

Doc 3820-324

EXHIBIT B

BY-LAWS

CHESTERFIELD GARDEN CONDOMINIUM, INC.

ARTICLE I

Section 1. Name and Location. The name of the Corporation is Chesterfield Garden Condominium, Inc. Its principal office is located at 407 Crain Highway, S.E., Suite 200A, Glenn Burnie, Maryland 21061.

ARTICLE II

Plan of Condominium Regime

Section 1. Council of Unit Owners. This Corporation is the legal entity comprising the council of unit owners of Chesterfield Garden Condominium, Inc., a condominium established pursuant to the Real Property Article, Section 11-101 et seq. Annotated Code of Maryland (1983 Cum. Supp.) (the "Maryland Condominium Act") by the recording of a Declaration, these By-Laws, and condominium plats in the Land Records of Anne Arundel County. As the council of unit owners of Chesterfield Garden Condominium, Inc., this corporation shall govern and administer the affairs of the Condominium.

Section 2. Definitions. Unless it is plainly evident from the context that a different meaning is intended, all terms used herein shall have the same meaning as they are defined to have in the Declaration or in the Maryland Condominium Act.

ARTICLE III

Membership

Section 1. Members. Every person, group of persons, corporation, trust or other legal entity, or any combination thereof, which owns a condominium unit within the condominium project shall be a member of the Corporation, provided, however, that any person, corporation, trust or other legal entity, or any combination thereof which holds such interest solely as security for the performance of any obligation shall not be a member.

Section 2. Liquidation Rights. In the event of any voluntary or involuntary dissolution of the Corporation, each member of the Corporation shall be entitled to receive, out of the assets of the Corporation available for the distribution to the members, an amount equal to the member's prior percentage interest in the common elements, as designated in the Declaration and the Plats.

ARTICLE IVMeeting of Members

Section 1. Place of Meetings. Meetings of the membership shall be held at 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. The first annual meeting of the members of the Corporation shall be held within six (6) months of the creation of the condominium regime or within sixty (60) days after fifty percent (50%) of the condominium units in the project have been sold to the initial purchaser of the units and title to the same has been conveyed, whichever occurs first. Thereafter, the annual meetings of the members of the Corporation shall be held on the 2nd Thursday of April each succeeding year. At the first annual meeting and each succeeding annual meeting there shall be elected by ballot the members of the Board of Directors in accordance with the requirements of Section 4 of Article V of these By-Laws. The members may also transact such other business of the Corporation as may properly come before them.

Section 3. Special Meetings. It shall be the duty of the President to call a special meeting of the members as directed by resolution of the Board of Directors or upon a petition signed by members representing at least twenty-five percent (25%) of the total percentage interests being presented to the Secretary. The notice of any special meeting shall state the time and place of such meeting and purpose thereof. No business shall be transacted at a special meeting except as stated in the notice unless by consent of four-fifths (4/5) of the members present, either in person or by proxy.

Section 4. Notice of Meetings. It shall be the duty of the Secretary to maintain a current roster of names and addresses of each unit owner. 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 the address shown on the roster on the date of the notice, at least ten (10) days, but not more than ninety (90) days prior to such meeting. Service may also be accomplished by the delivery of such notice to the member at his dwelling unit or last known address. Notice by either method shall be considered as notice served. Notices of all meetings shall be mailed to the Director of the local insuring office of the Federal Housing Administration.

Section 5. Quorum. The presence, either in person or by proxy, of members representing at least twenty-five percent (25%) of the total percentage interests entitled to be cast shall constitute a quorum for the transaction of business at all meetings of members. If the number of members at a meeting drops below the quorum and the question of lack of quorum is raised, no business may thereafter be transacted.

Section 6. Order of Business. The order of business at all meetings of the Corporation shall be as follows:

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

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

Section 7. Voting. The percentages established in Exhibit C to the Declaration shall be applicable to voting rights. At every meeting of the members, each member shall have the right to cast his vote based on the percentages established in Exhibit C of the Declaration for each membership he owns on each question. Members shall be entitled to vote by proxy, but the proxy must be submitted to the Secretary prior to the meeting and be effective only for a maximum period of 180 days following its issuance, unless granted to a mortgages or leases. A fiduciary shall be the voting member with respect to any unit owned in a fiduciary capacity. In the case of a unit which is owned by more than one person or entity, any or all of such owners may be present at any meeting of the Corporation and may vote or take any other action as a unit owner, either in person or by proxy. If such multiple owners shall be unable to agree upon their vote upon any subject, then if only one votes his vote binds all, and if more than one votes, the vote of the majority binds all. If more than one vote and the vote is evenly split on any particular matter, each fraction may vote the interest in question proportionally; or any person voting the interest or any beneficiary may apply to a court of competent jurisdiction to appoint an additional person to act with the persons voting the interest and the interest shall then be voted as determined by a majority of those persons and the person appointed by the court. The vote of the members representing fifty-one percent (51%) of the total percentage interests of those present and voting shall decide any questions brought before such meeting, unless the question is one upon which, by express

provision of statute or of the Articles of Incorporation, or of the Declaration or of these By-Laws, a different vote is required, in which case such express provision shall govern and control. No member shall be eligible to vote or to be elected to the Board of Directors if the Corporation has recorded a statement of condominium lien on his unit and the amount necessary to release the lien has not been paid at the time of the meeting. No member shall be entitled to vote at the meetings of the Corporation until said member has furnished to the Secretary his name and current mailing address.

ARTICLE V

Directors

Section 1. Number and Qualification. The affairs of the Corporation shall be governed by the Board of Directors, composed of five (5) persons. Until the first annual meeting of the members in accordance with Article IV, Section 2, the Board of Directors shall consist of three (3) persons to be designated by the grantor. After the first annual meeting, all of the duly chosen and qualified directors, and those who succeed them, shall thereafter be members of the Corporation.

Section 2. 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:

(a) To provide for the care, upkeep and surveillance of the project and its common elements and services in a manner consistent with the provisions of these By-Laws and the Declaration.

(b) To establish and provide for the collection of assessments and/or carrying charges from the members and for the assessment and/or enforcement of liens therefor in a manner consistent with the provisions of these By-Laws and the Declaration.

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

(d) To promulgate and enforce such rules and regulations and such restrictions or requirements as may be deemed proper respecting the use, occupancy and maintenance of the project and the use of the common elements.

Section 3. Management Agent. The Board of Directors shall employ for the Corporation a management agent (the "Management Agent") at a rate of compensation established by the Board of Directors to perform such duties and services as the Board of Directors shall authorize, including, but not necessarily limited to, the duties set out in subsections (a) through (d) of Section 2 of this Article. The Corporation shall not employ any new management agent without thirty (30) days prior written notice to the institutional holders of all

first mortgages on the units. Within three (3) years following the date on which units have been granted by the developer to unit owners having a majority of the votes in the corporation, any lease, and any management contract, employment contract, or other contract affecting the use of, maintenance of or access to all or part of the condominium, to which the council of unit owners is a party, entered into between the date the property subjected to the condominium regime was granted to the developer and the date on which units have been granted by the developer to unit owners having a majority of the votes in the corporation, may be terminated by a majority vote of the council of unit owners without liability for the termination. The termination shall become effective upon 30 days' written notice of the termination from the council of unit owners.

Section 4. Election and Term of Office. The term of the Directors named in the Articles of Incorporation shall expire when their successors have been elected at the first annual meeting of the members. At the first annual meeting of the members the term of office of the Director receiving the greatest number of votes shall be fixed for three (3) years. The term of office of the Directors receiving the second and third greatest number of votes shall be fixed at two (2) years and the term of the Directors receiving the fourth and fifth greatest number of votes 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 event that the first annual meeting of the members falls on a day other than the 1st Thursday in April, then the first year of each Director's term shall be deemed to commence as of the first annual meeting and to terminate as of the next following annual meeting. The Directors shall hold office until their successors have been elected and hold their first meeting.

Section 5. 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 6. Removal of Directors. At a regular or special meeting duly called, any Director may be removed with or without cause by vote of the majority of the entire regular membership of record and a successor may then and there be elected by the membership to fill the vacancy thus created.

Section 7. Compensation. No compensation shall be paid to Directors for their services as Directors. However, Directors may be reimbursed for the expenses incurred in the performance of their duties.

Section 8. Organization Meeting. The first meeting of the newly elected Board of Directors shall be held within ten (10) days of election at such place as shall be fixed by the Directors at the meeting at which such Directors were elected, and no notice shall be necessary to the newly elected Directors in order legally to constitute such meeting, provided a majority of the whole Board of Directors shall be present.

Section 9. 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 four (4) such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each Director and owner, personally or by mail, telephone or telegraph, at least fifteen (15) days prior to the day named for such meeting.

Section 10. Special Meetings. Special meetings of the Board of Directors may be called by the President or by any two (2) Directors on fifteen (15) days notice to each Director and owner, given personally or by mail, telephone or telegraph, which notice shall state time, place (as hereinabove provided) and purpose of meeting.

