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BY-LAWS

ARTICLE I

Name and Location

Section 1. Name and Location The name of the Corporation is Cross Fox Condominium.

ARTICLE II

Definitions

Section 1. THIS AMENDMENT TO BY-LAWS OF CROSS FOX CONDOMINIUM, INC., made this 16TH day of JANUARY 1991, by CROSS FOX CONDOMINIUM, INC. (hereinafter referred to as the "Condominium").

WHEREAS, the Master Deed and By-Laws of Cross Fox Condominium were recorded among the Land Records of Howard County at Liber CMP No. 677, folio 725 et sea., creating the Condominium; and WHEREAS, the Condominium on the 25TH day of JUNE 1991, by the requisite vote of its unit owners resolved to and did amend the By-Laws of the Condominium;

NOW, THEREFORE, WITNESSETH:

That the aforementioned By-Laws by and they hereby are amended to provide as follows:

1. That all references to "Article 21, Title XI, Section 11-101, *et seq.*, Annotated Code of Maryland, 1973 (Supp.)" contained within the By-Laws are hereby deleted in their entirety and "Title 11, Real Property Article, Annotated Code of Maryland (the Maryland Condominium Act)" is substituted in lieu thereof. For the purposes of this Amendment, the Maryland Condominium Act shall be referred to as the "Act".

ARTICLE III

Membership

Section 1. Membership. Every person, group of persons corporation, trust or other legal entity, or any combination thereof, who are the holders of interest or joint interest therein if such unit is owned by more than one person or entity, shall be a member of the Corporation, provided, however, that any person, group of persons, corporation, trust or other legal entity, or any combination thereof, which holds such interest solely as security for the performance of an obligation shall not be a member.

Section 2. By-Laws Applicability. The provisions of these By-Laws are applicable to the Corporation. In construing these By-Laws, and the government of the Corporation pursuant thereto, the provisions of Article 23 of the Annotated Code of Maryland pertaining to the government of regular business corporation, shall be considered as governing to the extent not inconsistent with the provisions of Title 11, Real Property Article, Annotated Code of Maryland (the Maryland Condominium Act), the Master Deed, and these By-Laws.

Section 3. Termination Rights. Each member of the Corporation covenants and agrees that abandonment or termination of the Corporation is subject solely to and shall be accomplished in strict accordance with the Act.

ARTICLE IV
Meeting of Members

Section 1. Place of Meetings. Meetings of the members shall be held the principal office or place of business of the Corporation or at such other suitable place convenient to the membership as may be designated by the Board of Directors.

Section 2. Annual Meetings. Annual Meetings of the Corporation shall be held during the month of June of each succeeding year, on such date, and at such place and time as determined by the Board of Directors. At such meeting, there shall be elected by [illegible word] of the members a Board of Directors in accordance with the requirements of Section 5 of Article V of these By-Laws. The members may also transact such other business of the Corporation as may properly come before them. All meetings of the Corporation shall be open except as otherwise provided by the Act.

Section 3. Special Meetings. It shall be the duty of the President to call a special meeting of the members as directed by resolution of the Board of Directors or upon a petition signed by members representing at least forty percent (40%) of the total value of the project having been presented to the Secretary, provided, however, no special meeting shall be called prior to the first annual meeting of the members unless the Board of Directors authorizes such meeting. 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 unless by consent of four-fifths of the owners present either in person or by proxy.

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 member of record, at his address as it appears on the membership book of the Corporation, or if no such address appears, at his last known place of address, at least ten (10) but not more than ninety (90) days prior to such meeting. Service may also be accomplished by the delivery of any such notice to the member at his condominium unit or last known address. Notice by either such method shall be considered as notice served. Attendance by a member at any meeting of the membership 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 members representing at least twenty-five (25%) percent of the total value of the condominium regime shall be requisite for and constitute a quorum for the transaction of business at all meetings of the Corporation. If the number of votes at a meeting drops below the quorum during the meeting, no business may thereafter be transacted.

Section 6. Voting. At every meeting of the Corporation, each member shall have the right to cast one (1) vote for each membership which he owns on each question presented. The percentages established in Article 4, Section 1 of the Master Deed shall be applicable to voting rights. The majority vote of the members present and voting, representing fifty-one (51%) percent of the votes at that meeting, shall decide the question presented, unless the question is one upon which, by express provision of the Act, the Master Deed or these ByLaws, a different percentage of vote is required, in which case such express provision shall govern and control. The vote for any membership which is owned by more than one person may be exercised by any of them present at any meeting unless an objection or protest by any other owner of such membership is noted at the meeting. In the event all of the co—owners of any membership who are present at any meeting of the members are unable to agree on the manner in which the vote for such membership shall be cast on any particular question, then such vote shall not be counted for purposes of deciding the question. In the event any condominium unit is owned by a corporation, then the vote for the membership appurtenant to such condominium unit shall be cast by a person designated in a certificate signed by the president or vice president and attested by the secretary of the corporation prior to the meeting. The vote for any membership which is owned by a trust or partnership may be exercised by any trustee or partner thereof, as the case may be, and unless any objection or protest by any other trustee or partner is noted at such meeting, the Chairman of such meeting shall have no duty to inquire as to the

authority of the person casting such vote or votes. No member shall be eligible to vote at any annual or special meeting of the Corporation, or be elected to any office or to the Board of Directors, against whom the Corporation has recorded a Statement of Condominium Lien against his unit and the amount necessary to release the Lien has not been paid at the time of the meeting.

Section 7. Proxies. A member may appoint any other member, management agent, mortgagee, attorney, lessee or any other person as his proxy. Any proxy must be in writing and filed with the Secretary of the Corporation, and is revocable at any time by the member granting it. A proxy not appointed to vote as directed may only be appointed and used for purposes of meeting quorums and for voting on general matters of business before the Corporation, and not for purposes of election of officers and members of the Board. Only proxies containing a designation of candidates to be voted for may be used during an election of officers or members of the Board.

Section 8. Adjourned Meeting. If any meeting of members cannot be organized because a quorum has not attended, the members who are present, either in person or by proxy, may, except as otherwise provided by law, adjourn the meeting to a time not less than forty-eight hours from the time the original meeting was called. In the event of any such adjourned meeting, no further notice of the adjourned date need be given to any of the members, and the members present in person or by proxy shall constitute a quorum at such subsequent meeting.

Section 9. Order of Business. The order of business at all regularly scheduled meetings of the members shall be as follows:

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

ARTICLE V Directors

Section 1. Number and Qualifications. The affairs of the Corporation shall be governed by the Board of Directors composed of at least three (3) persons and not more than nine (9) persons, a majority of whom, after the first annual meeting of members, shall be members of the Corporation. Until such time as the Grantor is divested of ninety-five percent (95%) of its membership interest in the total condominium, any one director appointed or elected through the Grantor may act in behalf of all of such directors if they are unable to attend any meeting of the Board of Directors. At the first annual meeting, there shall be elected directors.

