X. USE RESTRICTIONS****Section 1. RESIDENTIAL USE**

All units shall be used for residential purposes only.

Nothing in the By-Laws shall be construed to prohibit the Declarant from renting or leasing any unit which the Declarant owns, such renting or leasing to be limited to the Declarant's parents or children, only.

**Section 2. LEASING**

Any owner of any condominium unit who shall rent or lease such unit shall, promptly following the execution of any rental agreement or lease, forward a copy of same to the Board of Directors. All such agreements or leases shall be in writing and shall contain a provision to the effect that the rights of the tenant to use and occupy the condominium unit shall be subject and subordinate to the rights and obligations of the owner of said unit..

The initial term of any such rental agreement or lease shall be for not less than one year, and any renewal(s) thereof shall not be for less than one year.

BK 08239 PG 0212

~~2005 AUG 18 PM 1:36~~

00 199

IMP. FD SURE \$	20.00
RECORDING FEE	20.00
TOTAL	40.00
Res# BC02	Rec# 63312
FMC CB	Blk # 2271
AUG 23, 2006	11:14 am

4324

After recording, return to:  
BLADES & ROSENFIELD  
1200 SUN LIFE BLDG.  
20 SOUTH CHARLES ST.  
BALTIMORE, MD 21201

**CORRECTIVE AMENDMENT**

THIS CORRECTIVE AMENDMENT ("Corrective Amendment") is made this 1<sup>st</sup> day of March, 2011, by THE TOWERS CONDOMINIUM, INC., a Maryland non-stock corporation (the "Condominium").

4324

WHEREAS, the Condominium's Declaration and By-Laws (the "By-Laws") dated December 5, 1986 were recorded among the Land Records of Baltimore City at Liber SEB 1090, Page 210; and

WHEREAS, the Condominium amended Article X of the By-Laws pursuant to an Amendment to By-Laws recorded among the Land Records of Baltimore City on August 23, 2006 at Liber 08239, Page 0209 (the "Amendment"); and

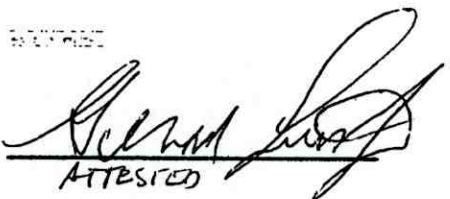
WHEREAS, Article X, Section 1 of the Amendment incorrectly refers to the Declarant's right to lease units, which rights were originally set forth in Article X, Section 1 of the By-Laws, and should have been changed to state that a unit owner has the right to lease their unit since the Declarant no longer owned any units at the time of the Amendment; and

WHEREAS, pursuant to Section 11-103.1 of the Real Property Article of the Annotated Code of Maryland, the Condominium now desires to correct said incorrect reference and typographical error;


NOW, THEREFORE, WITNESSETH:

1. Article X, Section 1 of the By-Laws, as amended by the Amendment, is hereby amended by deleting all references to the word "Declarant" and inserting the word "owner" in lieu thereof.
2. The Board of Directors of the Condominium has approved this Corrective Amendment in accordance with the By-Laws, the Maryland Condominium Act (Section 11-101, et seq. of the Real Property Article of the Annotated Code of Maryland) and other applicable laws.

IN WITNESS WHEREOF, the party hereto has caused this Corrective Amendment to be executed as of the day and year first above writer.

ATTESTED  


THE TOWERS CONDOMINIUM, INC.

By:  (SEAL)  
Jules Coppel, President and Chairman  
of the Board

STATE OF MARYLAND, CITY/COUNTY OF Baltimore, TO WIT:

I HEREBY CERTIFY that on this 1<sup>st</sup> day of March, 2011, before me, the subscriber, a Notary Public for the State of Maryland, personally appeared Jules Coppel, the President and Chairman of the Board of The Towers Condominium, Inc., known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument, and acknowledged that he executed the same for the purposes therein contained on behalf of said corporation.

WITNESS my hand and notarial seal:



Barbara J. Miller  
Notary Public  
My Commission Expires: 4/5/2013

AJO:AGR:TOWERS CONDO:CORRECTIVE AMENDMENT

AFFIDAVIT

STATE OF MARYLAND )  
 )  
BALTIMORE CITY )

JULES COPPEL, Chairman of the Board of Directors of The Towers Condominium, Inc. (the "Condominium"), being duly sworn, deposes and says under oath and in due form of law as follows:

A copy of the attached Corrective Amendment to the By-Laws of the Condominium was sent by first-class mail to each unit owner at the last address on record with the Council of Unit Owners at least thirty (30) days before the Corrective Amendment is being recorded among the Land Records of Baltimore City.