Section 11. Closed Meetings. A meeting of the Board of Directors may be held in closed session only for the following purposes:

- (a) discussion of matters pertaining to employees and personnel;
- (b) protection of the privacy or reputation of individuals in matters not related to the council of unit owners' business;
- (c) consultation with legal counsel;
- (d) consultation with staff personnel, consultants, attorneys, or other persons in connection with pending or potential litigation;
- (e) investigative proceedings concerning possible or actual criminal misconduct;
- (f) complying with a specific constitutional, statutory, or judicially imposed requirements protecting particular proceedings or matters from public disclosure; or
- (g) on an individually recorded affirmative vote of two-thirds (2/3) of the Board members present, for some other exceptional reason so compelling as to override the general public policy in favor of open meetings.

If a meeting is held in closed session under this Section 11, a statement of the time, place, and purpose of such meeting, the record of the vote of each board member by which such meeting was closed, and the authority under this section for closing such meeting shall be included in the minutes of the next meeting of the Board of Directors.

Section 12. Waiver of Notice. Before or at any meeting of the Board of Directors, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board of Directors shall be a waiver of notice by him of the time and place 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 the 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 shall be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

Section 14. Procedure Prior to Imposition of Sanction for Rule Violations. The Board may not impose a fine, suspend voting, or infringe upon any other rights of a member or other occupant for violations of rules until the following procedure is followed:

(a) Written demand to cease and desist the alleged violation is served on the alleged violator specifying:

- (i) the alleged violation;
- (ii) the action required to abate the violation; and
- (iii) a time period, not less than ten (10) days, during which the violation may be abated without further sanction if the violation is a continuing one, or a statement that any further violation of the same rule may result in the imposition of sanction after notice and hearing if the violation is not continuing.

(b) Within twelve (12) months of the demand, if the violation continues past the period allowed in the demand for abatement without penalty, or if the same rule is violated subsequently, the board serves the alleged violator with written notice of a hearing to be held by the Board in session. The notice shall contain:

- (i) the nature of the alleged violation;
- (ii) the time and place of the hearing, which time may be not less than ten (10) days from the giving of the notice;
- (iii) an invitation to attend the hearing and produce any statement, evidence, and witnesses on his or her behalf; and
- (iv) the proposed sanction to be imposed.

(c) A hearing occurs at which the alleged violator has the right to present evidence and present and cross-examine witnesses. The hearing shall be held in executive session pursuant to this notice and shall afford the alleged violator a reasonable opportunity to be heard. Prior to the effectiveness of any sanction, proof of notice and the invitation to be heard shall be placed in the minutes of the meeting. This proof shall be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the officer or director who delivered the notice. The notice requirement shall be deemed satisfied if the alleged violator appears at the meeting. The minutes of the meeting shall contain a written statement of the results of the hearing and the sanction, if any, imposed.

Section 15. Registration. The members of the Board of Directors shall register annually pursuant to the provisions of the Condominium Act.

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. Prior to the first annual meeting of unit owners, the officers of the Corporation need not be unit owners. Thereafter, except for the President, the officers of the Corporation need not be unit owners. The President shall be elected from among the members of the Board of Directors. The Directors may appoint assistant secretaries and assistant treasurers and such other officers as in their judgment may be necessary.

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 the president of the 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 custody of the seal 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; he shall count votes at the meetings of the members of the Corporation; 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 monies 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. He shall be bonded under a fidelity bond in such amount as may be determined by the Board of Directors.

Section 8. Registration. The officers of the corporation shall register annually pursuant to the provisions of the Condominium Act.

ARTICLE VII

Liability and Indemnification of Officers and Directors

Section 1. Liability and Indemnification of Officers and Directors. The Corporation shall indemnify every officer and director of the Corporation, in accordance with Section 2-418 of the Corporations and Associations Article of the Annotated Code of Maryland, against any and all expenses, including counsel fees, reasonably incurred by or imposed upon any officer or director in connection with any action, suit or other proceeding (including the settlement of any such suit or proceeding if approved by the then Board of Directors of the Corporation) 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 not be liable to the members of the Corporation for any mistake of judgment, negligence, or otherwise, except for their own individual willful misconduct or bad faith. The officers and directors of the Corporation shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Corporation or the condominium project (except to the extent that such officers or directors may also be owners of the condominium units) 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.

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 and the condominium project. 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 peculiarly or otherwise interested, is either void or voidable because such Director or Directors are present at the meeting of the Board of Directors or any committee thereof which authorizes or approves the contract or transaction, or because his or their votes are counted for such purpose, if any of the conditions specified in any of the following subparagraphs 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 majority of disinterested directors; 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 other than the votes of shares owned of record or beneficially by the interested directors; or

(c) The contract or transaction is commercially reasonable and fair to the Corporation at the time it is authorized, ratified, approved or executed.

ARTICLE VIII

Management

Section 1. Management and Common Expenses. The corporation shall manage, operate and maintain the condominium project and, for the benefit of the condominium units and owners thereof, shall enforce the provisions hereof and may pay out of the common expense fund the following:

(a) The cost of providing water, sewer, garbage and trash collection, electrical and other necessary utility services for the condominium including recreational facilities used by the condominium project and for the condominium units except where individually metered and separately billed to an individual unit.

(b) The cost of fire and extended liability insurance on the project, the cost of such other insurance as the Corporation may affect and the cost of the Treasurer's fidelity bond.

(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 project.

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

(e) The cost of painting, maintaining, repairing and snow removal of the common elements and such furnishings and equipment for the general 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 or otherwise maintain the interior of any condominium unit, the limited common elements, or any fixtures or equipment located therein.

(f) The cost of any and all materials, supplies, labor, services, maintenance, repairs, taxes, assessments or the like which the Corporation is required to secure or pay for by law, or otherwise, or which in the discretion of the Board of Directors shall be necessary or proper for the operation of the 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 may be specially assessed to the owner or owners thereof.

(g) The cost of the maintenance or repair of any condominium unit or the limited common elements in the event such maintenance or repair is reasonably necessary in the discretion of the Board of Directors to protect the general common elements or to preserve the appearance or value of the project or is otherwise in the interest of the general welfare of all owners of the condominium units; provided, however, that no such maintenance or repair shall be undertaken without a resolution by the Board of Directors and not without reasonable written notice to the owner of the condominium unit or limited common elements proposed to be maintained and provided, further, that, the cost thereof shall be assessed 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 to the then owner of said condominium, at which time the assessment shall become 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 lien or encumbrance levied against the 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 an individual condominium unit.

(i) The cost of all material and labor incident to the maintenance and/or repair of all exterior paint and/or stain, roof, exterior doors, gutter and downspouts, and other items of exterior trim of all condominium units.

Except in the event of a bona fide emergency, if the cost of any item contained in subparagraphs (a) - (i) above will exceed \$2,500.00, the Board of Directors shall not pay or authorize such expense until approved by a majority of the membership.

Section 2. Duty to Maintain. It shall be the sole obligation and the exclusive right of the corporation to perform the exterior maintenance and/or repair set forth in Section 1 (i) above. Except for those specific requirements imposed upon the Corporation, the owner of any condominium unit shall, at his own expense, repair and maintain his condominium unit and any and all equipment, fixtures, appliances and utilities therein situate, and its other appurtenances in good order, condition and repair and in a clean and sanitary condition, and shall do all redecorating, painting, repair and the like which may at any time be necessary to maintain the good appearance of his condominium unit. The owner of any condominium unit shall also, at his own expense, maintain and repair any limited common elements which may be appurtenant to such condominium unit in a clean, orderly and sanitary condition. All maintenance, repairs and replacements to the general common elements, whether located inside or outside of the units (except when such repairs are required by the negligence, misuse or neglect of the unit owner, in which case such expense shall be charged to the unit owner) shall be made by the Board of Directors and charged to all the unit owners as a common expense. Each unit owner shall maintain and repair both the interior and exterior glass windows and/or interior doors, if any, located in or about his unit. The exterior and interior surfaces of all entry doors leading to common elements or limited common elements shall be cleaned, maintained and repaired by and at the expense of the individual unit owners.

Section 3. Access at Reasonable Times. For the purpose solely of performing any of the repairs or maintenance required or authorized by these By-Laws, or in the event of a bona fide emergency involving illness or potential danger to life or property, the Corporation, through its duly authorized agents or employees, shall have the right, after reasonable notice to the owner, to enter any condominium unit or limited common element appurtenant thereto at any hour considered to be reasonable under the circumstances.

Section 4. Easements for Utilities and Related Purposes. Subject to paragraph "Fourth" of the Declaration, the Corporation is authorized and empowered to grant licenses, easements and/or rights-of-way for sewer lines, water lines, electrical cables, telephone cables, television cables, gas lines, storm drains, underground conduits and/or such other purposes related to the provision of the public utilities to the project or other similar projects as may be considered necessary and appropriate by the Board of Directors for the orderly maintenance, preservation of the health, safety, convenience and/or welfare of the owners of the condominium units. The same may be granted only over those portions of the common elements upon which no building or structure has been erected.