Section 2. Initial Directors. The initial Directors shall be selected by the Grantor and need not be members of the Corporation. The names of the Directors who shall act as such from the date upon which the Master Deed is recorded among the Land Records for Howard County, Maryland, until the first annual meeting of the members or until such time as their successors are duly chosen and qualified are as follows:

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 Corporation 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 members. The powers and duties of the Board of Directors shall include but not be limited to the following:

To provide for the

- (a) Care, upkeep and surveillance of the condominium project and its general and limited common elements and services in a manner consistent with law and the provisions of these By-Laws and the Master Deed.
- (b) To establish and provide for the collection of assessments from the members 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 Master Deed.
- (c) Designation, hiring and/or dismissal of the personnel necessary for the good working order of the condominium project and for the proper care of the general or 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 Master Deed.
- (d) To promulgate and enforce such rules and regulations as may be deemed necessary respecting the use, occupancy and maintenance of the Condominium, the units, and the general and limited common elements, to prevent unreasonable interference with the use and occupancy of the Regime and of the general and limited common elements by the members and occupants of units, all of which shall be consistent with applicable State and local law, the Master Deed and these By-Laws. The Board shall be authorized to levy fines or impose other sanctions for violations of the provisions of the Master Deed, By—Laws and/or Rules, provided such sanctions are imposed only after compliance with the applicable provisions of Section 11—113 of the Act. Fines, once levied, shall be collectable in the same manner as annual assessments.
- (e) To grant easements, rights—of-ways, licenses, leases in excess of one (1) year or similar interest for the provision of communication systems, sewer lines, water lines, electrical cables, telephone cables, gas lines, storm drains, television antennas, underground conduits and/or such other purposes related to the provision of public utilities to the Regime; for any other purpose 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, convenience and/or welfare of the members. Nothing in this Section shall enlarge the authority granted to the Board by the Act and all actions of the Board shall be in conformity with the Act.
- (f) To purchase condominium units in the condominium project and to lease, mortgage or convey the same, subject to the provisions of these By-Laws and the Master Deed.

Section 4. Management Agent. The Board of Directors shall employ for the Corporation a 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 authorize, including but not necessarily limited to, the duties set out in subsections (a) through (f) of Section 3 of this Article. The Corporation shall not employ any new Management Agent without thirty (30) days prior written notice to the holders of all institutional first mortgages on the condominium units and the corporation shall not undertake “self-management” or otherwise fail to employ a professional management agent without the prior written approval of all of the holders of such first mortgages.

Section 5. Election and Term of Office. The term of the Directors named herein and in the Articles of Incorporation shall expire when their successors have been elected at the first annual meeting of members and are duly qualified. The election of Directors shall be by ballot, unless balloting is dispensed with by the unanimous consent of the members present at any meeting, in person or by proxy. There shall

be no cumulative voting. At the first annual meeting of the members, the term of office of the two Directors receiving the greatest number of votes shall be fixed for three (3) years. The term of office of the Director receiving the third and fourth greatest number of votes shall be fixed at two (2) years and the term of office of the other Director or Directors shall be fixed at one (1) year. At the expiration of the initial term of office of each respective Director, his successor shall be elected to serve a term of three (3) years. In the alternative, the membership may, by resolution duly made and adopted at such first annual meeting, or at any subsequent annual meeting, elect to fix the term of each Director elected at such meeting at one (1) year. Directors shall hold office until their successors have been elected and hold their first annual meeting.

Section 6. Vacancies. Vacancies in the Board of Directors caused by any reason other than the removal of a Director by a vote of the membership shall be filled by vote of the majority of the remaining Directors, even though they may constitute less than a quorum, and each person so elected shall be a Director until a successor is elected by the members 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 for such purpose, any Director may be removed with or without cause by the affirmative vote of the majority of the entire regular membership of record and a successor may then and there be elected to fill the vacancy thus created. Any Director whose removal has been proposed by the members shall be given an opportunity to be heard at the meeting. The term of any Director who becomes more than thirty (30) days delinquent in payment of any assessments and/or carrying charges due the Corporation, may be terminated and the remaining directors shall appoint his successor as provided in Section 6 of this Article.

Section 8. Compensation. Except for those Directors named as such in Section 2 of Article V of these By-Laws, and any of their successors elected prior to the first annual meeting of the members of the Corporation, no compensation shall be paid to Directors for their services as Directors. After the first annual meeting of the members no remuneration shall be paid to any Director who is also a member of the Corporation for services performed by him for the Corporation in any other capacity unless a resolution authorizing such remuneration shall have been adopted by the Board of Directors before the services are undertaken.

Section 9. Organization Meeting. The first meeting of a newly elected Board of Directors shall be held within ten (10) days of election at such 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 at such meeting.

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

Section 11. Special Meetings. Special meetings of the Board of Directors may be called by the President on three (3) days notice to each Director, given personally or by mail, telephone or telegraph, which notice shall state the time, place (as hereinabove 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 (3) directors.

Section 12. Waiver of Notice. Before or at any such 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 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.

Section 15. Fidelity Bonds. The Board of Directors shall require that all officers and employees of the Corporation handling or responsible for corporate or trust funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be paid by the Corporation.

Section 16. Nominations. At least sixty (60) days before each annual meeting of the Board, the President shall appoint a Nominating Committee of three (3) members, at least one of whom shall not then be a Director. Such Nominating Committee, after considering the qualifications of respective nominees, shall select one or more nominees for each directorship to be filled at such annual meeting, and shall present its nominations to the Secretary not later than fifteen (15) days before such annual meeting. Also, not less than forty-five (45) days prior to the delivery of the notice of meeting, a call for nominations shall be sent to all members. Any member may nominate a candidate for each directorship to be filled at any annual meeting by presenting such nomination to the Secretary in writing signed by such nominated member. By not later than fifteen (15) days before the date of such annual meeting, each member and proxy holder shall be furnished a written list of all such nominees for directorships and shall be furnished with a ballot for the directorial election. A member may nominate himself or any other member to be a member of the Board of Directors. Only nominations made at least fifteen (15) days before notice of an election shall be listed on the election ballot. Candidates shall be listed on the ballot in alphabetical order, with no indicated candidate preference. Nominations may be made from the floor of the meeting at which the election to the Board is held. Election materials prepared with funds of the corporation shall list the candidates in alphabetical order and may not indicate a candidate preference.

ARTICLE VI Officers

Section 1. Designation. The principal officers of the Corporation 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 of the Corporation need not be members of the Corporation. 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 Corporation shall be elected annually by the Board of Directors at the organization meeting of each new Board and shall hold office at the pleasure of the Board of Directors.

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

Section 4. President. The President shall be the chief executive officer of the Corporation. He shall preside at all meetings of the members and of 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 membership from time to time as he may, in his discretion, decide is appropriate to assist in the conduct of the affairs of the Corporation.

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 members of the Corporation; he shall have charge of the membership transfer books and of such other books and papers as the Board of Directors may direct; and he shall, in general, perform all the duties incident to the office of Secretary.

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

Section 8. Compensation. The Board of Directors shall have the power to fix the compensation for all officers of the Corporation, provided the members at a duly convened meeting approve the rate of compensation.

ARTICLE VII

Liability and Indemnification of Officers and Directors

Section 1. Liability and Indemnification of Officers & Directors. The corporation shall indemnify every officer and director of the corporation 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 to which he may be made a party by reason of being or having been, an officer or director of the Corporation, whether or not such person is an officer or director at the time such expenses are incurred. The officers and directors of the corporation shall be liable to the corporation and the unit owners for any negligence, including their own individual willful misconduct or bad faith, but shall not be liable for mistakes of judgment or otherwise if made in good faith. The officers and directors shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the corporation, except to the extent that such officers or directors may also be unit owners, and the Corporation 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 corporation, or former officer or director of the corporation, may be entitled by law or statute.