Jules Coppel (SEAL)  
Jules Coppel

STATE OF MARYLAND, CITY/COUNTY OF Baltimore, TO WIT:

I HEREBY CERTIFY that on this 1<sup>st</sup> day of March, 2011, before me, the subscriber, a Notary Public for the State of Maryland, personally appeared Jules Coppel, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within Affidavit, who made oath that the matters and facts stated therein are true and correct to the best of his knowledge, information and belief.

WITNESS my hand and notarial seal.



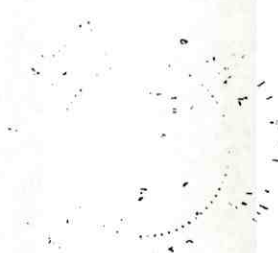
Barbara J. Miller  
Notary Public  
My Commission Expires: 4/5/2013

AJO:AGR:TOWERS CONDO:AFFIDAVIT

RECEIVED  
CIRCUIT COURT FOR  
BALTIMORE CITY

2011 APR 11 AM 10:49

000028



4324

**RECEIVED**

APR 11 2011

**CIRCUIT COURT  
FOR BALTIMORE CITY**

TRF TO SINE \$ 22.00  
REMOVING FEE 22.00  
TOTAL 44.00  
REST RECD 44.00  
FNC 50 44.00  
APR 11, 2011  
NOT 1 44.00  
BLK 1 44.00  
10:33 AM

*no ans*

# AMENDMENT OF THE BY-LAWS OF THE TOWERS CONDOMINIUM, INC.

4237  
②

EXPLANATORY STATEMENT: The original Bylaws of The Towers Condominium, Inc., are dated and were recorded December 5, 1986 among the Land Records of Baltimore City, Maryland in Book 1090, pages 236 *et seq.* These Bylaws were subsequently amended by documents recorded among said Land Records and recorded in Book 8239, pages 209 *et seq.* on August 23, 2006, and Book 13423, pages 090 *et seq.* on April 11, 2011, and Book 15236, pages 071 *et seq.* on May 16, 2013. The Council of Unit Owners of The Towers Condominium, Inc. by the affirmative vote of unit owners having sixty-six and two-thirds percent (66 2/3%) or more of the votes of said Council of Unit Owners entitled to be cast and by the affirmative vote of unit owners owning sixty-six and two-thirds percent (66 2/3%) or more of the percentage interests of the common element ownership of said condominium and as provided in Article XVI, Section 1 of said Bylaws, now hereby amends its said Bylaws as hereinafter provided.

NOW THEREFORE as of the 8<sup>th</sup> day of October, 2013, the said Bylaws of The Towers Condominium, Inc. are amended as follows:

1. Article X, Section 2, of the above-described Bylaws of The Towers Condominium, Inc. is hereby amended by deleting in entirety said Section, and inserting in place thereof the following new Sections 2 of Article X to read as follows:

## ARTICLE X

SECTION 2. LEASING. No portion of any unit (other than the entire unit) shall be leased for any period, and no transient tenants may be accommodated therein. Any Unit Owner who shall lease his 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 Unit shall be subject to and subordinate in all respects to the provisions of the Declaration and these By-Laws and to such other reasonable rules and regulations relating to the use of the Common Elements or other "housing rules" as the Board of Directors may from time to time promulgate. Additionally, the Board of Directors shall have the authority to require that parties to any lease of a Unit sign a lease addendum, that requires that at any time during the lease term, including any extension renewal, or holdover term, the landlord Unit Owner becomes delinquent in any payment of any amounts due from the Unit Owner to the Condominium, the Condominium, at its option, as long as such delinquency continues, may demand and receive payment from the tenant of all such amounts due or becoming due, up to an amount of the incremental rental payments, and for a time sufficient to pay all sums due from the landlord Unit Owner to the Condominium. Any such payment from tenant to the Condominium shall be deemed to be payment of rent by the tenant to the landlord Unit Owner in accordance with the Lease. Such addendum may also require the landlord Unit Owner to assign to the Condominium the right, but not the obligation, to take legal action for non-payment of rent, including the right to terminate the Lease, evict the tenant, and obtain possession of the Unit. No Unit may be leased or rented for less than twelve (12) month periods, except in holdover circumstances. A copy of the Declaration and these By-Laws and any other "housing rules" shall be retained in the leased Unit as provided by the Unit Owner. Unless FHA regulations as amended from time to time provide otherwise, the provisions of this Section shall not apply to any institutional mortgagee of any 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. Not more than four (4) Units in any one building may be leased at any given time. Notwithstanding this limitation, upon written request, the Board of Directors in its sole discretion

on a case by case basis, may permit leasing of any Unit on a temporary basis for good cause shown for relocation of residency purposes or other extenuating and special circumstances. The Board may allow leasing of a Unit in its sole discretion where record title has been conveyed to personal representatives of a Unit Owner's estate or where record title otherwise conveys upon the death of a Unit Owner as circumstances so require. A Unit Owner, or any person(s) or legal entity(ies) with an ownership, leasehold, controlling, or other interest in a Unit, may lease (or be a party to a lease of) not more than one Unit, or any part of one Unit, owned or controlled, in whole or in part, by that Unit Owner, or by any person(s) or legal entity(ies) with an ownership, controlling, leasehold, or other interest in that Unit, at any given time.