Section 5. 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 from any pipe, drain, conduit, 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 hereinbefore provided shall be claimed or allowed for inconvenience or discomfort arising from the making of repairs or improvements to the common elements 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.

ARTICLE IX

Assessments and Carrying Charges

Section 1. Annual Assessments and Carrying Charges. Each member shall be liable for all assessments, or installments thereof, coming due while he is the owner of a unit. Each member shall pay to the Corporation a monthly sum (hereinafter sometimes referred to as "carrying charges") equal to one-twelfth (1/12) of the member's proportionate share (determined in accordance with the percentage set forth in Exhibit C) of the sum required by the Corporation, as estimated by its Board of Directors, to meet its annual expenses and for the creation of reserves for the payment of future common expenses, including, but in no way limited to, the following:

(a) The cost of all operating expenses of the project and services furnished, including charges by the Corporation for facilities and services furnished by it.

(b) The cost of necessary management and administration, including fees paid to any management agent.

(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.

(d) The cost of fire and extended liability insurance on the project and the cost of such other insurance as the Corporation may effect.

(e) The cost of furnishing water, sewer, electricity, garbage and trash collection and/or other utilities.

(f) The cost of funding all reserves established by the Corporation.

(g) The estimated cost of repairs, maintenance and replacements of the project to be made by the Corporation.

(h) The periodic charges and assessments of the Chesterfield Homeowners Association.

The regular (as opposed to special) assessments determined pursuant to this Article shall include an adequate reserve fund for maintenance, repairs and replacement of those common elements that must be replaced on a regular basis. The Board of Directors shall determine the amount of the assessment annually, so as to equal the estimated annual operating expenses, and may do so at more frequent intervals should circumstances so require. In addition, a working capital fund shall be established, which fund shall be funded by an initial capital contribution by each unit owner equal to two (2) months' assessment, and payable by each unit owner upon the purchase of a unit from the grantor. Such fund shall be a working capital and shall not reduce future assessments.

The Board of Directors of the Corporation shall make reasonable efforts to fix the amount of the assessment against each member 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 at the office of the Corporation 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 failure of the Board of Directors to fix the said assessments or to notify the members thereof before the expiration of any assessment 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 the 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 sixty-seven percent (67%) of the votes 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 fifteen (15), but not more than thirty (30) days in advance of such meeting, which notice shall set forth the purpose of the meeting.

Section 3. Non-Payment of Assessment. Any assessment levied pursuant to these By-Laws, or any installment thereof, which is not paid on the date when due shall be delinquent and shall, together with late charges, if any, and the actual cost of collection, and reasonable attorneys' fees, become a continuing lien upon the condominium unit or units belonging to the member against whom such assessment is levied and shall bind such condominium unit or units in the hands of the then owner, his heirs, devisees, personal representatives and assigns, provided that a "Statement of Lien" is recorded against the unit in accordance with Title 11 of the Annotated Code of Maryland.

If a member fails to pay a monthly installment when due, the Corporation may demand payment of the remaining annual assessment coming due within that fiscal year. Such a demand by the Corporation is not enforceable unless the Corporation, within fifteen (15) days of a member's failure to pay a monthly installment, notifies the member that if the member fails to pay the monthly installment within fifteen (15) days of the notice, full payment of the remaining annual assessment will then be due and shall constitute a lien on the unit as provided in this section.

Any assessment levied pursuant to these By-Laws, or any installment thereof, which is not paid within ten (10) days after it is due shall bear interest at the rate of eighteen percent (18%) per annum from the date when due until paid, and the Corporation may bring an action at law against the member personally obligated to pay the same, or foreclose the lien against the condominium unit or units then belonging to said member (in the same manner and subject to the same requirements, both procedural and substantive, as are now established under the laws of Maryland for the foreclosure of mortgages), in either of which events interest, costs, and reasonable attorneys' fees of not less than fifteen percent (15%) of the sum claimed shall be added to the amount of each assessment. No action may be brought to foreclose the lien unless brought within three (3) years following the recordation of the statement of condominium lien. No action may be brought to foreclose the lien except after ten (10) days written notice to the member given by certified mail - return receipt requested bearing a postmark from the United States Postal Service, to the address of the member shown on the books of the Corporation. If any assessment, or installment thereof, is not paid when due, the Board of Directors may impose a late charge of fifteen dollars (\$15.00) or one-tenth (1/10) of the total amount of any delinquent assessment or installment, whichever is greater, provided the charge may not be imposed more than once for the same delinquent payment and may only be imposed if the delinquency has continued for at least fifteen (15)

calendar days. A declaration in trust does not exist for the enforcement of the lien for common expenses at the date of recording hereof.

The personal obligation of the member to pay such assessment shall remain his personal obligation for the statutory period and a suit to recover a money judgment for non-payment of any assessments levied pursuant to these By-Laws, or any installment thereof, may be maintained without recording the Statement of Lien, foreclosing or waiving the lien herein and by the aforesaid statute created to secure the same.

Section 4. Assessment Certificates. The Corporation shall upon demand at any time furnish to any member liable for any assessment levied pursuant to these By-Laws (or any other party legitimately interested in the same) a certificate in writing signed by an officer of the Corporation, setting forth the status of said assessment, i.e. whether the same is paid or unpaid. Such certificate shall be conclusive evidence of the payment of any assessment therein stated to have been paid.

Section 5. Priority of Lien. The lien hereinabove set forth shall be inferior only to deeds of trust, mortgages or other encumbrances recorded prior to the date of the recording of the Statement of Lien, or recorded promptly after receipt of a written statement from the Board of Directors that payments due on said unit were current as of the date of such written statement.

Upon the voluntary sale or conveyance of a unit there shall be paid or provided from the sale proceeds an amount sufficient to satisfy any unpaid portion of the assessments due as of the date of sale or conveyance. Any purchaser or mortgagee in connection with any such sale or conveyance shall be entitled to a statement furnished by the Board of Directors setting forth in detail the amount of any unpaid assessments owed by the seller or borrower, and such purchaser or mortgagee shall be entitled to rely on such statement and shall have no liability for, nor shall the unit be encumbered with, an amount of unpaid assessments greater than that shown on such statement. A mortgagee who takes title by virtue of foreclosure of a mortgage, or by deed or assignment in lieu of foreclosure of a mortgage, or any purchaser at a foreclosure sale, will take the unit free of any claims for unpaid assessments and charges by the Council against the unit which accrue prior to the time such mortgagee or purchaser takes title of the unit.

Section 6. Subordination and Mortgage Protection. Notwithstanding any other provisions hereof to the contrary, the lien of any assessment levied pursuant to these By-Laws upon any condominium unit in the project shall be subordinate to, and shall in no way effect the rights of the holder of any indebtedness secured by any recorded mortgage upon such interest made in good faith and for value received, provided, however, that such subordination shall apply only to assessments which have become due and payable prior to a sale or transfer of such condominium 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 or the condominium unit from liability for any assessments thereafter accruing and becoming due, nor

from the lien of any such subsequent assessment, which said lien, if any, shall have the same effect and be enforced in the same manner as provided herein.

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

Section 7. Developer/Builder Assessments. The Developer and Builder shall pay full assessments on all units owned by the Developer/Builder.

ARTICLE X

Use Restrictions

Section 1. Residential Use. Except as provided in Section 3, all condominium units shall be used for private residential purposes exclusively, except for such temporary non-residential uses as may be permitted by the Board of Directors from time to time.

Section 2. Leasing. With the exception of a lender in possession of a condominium unit following a default in a mortgage foreclosure proceeding, or any deed or other arrangement in lieu of foreclosure, no unit owner shall lease his unit for transient or hotel purposes, or in any event, for any periods less than three months. No unit owner shall lease less than the entire unit. All leases shall provide that the lease is subject in all respects to the provisions of the Declaration and By-Laws, and that a failure by the lessee to comply with the terms of such documents shall be a default of the lease.

Section 3. Prohibited Uses and Nuisances.

(a) No noxious or offensive trade or activity shall be carried on within the project or within any condominium unit or any common elements (general or limited) situate thereon, nor shall anything be done therein or thereon which may be or become an annoyance to the neighborhood or the other owners.

(b) There shall be no obstruction of any common elements. Nothing shall be stored upon any common elements without the approval of the Board of Directors.

(c) Nothing shall be done or maintained in any condominium unit or upon any limited or general common elements which will increase the rate of insurance of 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 the limited or general common elements which would be in violation of any law. No waste shall be committed upon any limited or general common elements.

(d) No structural alteration, construction, addition or removal of any condominium unit or limited or general common elements shall be commenced or conducted except in strict accordance with the provisions of these By-Laws, or Title 11 of the Real Property Article of the Annotated Code of Maryland.