Section 2. Common or Interested Directors. The Directors shall exercise their powers and duties in good faith and with a view to the interests of the Corporation. No contract or other transaction between the Corporation and one or more of its Directors, or between the Corporation and any corporation, firm or association, including the Grantor, in which one or more of the Directors of this Corporation are directors or officers or are pecuniarily or other 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 exist:

- (a) The fact of the common directorate or 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 sufficient for the purpose; or

- (b) The fact of the common directorate or interest is disclosed or known to the members, or a majority thereof, and they approve or ratify the contract or transaction in good faith by a vote sufficient for the purpose; or
- (c) The contract or transaction is commercially reasonable to the Corporation 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, and may vote at such a meeting 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 Elements. The Corporation shall manage, operate and maintain the condominium project and, for the benefit of the condominium units and the owners thereof, shall enforce the provisions hereof and may pay out of the common expense fund hereinafter provided for, the following:

- (a) The cost of providing water, sewer, garbage, and trash collection, electrical, gas and other necessary utility services for the common elements and, to the extent that the same are not separately metered or billed to each condominium unit, for the condominium units.
- (b) The cost of fire and extended liability insurance on the condominium project and the cost of such other insurance as the Corporation may effect.
- (c) The cost of the services of a person or firm to manage the project to the extent deemed advisable by the Corporation together with the services of such other personnel as the Board of Directors of the Corporation shall consider necessary for the operation of the condominium project.
- (d) The cost of providing such legal and accounting services as may be considered necessary to the operation of the condominium projects.
- (e) The cost of roof repairs and maintenance, service, repairs, and replacement of equipment for central services, the maintenance of paved areas and, in general, the cost of painting, maintaining, replacing, repairing and landscaping the 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 Corporation to paint, repair, replace, or otherwise maintain the interior of any condominium unit or any fixtures, appliances or equipment located therein.
- (f) The cost of any and all other materials, supplies, labor, services, maintenance, repairs, taxes, assessments or the like which the Corporation 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 common elements; provided, however, that if any of the aforementioned are provided or paid for the benefit of a particular condominium unit or units, the cost thereof shall be specially assessed to the owner or owners thereof in the manner provided in subsection (g) of Section 1 of this Article.
- (g) The cost of the maintenance or repair of any condominium unit in the event such maintenance or repair is reasonably necessary in the discretion of the Board of Directors to protect the common areas or to preserve the appearance or value of the condominium project or is otherwise in the interest of the general welfare of all owners of the condominium units; provided, however, that no

such amintenance or repair shall be undertaken without a resolution by the Board of Directors and not without reasonable written notice to the owner of the condominium unit proposed to be maintained and provided further that the cost thereof shall be a sessed against the condominium 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 owner of said condominium unit at which time the assessment shall be come due and payable and a continuing lien and obligation of said owner in all respects as provided in Article IX of these By-Laws.

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

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

Section 3. Duty to Maintain. Except for maintenance requirements herein imposed upon the corporation, the owner of any condominium unit shall, at his own expense, maintain the interior of his condominium unit and any and all equipment, appliances, fixtures, windows, or doors therein situate, and its other appurtenances, including, without limitation, any balcony, terrace, patio or garden appurtenant to such condominium unit and designated on the Record Plat as a limited common element reserved for exclusive use by the owner of a particular condominium unit, in good order, condition and repair free and clear of ice and snow, and in a clean and sanitary condition, and shall do all redecorating, painting and the like which may at any time be necessary to maintain the good appearance of his condominium unit and such appurtenances. In addition to the foregoing, the owner of any condominium unit shall at his own expense, maintain, repair or replace any plumbing and electrical fixtures, heating and air-conditioning equipment, whether within or without the unit so long as it serves one unit, lighting fixtures, refrigerators, freezers, dishwashers, disposals, ranges and/or other equipment that may be in or appurtenant to such condominium unit. The owner of any condominium unit shall also, at his own expense, maintain any other limited common elements which may be appurtenant to such unit and reserved for his exclusive use in a clean, orderly and sanitary condition. The above provision notwithstanding, all fences located within the condominium, including fences which are designated upon the Record Plats as limited common elements, shall be maintained, repaired and replaced by the Corporation, unless the negligence or willful act of a unit owner or occupant is the primary cause for damage to a fence, in which case that owner will alone pay the cost of maintenance, repair or replacement of the fence. In addition, the owner of any condominium unit shall, at his own expense, maintain, repair and replace any addition, alteration, or improvement which he may make to his unit pursuant to Article XI of the By-Laws.

Section 4. Right of Entry. Each Unit Owner shall and does hereby grant a right of entry to any person authorized by the Board in case of any emergency originating in, or threatening his Unit, whether the Unit Owner is present at the time or not. In addition, each Unit Owner shall and does hereby grant right of entry to any person authorized by the Board to provide extermination or other services or repairs necessary to maintain the Regime, including units, in a clean and sanitary condition. Except in the event of emergency situations, the Board shall provide reasonable notice to unit owners prior to exercising such right of entry. Exercise of the right of entry shall not be a trespass by the Corporation, Board, Management Agent, contractors and/or employees.

Section 5. Easements for Utilities and Related Purposes. The Corporation is authorized and empowered to grant, ans shall from time to time grant, such licenses, easements and/or rights-of-way for sewer lines, water lines, electrical cables, telephone cables, gas lines, storm drains, underground conduits, Cable TV and/or such other purposes related to the provision of public utilities to the condominium project or other similar condominium projects as may be considered necessary and appropriate by the Board of

Directors for the orderly maintenance, preservation and enjoyment of the common elements or for the preservation of the health, safety, convenience and/or welfare of the owners of the condominium units.

Section 6. Limitation of Liability. The Corporation shall not be liable for any failure of water supply or other services to be obtained by the Corporation or paid for out of the common expense funds, or for injury or damage to person or property caused by the elements or by the owner of any condominium unit, or any other person, or resulting from electricity, water, snow or ice which may leak or flow from any portion of the common elements or from any pipe, drain, conduit, or appliance, or equipment. The Corporation shall not be liable to the owner of any condominium unit for loss or damage, by theft or otherwise, of articles which may be stored upon any of the common elements. No diminution or abatement of common expense assessments, as hereinelsewhere provided, shall be claimed or allowed for inconvenience or discomfort arising from the making of repairs or improvements to the common elements or to any condominium unit, or from any action taken by the Corporation to comply with any law, ordinance or with the order or directive of any municipal or other governmental authority, or for dispossession of the unit owner by reason of fire or other casualty, except to the extent covered by insurance.

Section 7. Corporation as Attorney-In-Fact. The Corporation is hereby irrevocably appointed as attorney-in-fact for the owners of all the condominium units in the project, and for each of them, to manage, control and deal with the interests of such owners in the common elements of the project so as to permit the Corporation to fulfill all of its powers, functions and duties under the provisions of the Horizontal Property Act, the Master Deed and the By-Laws, and to exercise all of its rights thereunder and to deal with the condominium project upon its destruction and/or the proceeds of any insurance indemnity as hereinafter 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 appointment of the Corporation as attorney-in-fact as aforesaid.