Unit owners as of the date of recordation of this amendment are not affected by the rental limitation to no more than four (4) Units per building provided by this amendment. However, upon transfer of ownership, the amendment will fully control the use and rental of the Condominium. In the event a Unit is owned by a trust, transfer of ownership will be deemed to occur upon the actual transfer of title of the Unit to a new owner or twenty years from the date this amendment is recorded among the Land Records of Baltimore City, whichever first occurs.

The foregoing amendment shall take effect immediately upon recordation among the Land Records of Baltimore City and otherwise as noted herein.

ATTEST:

Jessie Ulsen  
Secretary

Roderick G. Clark  
President

**CERTIFICATE OF APPROVAL**

I HEREBY CERTIFY that on the 8<sup>th</sup> day of October, 2013, I was the President of The Towers Condominium, Inc. and that, by virtue of said office, I was one of the persons specified by the Bylaws and the Board of Directors of said condominium to count votes at all meetings of the Council of Unit Owners of The Towers Condominium, Inc. I further certify that the foregoing Amendment of the Bylaws of The Towers Condominium, Inc. was on that date approved as provided in Article XVI, Section 1 of said By-Laws, and by the affirmative vote of unit owners of said condominium having sixty-six and two thirds percent (66 2/3%) or more of the votes of said Council of Unit Owners (and at least sixty-six and two thirds percent (66 2/3%) of the percentage interests of the common elements of said condominium) at a meeting of said Council of Unit Owners for which due written notice was provided. Said amendment to become effective upon recording among the Land Records.

AS WITNESS my hand and seal.

ATTEST:

Jessie Ulsen  
Secretary

Roderick G. Clark (SEAL)  
Roderick G. Clark, President

STATE OF MARYLAND, Anne Arundel COUNTY:

I HEREBY CERTIFY that on this 9<sup>th</sup> day of October, 2013, before me, the subscriber, a Notary Public in and for the aforesaid state and county, personally appeared Roderick G. Clark, who is known to me to be the person whose name is subscribed to the foregoing Certificate of Approval and said person made oath in due form of law that the matters and facts stated in said Certificate of Approval are true and said person acknowledged the execution of the foregoing Amendment of the Bylaws of The Towers Condominium, Inc. as the act and deed of the Council of Unit Owners of The Towers Condominium, Inc.

AS WITNESS my signature and notarial seal.

Kathleen M. Elmore  
Notary Public

My Commission Expires: 8/20/16



THIS IS TO CERTIFY that the foregoing document was prepared by or under the supervision of an attorney admitted to practice before the Courts of Appeal of Maryland.

Kathleen M. Elmore  
Kathleen M. Elmore, Esquire

RETURN TO: ELMORE, THROOP & YOUNG, P.C., 5 Riggs Ave., Severna Park, MD 21146



000283

4232

2019 OCT 17 PM 1:23

*40  
20  
A*

TRIP TO SURE	49.00
REPAIRING FEE	28.00
TOTAL	60.00
REPAY TO	20197
TRIP	1992
Oct 17 2013	51.23 PM

**AMENDMENT TO**  
**THE TOWERS CONDOMINIUM, INC.**  
**BY-LAWS**

As set forth herein, this Amendment is intended to amend and replace Article V, Sections 1, 5 and Article X, Section 1 of the By-Laws of the Towers Condominium, Inc. which are recorded in liber 1090, folio 236 and liber 8239, folio 210 of the land records of Baltimore City, Maryland.

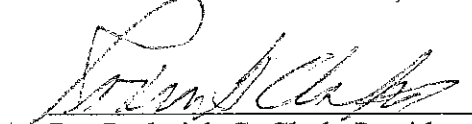
**ARTICLE V, SECTION 1. NUMBER AND QUALIFICATION.** The affairs of the Condominium shall be governed by the Board of Directors composed of an uneven number, currently nine (9) natural persons, all of whom shall be Unit Owners. The Board of Directors may be increased or decreased by a majority vote of Unit Owners, who are present, in person or proxy, at the annual meeting so long as advanced notice, thirty (30) days, of the intention to do so is given to all Unit Owners in the notice of the annual meeting or a meeting duly called for such purpose. No more than one Unit Owner from a unit may serve on the Board of Directors at any one time.