(e) The maintenance, keeping, boarding and/or raising of animals, livestock or poultry of any kind, regardless of number, shall be and is hereby prohibited within any condominium unit or upon any limited or general common elements, except that this shall not prohibit the keeping of dogs, cats and/or caged birds as domestic pets provided they are not kept, bred or maintained for commercial purposes subject to the rules and regulations.

(f) Except for any units owned by Grantor or its assigns, no signs of any character shall be erected, posted or displayed upon, in, from or about any condominium unit or limited or general common elements, provided, however, that one temporary real estate sign of customary and reasonable dimensions may be displayed upon, in or from any condominium unit placed on the market for sale or rent. Grantor may employ whatever means are appropriate in its sole discretion to sell units (including the use of common elements and the use of "model" units) and may continue its sales operation in the same manner until all units in Phase I and/or future phases are sold.

(g) No boats, boat trailers, recreational vehicles, trucks of a capacity of one ton or more, or unlicensed vehicles may be parked upon any limited or general common elements. The recreational vehicle parking areas provided by the Grantor shall be used exclusively for the parking of boats, boat trailers and recreational vehicles. The Corporation shall have the right to establish a fee to be charged to those unit owners who utilize said parking area to cover the cost of operation and maintaining same. Bicycles shall not be stored on the balconies, patios or terraces.

(h) No part of the limited or general common elements shall be used for commercial activities of any character (except as provided in (f) above).

(i) No burning of any trash and no unreasonable or unsightly accumulation or storage of litter, new or used building materials, or materials or trash of any other kind shall be permitted within any condominium unit (including balconies and terraces) or upon any limited or general common elements. Trash and garbage containers shall not be permitted to remain in public view, and all trash shall be deposited into the central trash collection area designated by the Grantor. All members shall abide by the rules and regulations regarding the use of the trash enclosure.

(j) No structure of a temporary character, trailer, tent, shack, barn or other outbuildings shall be maintained upon any limited or general common elements at any time.

(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 limited or general common elements without the prior written consent of the Board of Directors.

(l) There shall be no violation of any rules or regulations for the use of the units or common elements which may from time to time be adopted by the Board of Directors and promulgated among the membership by them in writing.

Section 4. First Refusal. The right of any unit owner to sell, transfer, or otherwise convey his unit shall not be subject to any right of first refusal or any similar restriction in favor of the Council. Should a unit owner reserve to himself the right of first refusal or similar restriction in the sale of his unit, any mortgagee who obtains title to the unit pursuant to the remedies provided in the mortgage, or foreclosure of the mortgage, or deed (or assignment) in lieu of foreclosure, shall be exempt from any such right of first refusal or similar restriction.

ARTICLE XI

Architectural Control

Section 1. Architectural Control. Except for the original construction of the condominium units situated within the project and any improvements to any limited or general common elements accomplished concurrently with said construction, and except for purposes of proper maintenance and repair or as otherwise in these by-laws provided, it shall be prohibited to install, erect, attach, apply, paste, hinge, screw, nail, build, alter, remove or construct any lighting, shades, screens, awnings, patio covers, decorations, aeriels, antennas, radio or television broadcasting or receiving devices, signs, sidewalks, curbs, gutters, patios, porches, driveways, fences, walls, or to make any change or otherwise alter (including any alteration in color) in any manner whatsoever to the exterior of any condominium unit or upon any of the limited or general common elements within the project, or to make any change or alteration within any unit which will alter the structural integrity of the building or otherwise affect the property, interest or welfare of any other unit owner, or materially increase the cost of operating or insuring the project, without the written consent of the Board of Directors.

ARTICLE XII

Insurance

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

(a) casualty or physical damage insurance in an amount equal to the full replacement value (i.e. 100% of "replacement cost" exclusive of land, foundation and excavation) of the condominium project (including all building service equipment and the like) with an "Agreed Amount" endorsement, a "Condominium Replacement Cost" endorsement and a "Contingent Liability from Operating of Building Laws" endorsement.

without deduction or allowance for depreciation (as determined annually by the Board of Directors with the assistance of the insurance company affording such coverage), such coverage to afford protection against at least the following:

- (i) loss or damage by fire or other hazards covered by the standard extended coverage endorsement together with coverage for common expenses with respect to condominium units during any period of repair or reconstruction;
- (ii) such other risks as shall customarily be covered with respect to projects similar in construction, location and use, including, but not limited to, cost of demolition, vandalism, malicious mischief, windstorm, water damage, machinery explosion or damage, and such other insurance as the Board of Directors may from time to time determine; and

(b) public liability insurance with a "Severability of Interest" endorsement in such amounts and in such forms as may be considered appropriate by the Board of Directors (but not less than One Million and No/100 Dollars (\$1,000,000.00) covering all claims for bodily injuries and/or property damage arising out of a single occurrence) including, but not limited to, water damage, legal liability, hired automobile, non-owned automobile, liability for property of others, and any and all other liability incident to the ownership and/or use of the condominium project or any portion thereof;

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

(d) a "Legal Expense Indemnity" endorsement, or its equivalent, affording protection for the officers and directors of the Corporation from expenses and fees incurred by any of them in defending any suit or settling any claim, judgment or cause of action to which any officer or director shall have been made a party by reason of his or her services as such; and

(e) Fidelity Bonds in an amount not less than 150% of the estimated annual operating expenses, including reserves, for all directors, officers and employees of the Corporation regularly handling or otherwise responsible for the funds of the Corporation. Such other policies of insurance as are or shall hereafter be considered appropriate by the Board of Directors.

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

(a) all policies shall be written or reinsured with a company or companies licensed to do business in the State where the condominium project is located and holding a rating of "A+AAAA" or better in the current edition of Best's Insurance Guide;

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

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

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

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

(f) all policies of casualty insurance shall provide that, notwithstanding any provisions thereof which give the carrier the right to elect to restore damage in lieu of making a cash settlement, such option shall not be exercisable without the prior written approval of the Board of Directors (or any Insurance Trustee);

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

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

(i) any other insurance required by Title 11 of the Real Property Article of the Annotated Code of Maryland.

Section 3. Individual Policies. The owner of any condominium unit (including the holder of any mortgage thereon) may obtain additional insurance (including a "Condominium Unit-Owner's Endorsement" for improvements and betterments to the condominium unit made or acquired at the expense of the owner) at his own expense. Such insurance shall

be written by the same carrier as that purchased by the Board of Directors pursuant to this Article or shall provide that it shall be without contribution as against the same. Such insurance shall contain the same waiver of subrogation provision as that set forth in Section 2(g) of this Article.

The owner of any condominium unit shall notify the Board of Directors in writing of any and all improvements and betterments made to the condominium unit at the expense of such owner, the value of which is in excess of Two Thousand and No/100 Dollars (\$2,000.00).

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

Section 5. Inspection of Insurance Policies. The Corporation shall maintain and make available for inspection a copy of all insurance policies maintained by the Corporation.

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, unless the council of unit owners elects to use one option contained in subsection 11-114(g) of the Real Property Article of the Annotated Code of Maryland.

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 (pursuant to such conditions and subject to such controls as the mortgagee, as defined in Section 3 of this Article, may require) 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 the same shall have all the priorities provided for in Article IX of these By-Laws. In the event that the proceeds of casualty insurance are paid to any Insurance Trustee pursuant to the requirements of Section 4 of this Article, then all funds collected from the owners of the condominium units pursuant to this Section 2 shall likewise be paid over to such Insurance Trustee and shall be disbursed by such Insurance Trustee in accordance with the provisions of Section 4 of this Article.

Section 3. Restoration Not Required. The condominium need not be restored in the event the condominium is terminated, or repair or replacement of the condominium would be illegal under any state or local health or safety statute or ordinance, or eighty percent (80%) of the unit owners, including every owner of a unit or assigned limited common element, which will not be rebuilt, vote not to rebuild or replace. If the entire condominium is not repaired or replaced, then the insurance proceeds attributable to the damaged common elements shall be used to restore the damaged area to a condition compatible with the remainder of the condominium; and the insurance proceeds attributable to units and limited common elements, which are not rebuilt, shall be distributed to the owners of those units to which those limited common elements were assigned; and the remainder of the proceeds shall be distributed to all unit owners in proportion to their common elements interest. If the unit owners vote not to rebuild any unit, that unit's entire common element interest, votes in the council of unit owners, and common expense liability are automatically reallocated upon the vote, as if the unit had been condemned under Section 11-112 of the Real Property Article of the Annotated Code of Maryland, and the council of unit owners promptly shall prepare, execute and record an amendment to the Declaration reflecting the reallocations.

Section 4. Insurance Trustee. Except for losses involving the damage or destruction of more than two-thirds (2/3) of the condominium project, where the members do not resolve to proceed with the 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 two and one-half percent (2 1/2%) 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 obligations 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 "mortgages") shall so require all proceeds of insurance shall be paid over to a trust company or bank (the "Insurance Trustee") having trust powers and authorized to engage in trust business in the jurisdiction wherein the condominium project is located, selected by the Board of Directors with the approval of the mortgages, 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 mortgages and which contains, 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 mortgages, 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 mortgages shall have approved the plans and specifications for such reconstruction or repair, which approval shall not be unreasonably withheld or delayed.