Section 8. Windows, Doors and Stairways. The owner of any condominium unit shall, at his expense, clean, and maintain both the interior and exterior surfaces of all windows, and glass surfaces of all glass entry doors, including the interior and exterior surfaces of any door leading to any balcony, deck, terrace or patio, appurtenant to such condominium unit and designated on the Record Plat as a limited common element reserved for the exclusive use by the owner of a particular condominium unit. The owner shall also at his own expense clean and maintain all exterior wood or metal doors to his unit. The Board of Directors may in their discretion, authorize the cleaning and maintenance of such exterior windows or doors, as part of the common expenses, which may not be readily accessible to the owners. The exterior and interior surfaces of all stairwell landings shall be cleaned and maintained at common expense in accordance with a schedule determined by the Board of Directors. The owner of any townhouse unit shall be responsible for cleaning and maintaining the top of the deck and the underside of the ceiling for second floor balconies which, pursuant to the Condominium Plat, are Limited Common Elements.

Section 9. Charges for Gas Services to Units.

As provided in Section 1 of this Article VIII, the Corporation shall pay out of the common expense fund, among other things, the cost of providing gas utility services to the extent that the same are not separately metered or billed to each condominium unit, for the condominium units. The Corporation shall provide gas utility services for each unit, however, each unit shall be individually metered for gas consumption and the cost of gas consumption and the one-time cost of gas meter installation shall not be billed to the co—owners as a common expense in accordance with the percentage interests set forth in Exhibit A to the Declaration. Each co—owner shall be billed for and shall pay to the Corporation the cost of the gas used by the unit and the one-time cost of gas meter installation on a per unit basis. The charge for gas used by each unit shall be billed to the unit owner as a monthly charge in addition to the annual assessment. The additional charge for the gas used by each unit shall be considered and treated as an assessment levied by the Council against the condominium unit itself and shall be subject to collection by the Council in the same manner as an assessment. All other gas consumed by the Corporation including, without limitation, gas used by individual ranges, hot water heaters and laundry room dryers shall be paid by the Council out of the common expense fund.

ARTICLE IX
Assessments and Carrying Charges

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

- (a) The cost of all operating expenses of the condominium project and services furnished, including charges by the Corporation for facilities and services furnished by it; and
- (b) The cost of necessary management and administration, including fees paid to any Management Agent; and
- (c) The amount of all taxes and assessments levied against the corporation or upon any property which it may own or which it is otherwise required to pay, if any, and
- (d) The cost of fire and extended liability insurance on the project and the cost of such other insurance as the Corporation may effect; and
- (e) The cost of furnishing water, electricity, heat, gas, garbage and trash collection and/or other utilities, to the extent furnished by the Corporation, and
- (f) The cost of funding all necessary replacements established by the Corporation, including, when appropriate, general operating allocations and/or replacement disbursements; and
- (g) The estimated cost of repairs, maintenance and replacements of the condominium project to be made by the Corporation.

The Board of Directors shall determine the amount of the assessment annually, but may do so at more frequent intervals should circumstances so require. Upon resolution of both the Board of Directors and of the members representing more than fifty percent (50%) of the total value of the condominium project, installments of annual assessments may be levied and collected on a quarterly, semi-annual or annual basis rather than on the monthly basis hereinabove provided for.

The Board of Directors of the Corporation shall make reasonable efforts to fix the amount of the assessment against each condominium unit 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 membership and assessments applicable thereto which shall be kept in the office of the Condominium and shall be open to inspection by any owner upon reasonable notice to the Board. Written notice of the assessment shall thereupon be sent to the members. The omission of the Board of Directors, before the expiration of any assessment period, to fix assessments 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 member 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 member may exempt himself from liability for assessments or carrying charges by a waiver of the use or enjoyment of any of the common elements or by abandonment of any condominium unit belonging to him.

Section 2. Special Assessments. In addition to the regular assessments authorized by this Article, the Corporation 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 project, 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

members representing at least two-thirds (2/3) of the total value of the project. A meeting of the members shall be duly called for this purpose, written notice of which shall be sent to all members at least ten (10) days but not more than thirty (30) days in advance of such meeting, which notice shall set forth the purpose of the meeting.

Section 3. Replacement Fund. The Corporation shall obtain from members contributions to capital on a regular basis, which contributions will be used to establish a replacement and repair fund. Such contributions will be used to establish a replacement and repair fund. Such contributions shall be paid monthly and be in an amount to be designated from time to time by the Board of Directors and which shall not be less than four percent (4%) of the aggregate monthly installments levied pursuant to the provisions of this Article IX. Such fund shall be conclusively deemed to be a common expense. Such fund shall be deposited in a special account with a lending institution the accounts of which are insured by an agency of 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. The replacement fund may be expended only for the purpose and for operating contingencies of a non-recurring nature. The amounts required to be allocated to the replacement fund may be reduced, by appropriate resolution of the Board of Directors, upon the accumulation in such replacement fund of a sum equal to twenty percent (20%) of the full replacement value of the condominium project as such full replacement value is annually determined by the Board of Directors for casualty insurance purposes. The proportionate interest of any owner in any replacement fund 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 4. Non—Payment of Assessment.

(a) A unit owner shall be liable for all assessments, or installments thereof, and fines or other charges 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, fines or other charges against the grantor for his share of the Common Expenses up to the time of the voluntary grant for which a Statement of Condominium Lien is recorded, without prejudice to the rights of the grantee to recover from the grantor the amounts paid by the grantee for such assessments.

(b) All assessments, fines, or other charges, until paid, together with interest at the maximum rate permitted on them, actual costs of collection, reasonable attorneys' fees and late charges, at the maximum rate permitted in the Act, shall constitute a lien on the units on which they are assessed. All Statements of Condominium Lien shall be prepared and established pursuant to the Act and all other statutory requirements now or hereafter in effect pertaining to the establishment and enforcement of statements of lien for condominium assessments in the State of Maryland, including but not limited to the Maryland Contract Lien Act. The lien shall be effective against a Unit from and after the time a Statement of Condominium Lien is recorded among the Land Records of Howard County. The Statement of Condominium Lien shall be signed and verified by an officer or agent of the Corporation and then recorded. On full payment of the assessment or damages for which the lien is claimed, the unit owner shall be entitled to a recordable satisfaction of the lien.

(c) Any assessment or installment thereof, or damages (as that term is defined in the Maryland Contract Lien Act) not paid when due shall bear interest, from the date when due until paid, at the maximum permissible legal rate.

(d) The Corporation shall, upon demand, 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 sixty (60) 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 sixty (60) days.

Section 5. Assessment certificates. The Corporation shall, upon demand, furnish to any unit owners liable for any assessment or damages levied pursuant to the By-Laws (or to any other party legitimately interested in the same), a certificate in writing signed by an officer of the corporation 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 Twenty-Five Dollars (\$25.00) may be levied in advance by the corporation for each certificate so delivered.

Section 6. Acceleration of Installments. Upon default in the payment of any one or more monthly installments of any assessment levied pursuant to these By-Laws, the entire balance of said assessment may be accelerated at the option of the Board, and be declared due and payable in full.

Section 7. Enforcement. The lien for unpaid assessments, fines, other charges and/or damages may be enforced and foreclosed by the corporation 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 of Maryland. 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 (3) years following the establishment of the Statement of condominium Lien.

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, 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 these By-Laws 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.