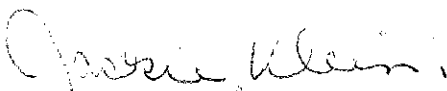
**ARTICLE V, SECTION 5. ELECTIONS AND TERMS OF OFFICE.** At each annual meeting, the members shall elect three (3) Directors for the term of three (3) years, one (1) for each open vacancy on the Board of Directors. All Directors elected at the annual meeting shall serve a three (3) year term unless said Director is filling a vacancy pursuant to Sections 6 or 7 of this Article or is filling a newly created position as set forth herein. The appointed (unelected) Director(s) shall hold office until their successors have been elected. If the number of Directors is modified by vote of the Council as provided in Section 5 of this Article, the Council shall determine at that time the length of the term of office to be served by each new Director. A Unit Owner may only serve two (2) consecutive full three year terms (excluding therefrom any part of a term that is being filled due to a vacancy; once the term of the vacancy has ended, the Unit Owner may be elected to serve two (2) terms for a maximum of six (6) consecutive years as a Director). Thereafter, the Unit Owner must wait one (1) full year before again being elected or appointed to the Board of Directors.

**ARTICLE X, SECTION 1. RESIDENTIAL USE.** All units shall be for residential purposes only.

IN WITNESS WHEREOF, this Amendment to the By-laws of the Towers Condominium, Inc. is declared to be the act of the Council of Unit Owners in accordance with the By-laws.

The Towers Condominium, Inc.

  
 By: Roderick G. Clark, President

  
 Secretary

CERTIFICATE OF APPROVAL

I HEREBY CERTIFY that on the 25<sup>th</sup> day of May, 2012, I was the President of The Towers Condominium, Inc. and that, by virtue of said office, I was one of the persons specified by the Bylaws and the Board of Directors of said condominium to count votes at all meetings of the Council of Unit Owners of The Towers Condominium, Inc.. I further certify that the foregoing Amendment of the Bylaws of The Towers Condominium, Inc. was on that date approved as provided in Article XVI, Section 1 of said By-Laws, and by the affirmative vote of unit owners of said condominium having sixty-six and two thirds percent (66 2/3%) or more of the votes of said Council of Unit Owners (and at least sixty-six and two thirds percent (66 2/3%) of the percentage interests of the common elements of said condominium) at a meeting of said Council of Unit Owners for which due written notice was provided. Said amendment to become effective upon recordation among the Land Records.

AS WITNESS my hand and seal.

ATTEST:

*Roderick G. Clark*  
Roderick G. Clark, President (SEAL)

*Jocice Uleen*  
Secretary

STATE OF MARYLAND, Anne Arundel COUNTY:

I HEREBY CERTIFY that on this 3<sup>rd</sup> day of April, 2013, before me, the subscriber, a Notary Public in and for the aforesaid state and county, personally appeared Roderick G. Clark, who is known to me to be the person whose name is subscribed to the foregoing Certificate of Approval and said person made oath in due form of law that the matters and facts stated in said Certificate of Approval are true and said person acknowledged the execution of the foregoing Amendment of The Bylaws of The Towers Condominium, Inc. as the act and deed of the Council of Unit Owners of The Towers Condominium, Inc.

WITNESS my signature and notarial seal.

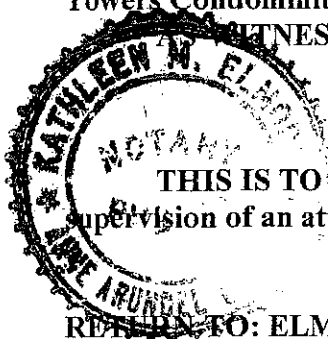
*Kathleen M. Elmore*  
Notary Public

My Commission Expires: 8-20-16

THIS IS TO CERTIFY that the foregoing document was prepared by or under the supervision of an attorney admitted to practice before the Courts of Appeal of Maryland.

*Kathleen M. Elmore*  
Kathleen M. Elmore, Esquire

RETURN TO: ELMORE, THROOP & YOUNG, P.C., 5 Riggs Ave., Severna Park, MD 21146

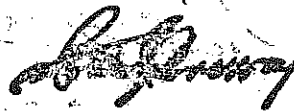


RECEIVED FOR RECORD  
CIRCUIT COURT FOR  
BALTIMORE CITY

2013 MAY 16 P 2:08

000170

I, Frank M. Conaway, Clerk  
of the Circuit Court for Baltimore City  
do hereby certify that the foregoing is a true copy of the original  
taken from the records of the said Circuit Court for Baltimore City  
in Liber FMC No. 15236 Folio 071.  
In Testimony Whereof, I hereto set my hand and affix the seal of  
said Court this 16th day of May 2013.



Clerk of the Circuit Court for Baltimore City



THE TO SHIP # 42.00  
REMOVING FEE 28.00  
TOTAL 68.00  
KEEP COPY 10.00  
FMC 11P 21K 4 1524  
NEW 10, 2013 02:08 PM