(c) unless otherwise required by the mortgagee, each request for an advance of the proceeds of insurance shall be made to the mortgagee at least ten (10) days prior to delivery to the Insurance Trustee and shall be accompanied by a certificate from the architect to the effect that (i) all work then completed has been performed in accordance with the plans and specifications and all building codes or similar governmental requirements; and (ii) the amount requested to be advanced is required to reimburse the 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 of the like necessarily incurred in connection with the same; and (iii) when added to amounts previously advanced by the Insurance Trustee, the amount requested to be advanced does not unreasonably exceed the value of the work done and materials delivered to the date of such request; and (iv) funds remaining available to the Insurance Trustee for the purpose are sufficient to complete the reconstruction or repair.

(d) each request for an advance of the proceeds of insurance shall, if required by the mortgagee, be accompanied by satisfactory waivers of liens covering that portion of the repair or reconstruction for which payment or reimbursement is being requested, together with appropriate evidence from a title insurance company or the like to the effect that there has not been filed with respect to the condominium 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 rata as the reconstruction or repair progresses.

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

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 of the condominium units in the same proportion as that previously established for ownership of appurtenant undivided interest 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 the lienor and to the extent the same is sufficient for the payment of 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 that the first fiscal year of the Corporation 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 corporate 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 on a consistent basis. The same shall include books and detailed accounts, in chronological order, of receipts and of the expenditures affecting the project and its administration and shall specify the maintenance and repair expenses of the common elements and services and any other expenses incurred. That amount of any assessment required for payment on any capital expenditures of the Corporation shall be credited upon the Books of the Corporation to the "Paid-in-Surplus" account as a capital contribution by the members.

Section 3. Annual Proposed Budget. The Corporation shall cause to be prepared and submitted to the members an annual proposed budget as least thirty (30) days before its adoption. This annual budget shall provide for at least the following items:

- (a) income;
- (b) administration;
- (c) maintenance;
- (d) utilities;
- (e) general expenses;
- (f) reserves; and
- (g) capital items.

The budget shall be adopted at an open meeting of the members of any other body to which the members delegate responsibilities for preparing and adopting the budget.

Any expenditure made, other than those made because of conditions which, if not corrected, could reasonably result in a threat to the health or safety of the members or a significant risk of damage to the condominium, that would result in an increase in an amount of assessments for the current fiscal year of the condominium in excess of fifteen percent (15%) of the budgeted amount previously adopted, shall be approved by an amendment to the budget adopted at a special meeting, upon not less than ten (10) days written notice to the members.

Section 4. Auditing. At the close of each fiscal year, the books and records of the Corporation shall be audited by an independent accountant whose report shall be prepared in accordance with generally accepted auditing standards. Based upon such report, the Corporation shall furnish its members with an annual financial statement including the income and disbursements of the Corporation. Upon receipt of a written request signed by owners of at least five percent (5%) of the

units, an audit by an independent certified public accountant shall be made not more than once in any consecutive twelve (12) month period. The cost of the audit shall be a common expense.

Section 3. Execution of Corporate 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 authorized by the Board of Directors.

ARTICLE XV

Amendment

Section 1. Amendments. These By-Laws may be amended by the affirmative vote of unit owners having sixty-six and two-thirds percent ($66 \frac{2}{3}\%$) or more of the total percentage interests at a meeting of the Council called for that purpose; provided, however, that all mortgages shall be given thirty (30) days notice of all proposed amendments, and shall be effective only upon recordation in accordance to Title 11 of the Real Property Article of the Annotated Code of Maryland. The following specific types of amendments shall require the consent of all unit owners: (i) any change in the pro rata interest or obligations of any individual unit for the purpose of levying assessments or charges of allocating distribution of hazard insurance proceeds or condemnation awards, or in determining the pro rata share of ownership of each unit in the common elements; (ii) any partition or subdivision of any condominium unit; (iii) any abandonment partition, subdivision, encumbrance, sale or transfer of the common elements. The granting of assessments for public utilities or other public purposes consistent with the intended use of the common elements by the condominium shall not be deemed a transfer within the meaning of this clause; (iv) use of hazard insurance proceeds for losses to any condominium property (whether to units or to common elements) for other than repair, replacement or reconstruction of such improvements, except as provided in Article XIII in the case of substantial loss to the units and/or common elements of the condominium.

ARTICLE XVI

Mortgages

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

Section 2. Notice of Unpaid Common Charges or other Default. The Board of Directors, whenever so requested in writing by a mortgagee of a unit whose name and address is listed in the "Mortgages of Units", shall promptly report any then unpaid annual and/or special assessments due from, or any other default by, the owner of the mortgaged unit, which is not cured within thirty (30) days.

Section 3. Notice of Default. The Board of Directors, when giving notice to a member of a default in paying common expenses or other default, shall send a copy of such notice to each mortgagee with respect to such unit whose name and address has theretofore been furnished to the Board of Directors, as aforesaid.

Section 4. Notice of Loss. The Board of Directors shall promptly notify all mortgagees in the event of substantial damage to or destruction of any unit or the common elements. "Substantial" shall be deemed to include damage to a unit in excess of \$1,000,000.00 and damage to common elements in excess of \$10,000.00.

Section 5. Examination of Books. Each member, mortgagee, and their duly authorized agents or attorneys shall be permitted to examine the books and records of account of the Corporation during normal business hours. Upon request, each mortgagee shall receive an annual audited financial statement of the condominium within ninety (90) days following the end of any fiscal year of the condominium. Upon request, each mortgagee shall be entitled to written notice of all meetings of the Council and shall be entitled to designate a representative to attend such meetings, but said representative shall not have the power to vote.

ARTICLE XVII

Eminent Domain

Section 1. Meaning of "taking under the power of eminent domain". In this Article, the term "taking under the power of eminent domain" includes any sale in settlement of any pending or threatened condemnation proceedings.

Section 2. Allocation of Award.

(a) Each unit owner shall be entitled to the entire award for the taking of all or part of his respective unit and for consequential damages to his unit.

(b) Any award for the taking of limited common elements shall be allocated to the unit owners of the units to which the use of those limited common elements is restricted in proportion to their respective percentage interests in the common elements.

(c) Any award for the taking of general common elements shall be allocated to all unit owners in proportion to their respective percentage interests in the common elements.

Section 3. Reconstruction Following Taking. Following the taking of all or a part of a condominium, the Corporation promptly shall undertake to restore the improvements of the condominium to an architectural whole. Any costs of such restoration shall be a common expense.

Section 4. Adjustment of Percentage Interests Following Taking; Effect of Taking on Votes Appurtenant to Unit. Following the taking of all or a part of any unit, the percentage interests appurtenant to the unit shall be adjusted in proportion as the amount of floor area of the unit

so taken bears to the floor area of the unit prior to the taking. The council of unit owners promptly shall prepare and record an amendment to the Declaration reflecting the new percentage interests appurtenant to the unit. Subject to Section 6, following the taking of part of a unit, the votes appurtenant to that unit shall be appurtenant to the remainder of that unit; and following the taking of all of a unit, the right to vote appurtenant to the unit shall terminate.

Section 5. Priority in Distribution of Damages for Each Unit. All damages for each unit shall be distributed in accordance with priority of interests at law or in equity in each respective unit.

Section 6. Taking Not to Include Percentage Interests or Votes. Except to the extent specifically described in the condemnation declaration or grant in issue therefor, a taking of all or part of a unit may not include any of the percentage interests or votes appurtenant to the unit.

Section 7. Notice of Condemnation. If a unit or portion thereof or the common elements or portion thereof is made the subject matter of any condemnation or eminent domain proceeding or otherwise sought to be acquired by a condemning authority, the Council shall give timely written notice to all mortgagees of such proceeding or proposed acquisition.

ARTICLE XIX

Compliance - Interpretation - Miscellaneous

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

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

Section 3. Resident Agent. Ronald Airey of 407 Crain Highway, S.E., Suite 200A, Glenn Burnie, Maryland 21061 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 the Maryland Condominium Act. The resident agent shall register annually pursuant to the provisions of the Condominium Act.

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

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

Section 6. 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 7. 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 both genders.

Section 8. Parking Spaces. All parking spaces within the Property shall be considered part of the general common elements. No vehicle belonging to any unit owner, or to any guest or employee of any unit owner, shall be parked in any manner which unreasonably interferes with or impedes ready vehicular access to any parking space assigned to any other unit owner. Each unit owner shall comply in all respects with such supplementary Rules and Regulations which are not inconsistent with the provisions of these By-Laws which the Board of Directors may from time to time adopt and promulgate with respect to parking and traffic control within the condominium, and the Board of Directors is hereby, and elsewhere in these By-Laws, authorized to adopt such Rules and Regulations. The location of any parking space which may be assigned to any unit owner may be changed by the Board of Directors, at any time and from time to time, upon reasonable notice thereof in writing.