(C) The Board may, in its sole and absolute discretion, extend the provisions of this Section to the holders of a mortgage, or the indebtedness secured thereby, not otherwise entitled thereto.

Section 9. Definition. As used throughout these By-Laws the term “Mortgage” shall include deed of trust and the term “Holder” or “Mortgagee” shall include the party secured by any deed of trust, any beneficiary thereof and the Trustees named therein, their successors and assigns.

Section 10. Foreclosure of Assessment Lien. Foreclosure of the assessment lien shall not take place until after the mortgagee of that unit is notified and the said mortgagee is given fifteen (15) days to obtain compliance by the unit owner with the assessment requirements herein before stated.

Section 11: Removed.

Section 12. Charges for Gas Services. Each month, each member shall pay to the Corporation, within five (5) days of receiving a bill therefore, the cost of the gas used by the unit plus a service charge in the highest amount allowed under Maryland law; plus the one—time cost for gas meter installation. Any charge for gas consumption billed to a unit shall be treated as an assessment and shall be subject to collection as an assessment in accordance with Section 4 of this Article IX and the Maryland Condominium Act. The preceding sentence notwithstanding, any charge billed to a unit by the Corporation

for gas consumption that is not paid within ten (10) days after it is due shall be subject to a late charge of Ten Dollars (\$10.00) and interest at the rate of eighteen percent (18%) per annum.

ARTICLE X Use Restrictions

Section 1. Residential Use. All condominium units shall be used for private residential purposes exclusively except for such non-residential uses as may be permitted by the Board of Directors, the applicable zoning ordinance and recorded covenants and restrictions. Nothing in this Section, or herein elsewhere, shall be construed to prohibit the Grantor from the use of any condominium units which Grantor owns for promotional or display purposes as “model apartments” or from leasing any unit or units which Grantor owns in this section or any other section of the Cross Fox Apartments Venture except that Grantor shall nevertheless be bound by the provisions of Section 2 of this Article.

Section 2. Leasing. No portion of any condominium unit (other than the entire unit) shall be leased for any period. Any owner of any condominium unit who shall lease such unit shall, promptly following the execution of any such lease, forward a confirmed copy thereof to the Board of Directors. Any such lease shall contain a provision to the effect that the rights of the tenant to use and occupy the condominium unit shall be subject and subordinate in all respects to the provisions of the Master Deed and these By-Laws and to such other reasonable rules and regulations relating to the use of common elements, or other “house rules,” as the Board of Directors may from time to time promulgate. The provisions of this Section shall not apply to any institutional mortgagees of any condominium unit who comes into possession of the unit by reason of any remedies provided by law or in such mortgage or as a result of a foreclosure sale or other judicial sale or as a result of any proceeding, arrangement, or deed in lieu of foreclosure. Except for provisions of leases effective as of the date of *this* Amendment, no unit may be leased by any member for a period of less than *six* (6) months.

Section 3. Prohibited Uses and Nuisances. Except for the activities of the Grantor and its agents in connection with the original construction of the condominium project, and except as may be reasonable and necessary in connection with the repair or reconstruction of any portion of the condominium project by the corporation:

(a) No noxious or offensive trade or activity shall be carried on within the project or within any condominium unit situated thereon, nor shall anything be done therein or thereon which may be or become an annoyance to the neighborhood or the other owners. No nuisances shall be permitted within the condominium project, nor shall any use or practice be permitted which is or becomes a source of annoyance to the members of which interferes with the peaceful use and possession thereof by the members.

(b) There shall be no obstruction of any common elements. Nothing shall be stored upon any common elements (excepting those areas designated for storage of personal property by the owners of the condominium units), or within or upon any parking unit (except for motor vehicles), without the approval of the Board of Directors. Vehicular parking upon general common elements may be regulated by the Board of Directors. Parking spaces and bicycle storage upon the general common elements may be assigned by the Board of Directors for use by the owners of particular condominium units. Bicycle storage will be permitted only at the bottom of the stairwells under the stairs.

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

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

(e) The maintenance, keeping, breeding, boarding and/or raising of animals, livestock, or poultry of any kind, regardless of number, shall be and is hereby prohibited within any condominium unit or upon any common elements, except that this shall not prohibit the keeping of a small, orderly dog, cat and/or caged birds as domestic pets provided that they are not kept or maintained for commercial purposes or for breeding. Pets shall not be permitted upon the common areas of the condominium project unless accompanied by an adult and unless they are carried or leashed. Any member who keeps or maintains any pet upon any portion of the condominium project shall be deemed to have indemnified and agreed to hold the Corporation, each of its members and the Grantor free and harmless from any loss, claim or liability of any kind or character whatever arising by reason of keeping or maintaining such pet within the condominium project. All pets shall be registered with the Board of Directors and shall otherwise be registered and inoculated as required by law. The Board of Directors shall have the right to order any person whose pet is a nuisance, to remove such pet from the premises.

(f) Except for such signs as may be posted by the Grantor for promotional or marketing purposes, no signs of any character shall be erected, without the prior consent in writing of the Board of Directors and under such conditions as they may establish. The provisions of this subsection shall not be applicable to the institutional holder of any first mortgage which comes into possession of any condominium unit by reason of any remedies provided by law or in such mortgage or as a result of a foreclosure sale or other judicial sale or other proceeding, arrangement or deed in lieu of foreclosure.

(g) Except as hereinelsewhere 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 of the general common elements, nor shall the repair or extraordinary maintenance of automobiles or other vehicles be carried out on any of the common elements or within or upon any parking unit.

(h) No part of the common elements shall be used for commercial activities of any character. This subsection shall not apply to the use of the common elements and of condominium units by the Grantor for display, marketing, promotional or sales purposes or as "model" condominium units.

(i) No burning of any trash and no unreasonable or unsightly accumulation or storage of litter, new or used building materials, or trash of any other kind shall be permitted within any condominium unit or upon any common elements. Trash and garbage containers shall not be permitted to remain in public view. All refuse shall be deposited with care in containers or trash chutes designated for such purpose during such hours as may from time to time be designated by the Board of Directors.

(j) No structure of a temporary character, trailer, tent, shack, barn or other outbuilding shall be maintained upon any common elements at any time. Outside clothes dryers or clothes lines shall not be maintained upon any common elements at any time. No clothing, laundry or the like shall be hung from any part of any condominium unit or upon any of the common elements or from or upon any balcony or patio.

(k) No outside television or radio aerial or antenna, or other aerial or antenna, for reception or transmission, shall be maintained upon any condominium unit or upon any common elements without the prior written consent of the Board of Directors.

(l) Nothing shall be stored upon any balcony or patio nor shall the cooking or preparation of food be permitted upon any balcony or upon any other portion of the general common elements of the project, except with the consent of the Board of Directors.

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

(n) There shall be no violation of any rules for the use of the common elements, or other “house rules,” which may from time to time be adopted by the Board of Directors and promulgated among the membership by them in writing, and the Board of Directors is hereby and elsewhere in these By-Laws authorized to adopt such rules.