Section 9. Rules and Regulations. The "House Rules and Regulations of Chestersfield Garden Condominium", attached to these By-Laws as Schedule 1, are proposed initial rules and regulations governing the condominium and shall constitute a part of these By-Laws upon acceptance by the Council of Unit Owners. Any additions, deletions or changes to these Rules and Regulations may be made by the Board of Directors in their discretion.

PROPOSED
HOUSE RULES AND REGULATIONS
OF
CHESTERFIELD GARDEN CONDOMINIUM, INC.

1. The Council of Co-Owners of Chesterfield Garden Condominium, Inc. (hereinafter referred to as the "COUNCIL") has adopted the following House Rules and Regulations (hereinafter referred to as "REGULATIONS"). These REGULATIONS may be amended from time to time by resolution of the Board of Directors.

2. Wherever in these REGULATIONS there is reference to "CO-OWNERS", such term shall be intended to apply to the OWNER of any condominium unit, to his tenants in residence, and to any guests, invitees or licensees of such OWNER or tenant of such OWNER. Wherever in these REGULATIONS reference is made to the COUNCIL, such reference shall include the COUNCIL and the management agent where such authority is delegated by the COUNCIL to such management agent.

3. The CO-OWNERS shall comply with all the rules and regulations hereinafter set forth governing the buildings, their corridors, balconies, lobbies, drives, recreational areas, and building grounds, parking areas and any other appurtenances and any alterations or changes in the rules and regulations with the COUNCIL in its discretion hereafter may adopt for the said buildings. The CO-OWNERS agree that all CO-OWNERS, their families, tenants, guests, invitees and licensees will at all times observe all such rules and regulations.

4. In addition, the Board of Directors reserves the right to alter, amend, or modify such rules and regulations and the CO-OWNERS agree to abide by any such alterations, amendments or modifications.

5. All COUNCIL charges are due and payable on the first day of each month. Payment shall be mailed to the office of the management agent to arrive by the first of each month.

6. All garbage and trash must be placed in the containers provided therefor in the common elements. CO-OWNERS are NOT permitted to place any containers or bags of any kind in public halls for collection.

7. Except in the recreational areas designated as such by the Board of Directors, no playing or lounging shall be permitted, nor shall baby carriages, velocipedes, bicycles, playpens, wagons, toys, benches, chairs or other articles of personal property be left unattended in public areas of the Buildings or

passageways, parking areas, courts, sidewalks or lawns or elsewhere on the Common Elements.

8. No noxious or offensive activity shall be carried on in any Unit or in the Common Elements, nor shall anything be done therein, either willfully or negligently, which may be or become an annoyance or nuisance to the other Unit Owners or occupants. No Unit Owner shall make or permit any disturbing noises in the Buildings or do or permit anything which will interfere with the rights, comforts or convenience of any other Unit Owners. All Owners shall keep the volume of any radio, television or musical instrument in their Units sufficiently reduced at all times so as not to disturb other Owners. Despite such reduced volume, no Unit Owners shall operate or permit to be operated any such sound-producing devices in a Unit between the hours of eleven o'clock p.m. and the following eight o'clock a.m. if the same shall disturb or annoy other occupants of the Buildings.

9. All condominium units shall be used for private residential purposes exclusively, except for the use of "model units" by the builder.

10. The use of charcoal burners is a violation of the Fire Prevention Code and will not be permitted on the balconies due to the danger of fire and smoke and of disturbing neighbors.

11. CO-OWNERS are cautioned against excessive use of soaps and other detergents which may cause overflow of suds in their or other condominium units.

12. Absolutely no laundry, clothing, rugs or other items are to be hung on or upon the exterior of any building. No clothes line, clothes rack or any other device may be used to hang any such items on any balcony or window. CO-OWNERS shall not suffer or permit anything to be thrown out of the windows of the premises or down upon the patios or balconies of any Building or the dusting or shaking of mops, brooms or other cleaning material out of either the windows or the doors of the premises and shall not permit anything to be placed in or hung from the outside of said windows. Flower boxes are prohibited on the balconies without the prior written consent of the COUNCIL.

13. No signs, notices or advertisements shall be inscribed, displayed or exposed in any way on or at windows or in other portions of the condominium except such as shall have been approved in writing by the COUNCIL.

14. The planting of plants, flowers, trees, shrubbery and crops of any type is prohibited in the general area of the condominium without written consent of the COUNCIL.

15. Solicitors are not permitted in any of the Buildings. If you are contacted by one, please notify the management office immediately.

16. All personal property placed in any portion of any Building or any place appurtenant thereto shall be at the sole

risk of the CO-OWNER and the COUNCIL shall in no event be liable for the loss, destruction, theft or damage to such property.

17. Boats, boat trailers, and recreational vehicles shall be parked only in the designated recreational vehicle parking areas. Trucks of one ton or more and unlicensed or inoperable vehicles shall not be permitted upon any common parking areas or the recreational vehicle parking areas.

18. All CO-OWNERS must observe and abide by all parking traffic regulations as posted by the COUNCIL and/or local authorities. Vehicles parked in violation of any parking rules or regulations will be towed away at the owner's sole risk and expense.

19. Parking so as to block sidewalks or driveways shall not be permitted. Each CO-OWNER expressly agrees that if he or any member of his family, tenants, guests, invitees or licensees shall illegally park or abandon any vehicles referred to in this paragraph, he will hold the COUNCIL harmless for any and all damages or losses that may ensue, and expressly waives any and all rights, notices, and resources in connection therewith that he may have under the provisions of State, County, or City laws and ordinances.

20. A CO-OWNER shall not use or permit to be used, his premises for any unlawful purposes, or do or permit any unlawful act in or upon said premises.

21. No Unit Owner shall alter any lock or install additional locks or a knocker or ball upon any doors of a unit without the written consent of the Board of Directors. The Association or the Managing Agent shall have the right to make and keep a copy of any key required to gain entry to any Unit to be used if entry to such Unit is necessary because of fire, flood or any other condition which may affect the Common Elements or other Units.

22. No awnings or other projections, except such as are installed by the Developer, shall be attached to the outside or other parts of any of the Buildings, and no blinds, shades, screens, attached to, hung in, or used in connection with any window or door or patio of the condominium units or their appurtenant common elements nor shall any CO-OWNER install or use any radio aerial or television aerial other than the central aerial installed by the developer without the prior written consent of the COUNCIL. Under no circumstances shall any air conditioning apparatus, television or radio aerials be installed by the CO-OWNERS either upon the interior or exterior of any of the buildings.

23. The water closets and other water and sewer apparatus shall not be used for the purposes other than those for which they were designed; and no sweepings, matches, rags, ashes or other improper articles shall be thrown therein. The cost of repairing any damage resulting from misuse of any of the same shall be borne by the CO-OWNER causing such damage.

24. Complaints regarding the management of CHESTERFIELD GARDEN CONDOMINIUM and/or regarding actions of other CO-OWNERS should be made in writing to the management office.

25. CO-OWNERS shall not permit any act or thing deemed extraordinary on account of fire or that will increase the rate of insurance on said premises. CO-OWNERS shall not keep any gasoline or other explosives or highly inflammable materials in said premises or storage areas.

26. All persons using any of the recreational facilities do so at their own risk and sole responsibility. The COUNCIL does not assume responsibility for any accident or injury in connection with such use. CO-OWNERS covenant and agree with the COUNCIL for and in consideration of the use of these facilities and other good and valuable consideration, to make no claim against the COUNCIL nor its servants, agents and/or employees for or on account of any loss or damage of life, limb or property sustained as a result of or in connection with such use of any of the recreational facilities. The CO-OWNERS agree to hold harmless the COUNCIL from any and all liabilities and any action of whatsoever nature by any tenants, guests, invitees or licensees of the CO-OWNERS growing out of the use of the recreational facilities, except where such loss, injury or damage can be clearly proved to have resulted from and been proximately caused by the direct negligence of the COUNCIL, or its agents, servants or employees in the operation, care or maintenance of these facilities.

27. Any damage to the buildings, recreational areas, facilities or other common areas or equipment caused by a CO-OWNER, his children, guests, tenants or pets shall be repaired at the expense of the CO-OWNER.

28. No animals or reptiles of any kind shall be raised, bred, or kept in any Unit or in the Common Elements except that dogs, cats or other household pets, not to exceed one per Unit without the approval of the Board of Directors, may be kept in a Unit, subject to the Regulations adopted by the Board of Directors, provided, that the same are not kept, bred or maintained for any commercial purposes; and provided, further, that any such pet causing or creating a nuisance or unreasonable disturbance or noise shall be permanently removed from the Property upon three (3) days written notice from the Board of Directors. In no event shall any pet be permitted in any portion of the Common Elements, unless carried or on a leash.

29. These house rules and regulations may be added to or amended at any time by the COUNCIL. Any consent or approval given under these rules of conduct by the COUNCIL may be revoked at any time.

30. SUSPENSION OF RIGHTS FOR THE USE OF RECREATIONAL FACILITIES. In addition to all other rights which it has for non-payment of assessments, the Board of Directors of the COUNCIL of CO-OWNERS shall have the right to suspend the use by a CO-OWNER, his family, guests or tenants of any of the recreational

facilities for failure to make payment of any assessment or fees due as provided for in the By-Laws of the CHESTERFIELD GARDEN CONDOMINIUM, INC.

11. If any of these House Rules and Regulations contradict or conflict with any provisions of the CHESTERFIELD GARDEN CONDOMINIUM, INC. By-Laws, as amended, the provisions of the By-Laws shall control.

EXHIBIT "E"

CHESTERFIELD GARDEN CONDOMINIUM

<u>BUILDING</u>	<u>UNIT NUMBER</u>	<u>SQUARE FOOTAGE</u>	<u>% OWNERSHIP</u>
	A	889 sq. ft.	9.4204
	B	889 sq. ft.	9.4204
	C	642 sq. ft.	6.8030
	D	640 sq. ft.	6.7818
3500 Lochearn Court	E	927 sq. ft.	9.8230
	F	927 sq. ft.	9.8230
	G	671 sq. ft.	7.1103
	H	671 sq. ft.	7.1103
	J	927 sq. ft.	9.8230
	K	915 sq. ft.	9.6959
	L	668 sq. ft.	7.0785
	M	671 sq. ft.	7.1103
		<u>9,437 sq. ft.</u>	<u>99.9999%</u>

11/28/84
SE/as

OUTLINE DESCRIPTION OF
CHESTERFIELD GARDEN CONDOMINIUM
THIRD DISTRICT
ANNE ARUNDEL COUNTY, MARYLAND
(Phases 1-23)

BEGINNING for the same at a point on the Northeast side of Leeds Drive, 60 feet wide, said point numbered 1433 as shown on the subdivision plat entitled Plat One - Section 2-D - Revised "Chesterfield", recorded among the Plat Records of Anne Arundel County, Maryland in Plat Book 25, Page 29, Plat No. E-1229 also having plane coordinate numbers of North 472526.89 East 934751.66, thence binding on said Northeast side of Leeds Drive the following two (2) courses and distances,

- (1) North 49 degrees 45 minutes 08 seconds West 240.00 feet, thence
- (2) with the arc of a curve to the left, having a radius of 445.00 feet, an arc length of 176.00 feet, and being subtended by a chord of North 61 degrees 04 minutes 57 seconds West 174.85 feet thence leaving the aforementioned point and running and binding along a portion of the land set forth on a plat entitled Plat Two - Section 2-D - Revised "Chesterfield" in Plat Book 26, Page 30, Plat No. E-1280, and still binding on the North side of Leeds Drive, the following three (3) courses and distances,

- (3) 327.98 feet along the arc of a curve to the left having a radius of 445.00 feet and subtended by a chord of South 86 degrees 28 minutes 23 seconds West 320.61 feet, thence
- (4) South 65 degrees 21 minutes 11 seconds West 154.66 feet,
- (5) 71.02 feet along the arc of a curve to the left having a radius of 590.00 feet and subtended by a chord of South 61 degrees 54 minutes 37 seconds West 70.98 feet, thence still binding on the North side of Leeds

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Drive and running and binding along a portion of the land set forth on a plat entitled Plat Three - Section 2-D - Revised "Chesterfield", in Plat Book 26, Page 31, Plat No. E-1281 the following four (4) courses and distances,

(6) 324.17 feet along the arc of a curve to the left having a radius of 590.30 feet and subtended by a chord of South 42 degrees 43 minutes 18 seconds West 320.11 feet, thence leaving the North side of Leeds Drive,

(7) North 53 degrees 01 minutes 00 seconds West 740.00 feet, thence

(8) North 08 degrees 22 minutes 27 seconds West 405.40 feet, thence

(9) South 83 degrees 22 minutes 37 seconds East 348.44 feet, thence binding along a portion of the lands set forth on a plat entitled Plat Two - Section 2-D - Revised "Chesterfield", in Plat Book 26, Page 30, Plat No. E-1280 the following nine (9) courses and distances,

(10) North 65 degrees 21 minutes 21 seconds East 48.06 feet, thence

(11) North 24 degrees 38 minutes 29 seconds West 9.00 feet, thence

(12) North 65 degrees 21 minutes 21 seconds East 159.00 feet, thence

(13) South 24 degrees 38 minutes 29 seconds East 9.00 feet, thence

(14) North 65 degrees 21 minutes 21 seconds East 759.91 feet, thence

(15) South 87 degrees 52 minutes 42 seconds East 41.35 feet, thence

(16) North 02 degrees 00 minutes 17 seconds East 225.57 feet thence

also binding on lines in common with Plat Two - Phase 2C - "Chesterfield" on sheet 1 and 2 of 6, Plat Book 25, Page 19 and 20 the following courses and distances,

(17) South 75 degrees 05 minutes 29 seconds East 112.64 feet, thence
(18) South 37 degrees 36 minutes 41 seconds East 339.86 feet, thence
beginning along a portion of the lands set forth on a Plat entitled Plat One
- Section 2-C - Revised "Chesterfield" in Plat Book 25, Page 29, Plat No.
B-1229 the following six (6) courses and distances, of which the next three
(19) are lines in common with Plat Two - Phase 2-C - "Chesterfield" on sheet
1 of 6, Plat Book 35, Page 13,

(19) South 37 degrees 36 minutes 41 seconds East 101.14 feet,
(20) South 72 degrees 18 minutes 09 seconds East 322.39 feet,
(21) South 42 degrees 34 minutes 05 seconds East 205.00 feet, thence
also being lines in common with revised Plat Two - Section 2-A -
"Chesterfield", Plat Book 31, Page 46 the next courses and distances,
(22) South 47 degrees 25 minutes 55 seconds West 15.00 feet,
(23) South 46 degrees 39 minutes 37 seconds West 190.47 feet,
(24) South 48 degrees 14 minutes 52 seconds West 160.41 feet to a point
on the Northernmost right-of-way line of Leeds Drive, said point also being
the point of beginning,

CONTAINING 12.885 acres of land more or less.

BEING part of that parcel of land which by deed dated March 20, 1973 and
recorded among the Land Records of Anne Arundel County in Liber A.G.L. 3042
in Folio 888, was granted and conveyed by Oriole Homes Corp. to the
Chatterleigh Limited Partnership.

thence describe the description of the future expansion of
Chesterfield Garden Condominium, thence

beginning for the case at a point on the Southwest side of
Leeds Drive, 60' wide, situated North 43 degrees 45 minutes 23
seconds West 22.00 feet from a point shown and recorded on the
Plat Records of Anne Arundel County, Maryland on a plat entitled
Plat One - Section 2-C - Revised "Chesterfield", in Plat Book 11,
Page 22, Plat No. 1-1227 said point also having the azimuth bearing
of 181.22 and a value of North 43 degrees 45 minutes 23 seconds
the afore-said point and bearing to the point of beginning on
a portion of the afore-said plat the following two (2) courses
and distances,

(1) North 43 degrees 45 minutes 23 seconds West 120.00 feet,

(2) 112.27 feet along the arc of a curve to the left, having
a radius of 181.48 feet and being subtended by a chord of North 43
degrees 04 minutes 57 seconds West 151.78 feet thence leaving
aforesaid point and running and binding along a portion of the
land set forth on a plat entitled Plat Two - Section 2-C - Revised
"Chesterfield" in Plat Book 11, Page 22, Plat No. 1-1227, and follow
the two (2) courses and distances,

(3) 277.74 feet along the arc of a curve to the left having
radius of 345.00 feet and subtended by a chord of South 45 degrees
21 minutes 23 seconds West 277.12 feet, thence

(4) South 45 degrees 21 minutes 23 seconds West 38.00 feet
thence leaving the aforesaid point and running and binding
along a portion of the land set forth on a plat entitled Plat Three -
Section 2-C - Revised "Chesterfield" in Plat Book 11, Page 22,
Plat No. 1-1227, the following eight (8) courses and distances,

(5) South 45 degrees 21 minutes 23 seconds West, 112.00 feet
thence,

(6) 67.00 feet along the arc of a curve to the left having a
radius of 112.00 feet and subtended by a chord of South 45 degrees
54 minutes 27 seconds West 61.25 feet,

(7) 477.12 feet along the arc of a curve to the left having
a radius of 530.00 feet and subtended by a chord of South 31 degrees
32 minutes 20 seconds West 411.12 feet,

(8) South 17 degrees 49 minutes 16 seconds West 7.02 feet
the before mentioned eight (8) bearings, distances and arcs also
make up a portion of the southernmost right-of-way line of Leeds
Drive thence leaving said right-of-way line of Leeds Drive,