(o) A unit may not be used for the operation of a day care center or a “Family Day Care Home” (as that term is defined under Title 5, Subtitle 5 of the Family Law Article, Annotated Code of Maryland). The provisions of Article XV of these By-Laws and Title 11, Real Property Article, Annotated Code of Maryland (the Maryland Condominium Act) notwithstanding, the Corporation may, at any time hereafter, enact an Amendment to These By—Laws expressly permitting the use of a unit as a Family Day Care Home (“Home”). An Amendment to permit the use of a unit as a Home shall be proposed, voted upon, and enacted in accordance with the procedures set forth in Article XV of the By-Laws, except that the Amendment shall be considered adopted and enacted upon The affirmative vote of members representing fifty-one (51%) percent of the total votes of the Corporation at any meeting of the Corporation duly called for such purpose. Upon enactment of such an Amendment, a unit owner may thereafter establish and operate a Home within a unit, and shall be entitled, in The ordinary course of operation of the Home, to The use of roads, sidewalks, and other Common Elements of the Condominium. Establishment and operation of the Home shall be subject to the following requirements:

(a) The unit owner or Day Care Provider operating The Home from the unit shall be registered with and have a license issued by the Department of Human Resources, in accordance with the registration and licensing provisions set forth in Title 5, Subtitle S of the Family Law Article. The unit owner shall provide a copy of the license to the Board of Directors prior to establishing and operating the Home.

(b) The unit owner or Day Care Provider shall obtain The liability insurance described in Article 48A, section 481D of The Annotated Code of Maryland, in at least The minimum amount described in That Section. The unit owner or Day Care Provider may not operate The Home without the liability insurance described herein, and shall present proof of insurance to the Board of Directors before establishing and operating the Home. The Corporation may not require the unit owner or Day Care Provider to obtain insurance in an amount greater than the minimum amounts set forth in the Code Section set forth above.

(c) The unit owner or Day Care Provider shall pay, on a pro—rata basis with other Homes then in operation, any increase in the Corporation’s insurance costs attributable solely to the establishment and operation of the Home, upon presentation of a statement from the Board setting forth the increased costs and requesting payment of same. The increased insurance costs shall be considered an assessment against the unit, and may be collected in the same manner as collection of annual and special assessments, as set forth in Article XI of these By-Laws.

(d) The unit owner or Day Care Provider shall be responsible for payment of a fee determined by the Board of Directors, for the Home’s entitlement to use of the Common Elements of the Condominium. The Board shall establish the fee and shall advise all unit owners or Day Care Providers operating Homes of the amount due on an annual basis. The fee shall not be in an amount in excess of Fifty and 00/100ths (\$50.00) Dollars. Upon presentation of a statement for the annual fee and demand for payment, the unit owner or Day Care Provider shall promptly remit payment to the Board of Directors. The fee shall be considered an assessment against the unit, and may be collected in the same manner as collection of annual and special assessments, as set forth in Article XI of these By-Laws.

(e) The Board of Directors may regulate the number of Homes operating within the Condominium, provided that the number permitted may not be less than 7.5 percent of the total units within the Condominium.

ARTICLE XI
Architectural Control

Section 1. Architectural Control Committee. Except for the original rehabilitation of the condominium units situated within the project by the Grantor and any improvements to any condominium unit or to the common elements accomplished concurrently with said original rehabilitation, 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, plant, remove or construct any lighting, shades, screens, awnings, patio covers, decorations, fences, hedges, landscaping features, walls, aerials, antennas, radio or television broadcasting or receiving devices, slabs, sidewalks, curbs, gutters, patios, balconies, porches, driveways, walls or to make any change or otherwise alter (including any alteration in color) in any manner whatsoever the exterior of any condominium unit, or upon any of the common elements within the project or to combine or otherwise join two or more condominium units, or to partition the same after combination, or to remove or alter any windows or exterior doors of any condominium unit, or to make any change or alteration within any condominium unit which will alter the structural integrity of the building or otherwise affect the property, interest or welfare of any other unit owner, materially increase the cost of operating or insuring the condominium project or impair any easement, 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 safety, the effect of any such alterations on the costs of maintaining and insuring the condominium project and harmony of design, color and location in relation to surrounding structures and topography, by the Board of Directors of the Corporation.

Section 2. Architectural Control Committee—Operation. The Architectural Control Committee shall be composed of three (3) or more natural persons designated from time to time by the Board of Directors of the Corporation and such persons shall serve at the pleasure of the Board of Directors. In the event the Board of Directors fails to appoint an Architectural Control Committee, then the Board of Directors shall constitute the Committee. The affirmative vote of a majority of the members of the Architectural Control Committee shall be required in order to adopt or promulgate any rule or regulation, or to make any finding, determination, ruling or order, or to issue any permit, consent, authorization, approval or the like pursuant to the authority contained in this Article. In no event shall the powers and duties herein provided in any way alter or affect the ultimate control or powers of the Board of Directors as provided in these By-Laws.

Section 3. Approvals, etc. Upon approval by the Architectural Control Committee of any plans and specifications submitted pursuant to the provisions of this Article, a copy of such plans and specifications, as approved, shall be deposited among the permanent records of such Committee and a copy of such plans and specifications bearing such approval, in writing, shall be returned to the applicant submitting the same. In the event the Architectural Control Committee fails to approve or disapprove any plans and specifications which may be submitted to it pursuant to the provisions of this Article within sixty (60) days after such plans and specifications (and all other materials and information required by the Architectural Control Committee) have been submitted to it in writing, then approval will not be required and this Article will be deemed to have been fully complied with.

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

Architectural Control Committee to disapprove of such plans and specifications or any elements or features thereof, in the event such plans and specifications are subsequently submitted for use in any other instance.

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

Section 6. Rules and Regulations, etc. The Architectural Control Committee may from time to time adopt and promulgate such rules and regulations regarding the form and content of plans and specifications to be submitted for approval and publish with statements of policy, standards, guidelines and/or establish such criteria relative to architectural styles or details, or other 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 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 Control Committee shall be final except that any member who is aggrieved by any action or forbearance from action by the Architectural Control Committee may appeal the decision of the Architectural Control Committee to the Board of Directors of the Corporation and, upon the request of such member, shall be entitled to a hearing before the Board of Directors.

Article XII

Insurance .

(a) The Board, acting on behalf of the Corporation, shall obtain and maintain to the extent reasonably available the following insurance, as a Condominium Master Insurance Policy which shall be an item of Common Expense:

(1) Property insurance on the Common Elements and units, exclusive of improvements and betterments installed in units by unit owners, insuring against all risks of direct physical loss commonly insured against or, in the case of a conversion condominium, against fire and extended coverage perils. The total amount of insurance may not be less than the full replacement cost of all insurable improvements within the Condominium; the policy may, however, contain a deductible provision, provided the total insurance after application of deductibles will not be less than eighty percent (80%) of the actual cash value of the insured property, exclusive of land, excavations, foundations, and other items normally excluded from property policies; and

(2) Comprehensive general liability insurance, including medical payments insurance, in an amount determined by the Board of Directors but not less than One Million Dollars (\$1,000,000.00), covering all occurrences commonly insured against for death, bodily injury, and property damage arising out of or in connection with the use, ownership, or maintenance of the Common Elements.

(b) The Corporation shall give notice to all unit owners of the termination of any insurance policy within ten (10) days of termination. The Corporation may carry any other insurance it deems appropriate to protect the Council of Unit Owners or the unit owners.

(c) Insurance policies carried pursuant to subsection (a) shall provide that:

(1) Each unit owner is an insured person under the policy with respect to liability arising out of his/her ownership of an undivided interest in the Common Elements or membership in the Corporation;

(2) The insurer waives its right to subrogation under the policy against any unit owner or members of his/her household;

(3) An act or omission by any unit owner, unless acting within the scope of his authority on behalf of the Council of Unit Owners, does not void the policy and is not a condition to recovery under the policy; and

(4) If, at the time of a loss under the policy, there is other insurance in the name of a unit owner covering the same property covered by the policy, the policy is primary insurance not contributing with the other insurance.

(d) Any loss covered by the property policy under subsection (a) (1) shall be adjusted with the Corporation, but the insurance proceeds for that loss shall be payable to any insurance Trustee designated for the purpose, or otherwise to the Corporation, and not to any Mortgagee. The insurance Trustee or the Corporation shall hold any insurance proceeds in trust for unit owners and lien holders as their interest may appear. Subject to the provisions of Article XIII of the By-Laws, the proceeds shall be disbursed first for the repair or restoration of the damaged Common Elements and units, and unit owners and lien holders are not entitled to receive payment of any portion of the proceeds unless there is a surplus of proceeds after the Common Elements and units have been completely repaired or restored, or the Condominium is terminated.

(e) An insurance policy issued to the Corporation does not prevent a unit owner from obtaining insurance for his own benefit.

(f) An insurer that has issued an insurance policy under this section shall issue certificates or memoranda of insurance to the Corporation and, upon request, to any unit owner, Mortgagee, or beneficiary under a Deed of Trust. The insurance may not be cancelled until thirty (30) days after the notice of the proposed cancellation has been mailed to the Council of Unit Owners, each unit owner and each Mortgagee to whom certificates of insurance have been issued.

(g) It is recommended that each unit owner should obtain his own insurance policy on his unit in the 110-6 form with an “improvements and betterments”, “alterations and additions” or similar endorsement.

ARTICLE XIII

Casualty Damage—Reconstruction or Repair

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.

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 damaged common elements shall be accomplished promptly by the Corporation at its common expense and the repair or reconstruction of any condominium unit shall be accomplished promptly by the Corporation at the expense of the owner of the affected condominium unit. The ratable share of the expense of such repairs or reconstruction may be assessed and the lien for same shall have all the priorities provided for in Article IX of these By-Laws.

Section 3. Restoration Not Required. In the event more than two-thirds (2/3) of the entire project is substantially damaged or destroyed by fire or other casualty and the members do not promptly and unanimously resolve to proceed with repair or reconstruction, then and in that event the project shall be

deemed to be owned in common by the owners of all of the condominium units in the same proportion as that previously established for ownership of appurtenant undivided interests in the common elements and the project shall be subject to an action for partition at the suit of the owner of any condominium unit or the holder of any lien thereon, in which event the net proceeds of sale, together with the net proceeds of any insurance paid to the Corporation or its members in common, shall be considered as one fund and shall be divided among the owners of all of the condominium units in the same proportion as that previously established for ownership of appurtenant undivided interests in the common elements, after first paying out of the share of the owner of any condominium unit, to the extent such share is sufficient for the purpose, all liens upon said condominium unit.

Section 4. Insurance Trustee. Except for losses involving the substantial damage or destruction of more than two thirds (2/3) of the condominium project, where the members do not resolve to proceed with repair or reconstruction, as in Section 3 of this Article provided for, in the event the cost of reconstruction or repair (as estimated by the Board of Directors) shall exceed an amount equal to ten percent (10%) of the full replacement value of the condominium project, 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 of any mortgages or other obligation secured by any condominium unit or units in the aggregate principal sum of more than \$150,000.00 (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 having trust powers and authorized to engage in trust business in the jurisdiction wherein the condominium project is located, selected by the Board of Directors with the approval of the mortgagee, 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 contain, inter alia, the following provisions:

(a) the reconstruction or repair shall be in charge of an architect or engineer, who may be an employee of the Corporation, satisfactory to the mortgagee, 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 project 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 other similar governmental requirements; and (ii) the amount requested to be advanced is required to reimburse the Board of Directors for payments previously made by the Board of Directors or is due to the contractor responsible for the restoration or repair, or to subcontractors, materialmen, laborers, engineers, architects or to other persons responsible for services or materials in connection with such restoration or repair, or for fees or the like necessarily incurred in connection with the same; and (iii) when added to amounts previously advanced by the Insurance Trustee, the amount requested to be advanced does not unreasonably exceed the value of the work done and materials delivered to the date of such request.

(d) Each request for an advance of the proceeds of insurance shall, 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 project any mechanic's or other lien, or notice of 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 Corporation as a common expense, and such fees and expenses may be deducted

from any insurance proceeds in the hands of the Insurance Trustee, pro rat 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.

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

ARTICLE XIV Fiscal Management

Section 1. Fiscal Year. The fiscal year of the Corporation shall begin on the first day of January every year, except for the first fiscal year of the Corporation which shall begin at the date of incorporation. The commencement date of the fiscal year herein established shall be subject to change by the Board of Directors should condominium practice subsequently dictate.

Section 2. Books and Accounts. Books and accounts of the Corporation shall be kept under the direction of the Treasurer in accordance with good accounting practices, consistently applied. The same shall include books with detailed accounts, in chronological order, of receipts and of the expenditures affecting the condominium project 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 Corporation may, in the discretion of the Board of Directors, be credited upon the books of the Corporation to the "Paid-in-Surplus" account as a capital contribution by the members.

Section 3. Auditing. At the close of each fiscal year, the books and records of the Corporation shall be audited by an independent Certified Public Accountant whose report shall be prepared and certified in accordance with generally accepted auditing standards, consistently applied. Based upon such report, the Corporation shall furnish its members and any mortgagee requesting the same with an annual financial statement, including the income and disbursements of the Corporation.

Section 4. Inspection of the Books. The books and accounts of the Corporation and vouchers accrediting the entries made thereupon, shall be available for examination by the members of the Corporation, and/or their duly authorized agents or attorneys, and to the institutional holder of any first mortgage on any condominium unit and/or its duly authorized agents or attorneys, during normal business hours and for purposes reasonably related to their respective interests.

Section 5. Execution of Corporation Documents. With the prior authorization of the Board of Directors, all notes and contracts shall be executed on behalf of the Corporation by either the President or Vice President, and all checks shall be executed on behalf of the Corporation by such officers, agents or other persons as are from time to time so authorized by the Board of Directors.

ARTICLE XV
Amendment

Section 1. Amendments. These By-Laws may be amended by the affirmative vote of members representing two-thirds (2/3) of the total value of the condominium project at any meeting of the members duly called for such purpose in accordance with the provisions of Title 11, Real Property Article, Annotated Code of Maryland (the Maryland Condominium Act), effective only upon the recordation among the Land Records for Howard County, Maryland, of an amendment to the By-Laws attached as “EXHIBIT B” to the Master Deed setting forth such amendments to these By-Laws and only after thirty (30) days’ prior written notice to the institutional holders of all first mortgages on the condominium units in the project. Amendments may be proposed by the Board of Directors or by petition signed by members representing at least thirty percent (30%) of the total value of the condominium project. 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.

ARTICLE XVI
Mortgages—Notice

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

Section 2. Consents. Any other provision of these By-Laws or of the Master Deed to the contrary notwithstanding, the Corporation shall not, and neither the members nor the Board of Directors shall institute any proceeding without the prior written consent of all first mortgagees of record, to take any of the following actions:

- (a) abandon or terminate the condominium property regime; or
- (b) modify or amend the provisions of these By-Laws or of the Master Deed, or
- (c) modify the method of determining and collecting common expense assessments and/or other assessments as provided in Article IX of these By-Laws;
- (d) partition, subdivide, transfer or otherwise dispose of any of the common elements of the condominium project; or
- (e) resolve to use the proceeds of casualty insurance for any purpose other than the repair or restoration of the common elements.

Section 3. Definition. As used in this Article, the term “mortgagee” shall mean any mortgagee and shall not be limited to institutional mortgagees and the term “mortgage” shall include a deed of trust. As used generally in these By-Laws, the term “institutional holder” or “institutional mortgagee” shall include banks, trust companies, insurance companies, savings and loan associations, pension funds, FNMA, FHLMC, and any corporation, including a corporation of, or affiliation with, the United States Government, or any agency thereof.

ARTICLE XVIII
Compliance—Interpretation—Miscellaneous

Section 1. Compliance. These By-Laws are set forth in compliance with the requirements of Title 11, Real Property Article, Annotated Code of Maryland (the Maryland Condominium Act).

Section 2. Conflict. These By-Laws are subordinate and subject to all provisions of the Master Deed and to the provisions of Title 11, Real Property Article, Annotated Code of Maryland (the Maryland Condominium

Act). All of the terms hereof, except where clearly repugnant to the context, shall have the same meaning as in the Master Deed or the aforesaid statute. In the event of any conflict between the By-Laws and the Master Deed, the provisions of the Master Deed shall control; and in the event of any conflict between the aforesaid Master Deed and Title 11, Real Property Article, Annotated Code of Maryland (the Maryland Condominium Act) the provisions of the statute shall control.

Section 3. Resident Agent. [Obsolete] David A. Carney of G-16, American City Building, Columbia, Maryland 21044, shall be designated as the person authorized to accept service of process in any action relating to two or more condominium units or to the common elements as authorized under Title 11, Real Property Article, Annotated Code of Maryland (the Maryland Condominium Act).

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

Section 5. 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 6. Waiver. No restriction, condition, obligation or provision of these By-Laws shall be determined to have been abrogated or waived by reason of any failure or failures to enforce the same.

Section 7. Captions. The captions contained in these By-Laws are for convenience only and are not a 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 8. Gender, etc. Whenever in these By-Laws the context so requires, the singular number shall include the plural and the converse; and the use of any gender shall be deemed to include all genders.

ARTICLE XIX

Section 1 Statement of Purpose. It is the declared intention of the Corporation that Rules shall be freely adopted by the Board, and without the requirement of a vote of the Corporation as a requisite to their adoption. Each Rule adopted shall state that the Rule was adopted under the provisions of this Article and Title 11, Real Property Article, Annotated Code of Maryland (the Maryland Condominium Act). All Rules are intended to be adopted as supplements to, and not in lieu of, legally required provisions of these By-Laws. Should any adopted rules contradict any provisions of these By-Laws, the provisions of these By-Laws shall take precedence.

Section 2. Rules. All Rules proposed by the Board or by any committee appointed by the Board to act on its behalf shall be dated as of the date of the meeting at which they were considered, and shall be communicated to the Corporation in writing within seven (7) days after said meeting date, and shall be put forward before the Corporation for consideration and review by the process of Hearing and Comment.

Section 3. Rule Adoption — Hearing and Comment.

(a) Any notice of hearing so required shall include a copy of the proposed rule, its proposed effective date, the date, time, location, and agenda of the hearing, and shall be communicated by the Board to the Corporation by published form, or by any reasonable manner. The notice must be given to the Corporation at least fifteen (15) days prior to the meeting date.

(b) A quorum of the Board shall be in attendance at all public hearings; if a quorum is not present, a new hearing shall be scheduled within seven (7) days.

(c) A member of the Board shall preside over any hearings so convened and shall limit discussions within parameters of the published agenda. Any unit owner may appear and speak at these hearings, or provide comment by written statement.

(d) After comment is held on the proposed rule at the hearing, the Board shall vote on its passage. The rule will be adopted upon a majority vote of those members of the Board present and voting.

(e) The rule will be considered enacted unless, within fifteen (15) days after the Board vote, a petition calling for a special meeting is filed with the Board. The petition must be signed by at least fifteen percent (15%) of the members of the Council of Unit Owners. Following the filing of a petition, the Board shall schedule a special meeting of the Corporation, to be held within thirty (30) days after the Board's receipt of the petition. Written notice of the meeting must be given to each unit owner at least fifteen (15) days prior to the special meeting date.

(f) A quorum of the Corporation must be in attendance at the special meeting. If a quorum is not present, the rule will be considered final. If a quorum is present, and fifty percent (50%) of the unit owners present and voting disapprove the rule, the rule will be considered void; provided those unit owners voting to disapprove number at least thirty-three percent (33%) of the total votes of the Corporation.

Section 4. Right of Appeal.

(a) Each unit owner shall have a right to appeal to the Board for an individual exception to any rules adopted by the Board.

(b) The appeal period shall begin on the effective date of the rules, and shall run for a period of fourteen (14) days.

(c) No appeals shall be considered, except by permission of the Board, if filed after the expiration of the appeal period.

(d) All appeals shall be in writing, shall be signed and dated by the unit owner or owners making such appeal, and shall be delivered to a member of the Board. The Board shall consider all appeals and shall render a decision at its next regularly scheduled meeting. Said decision shall be in writing, and shall be addressed to the unit owner or owners making the appeal. If the Board shall deny an appeal, there shall be no requirement of publication as to the denial.

(e) If the Board shall uphold an appeal, thus granting an individual exception to an adopted rule, the Board shall publish, or communicate in a reasonable manner, an explanation of the reasons for granting the exception.

Section 5. Effect of Rules. Any Rules, when adopted in accordance with the above procedures, shall have the same effect as if they were incorporated in these By—Laws by direct reference. Said Rules, upon proper adoption under the above procedures, shall be enforced in the same manner as all other provisions of the By-Laws.

IN WITNESS WHEREOF, the Secretary of the Board of Directors of Cross Fox Condominium, Inc., the incorporated council of Unit Owners of Cross Fox Condominium, certifies that he/she is the Officer designated in The aforementioned By-Law to count the votes at a meeting of the Council of Unit Owners and That the foregoing By-Law Amendment was approved by unit owners having the required percentage of The votes of the Council of Unit Owners.

WITNESS:

CROSS FOX CONDOMINIUM

(Steven M. Brickman)

President

(Mark S. Wallis)

Secretary

STATE OF MARYLAND, CITY/COUNTY OF (Baltimore) To wit:

I HEREBY CERTIFY, that on this 11th day of January, 1992 before me, the subscriber, a Notary Public of the State aforesaid, personally appeared (Mark S. Wallis) who acknowledged That he/she is the Secretary of the Board of Directors of Cross Fox Condominium, Inc. and that he/she, as Secretary, being authorized so to do, executed the foregoing instrument herein contained by signing for the Condominium by himself/herself as Secretary.

AS WITNESS, I have hereunto set my hand and Notarial Seal.

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1/1/95
NOTARY PUBLIC