(9) South 75 degrees 14 minutes 56 seconds East 209.64 feet,

(10) North 14 degrees 45 minutes 54 seconds East 14.14 feet,

(11) 293.42 feet along the arc of a curve to the right having
a radius of 329.00 feet, and subtended by a chord of North 17 degrees
05 minutes 14 seconds East 253.21 feet,

(12) North 65 degrees 21 minutes 31 seconds East 119.60 feet,
thence leaving the aforementioned point and running and binding along
a portion of the land set forth on a plat entitled Plat Two - Section
2-D - Revised "Chesterfield", in Plat Book 26, Page 39, Plat No.
E-1280 the following two (2) courses and distances,

(13) North 65 degrees 21 minutes 31 seconds East 38.00 feet,

(14) 126.98 feet along the arc of a curve to the right, having
a radius of 175.00 feet and being subtended by a chord of North 86
degrees 23 minutes 23 seconds East 126.00 feet thence leaving the
aforementioned point and running and binding along a portion of the
land set forth on a plat entitled Plat One - Section 2-D - Revised
"Chesterfield" in Plat Book 25, Page 29, Plat No. E-1279, the
following six (6) courses and distances,

(15) 69.21 feet along the arc of a curve to the right having
a radius of 175.00 feet and subtended by a chord of South 61 degrees
54 minutes 37 seconds East 68.76 feet,

(16) South 49 degrees 43 minutes 04 seconds East 75.00 feet,

(17) 116.66 feet along the arc of a curve to the left having
a radius of 124.00 feet and subtended by a chord of South 67 degrees
10 minutes 23 seconds East 111.81 feet,

(18) North 00 degrees 44 minutes 23 seconds East 10.00 feet,

(19) 163.03 feet along the arc of a curve to the left having
a radius of 185.00 feet, and subtended by a chord of North 45
degrees 29 minutes 38 seconds East 157.92 feet,

(20) North 40 degrees 14 minutes 52 seconds East 15.00 feet
to a point on the southernmost right-of-way line of Leeds Drive said
point also being the point of beginning.

CONTAINING 5.084 acres of land, more or less,

BEING part of that parcel of land which by deed dated March 26, 1973 and recorded among the Land Records of Anne Arundel County, Maryland in Liber W.C.L. 362X in Volume 107, was granted and conveyed by Oracle Woods Corp. to the Chesterfield Oil and Gas Partnership.

Total acreage of outline description of Chesterfield Minerals Concession 17,949 acres of land, more or less.

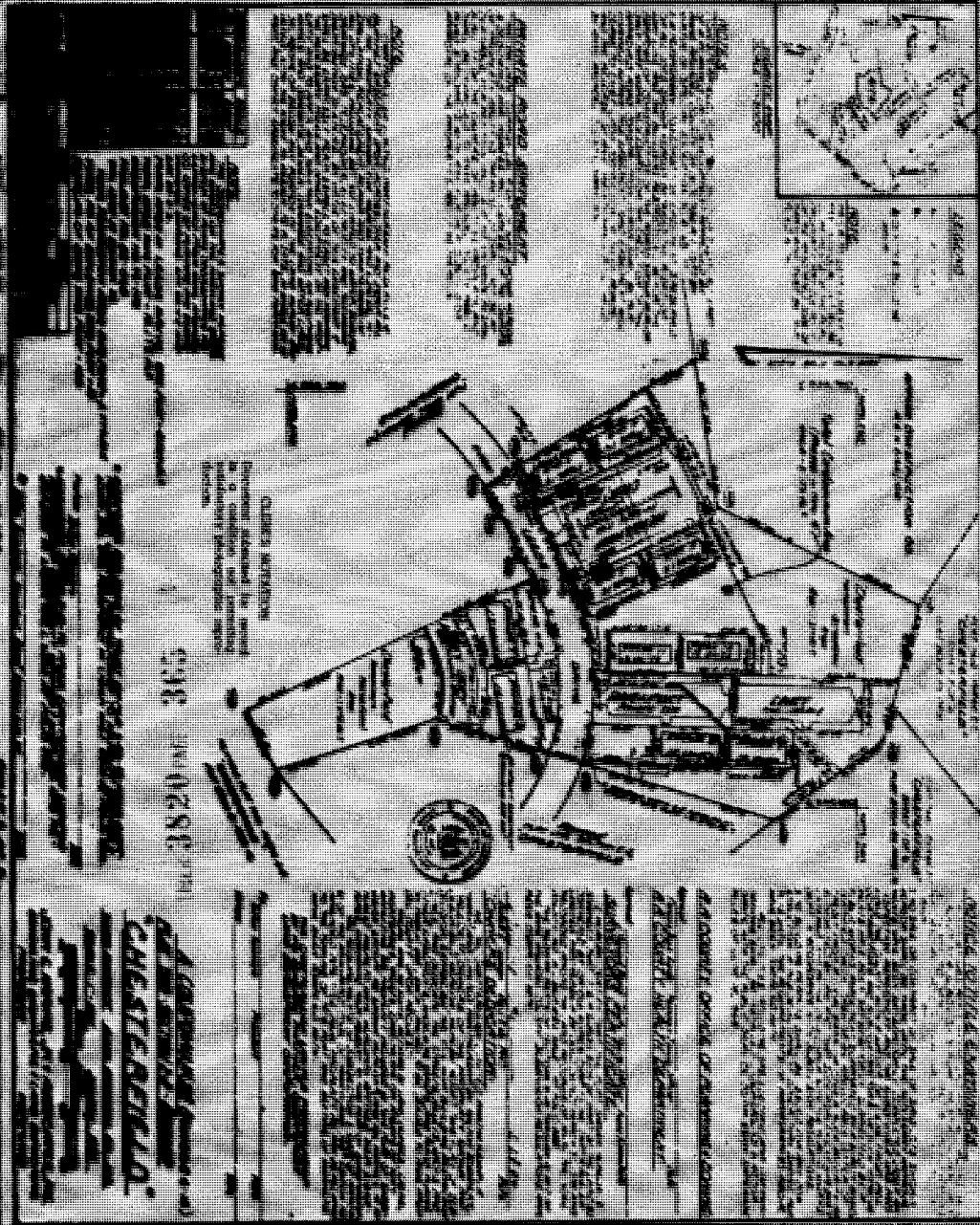
EXHIBIT B

CLARENCE WATSON
Architect
1111 Broadway, New York, N.Y.

LIBER 3820 PAGE 364

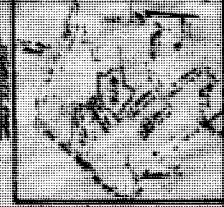
CHESTERFIELD
A. J. BROWN, DISTRICT ENGINEER
NEW YORK STATE DEPARTMENT OF CONSTRUCTION
ALBANY, N.Y.

EXHIBIT E



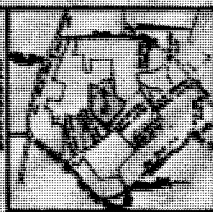
SCALE 3/8" = 1'-0"

NOTES: 1. ALL DIMENSIONS ARE TO FACE UNLESS OTHERWISE NOTED. 2. FINISHES ARE TO BE AS SHOWN ON SHEET 3000.



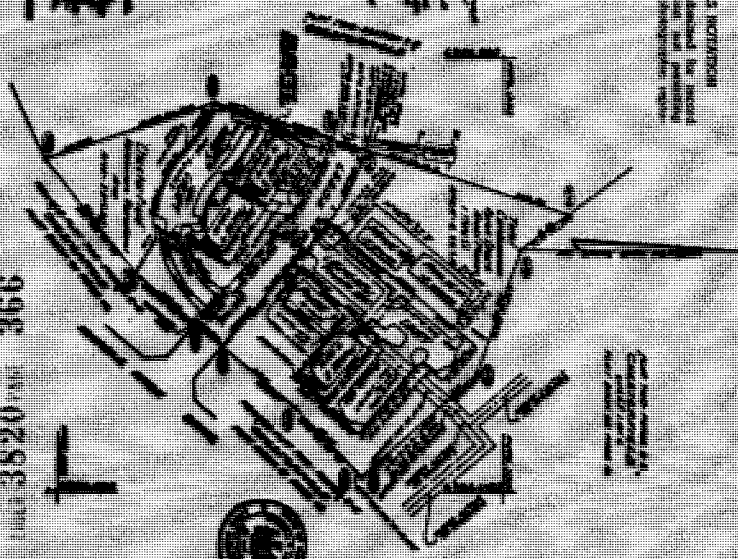
ARCHITECT: [Illegible]
 ENGINEER: [Illegible]
 CONTRACTOR: [Illegible]

EXHIBIT 2



CLIENT NOTIFICATION
Treatment scheduled by record
in a condition and maintain
professional photograph of the
client.

FILE 3820 (REV. 366)



CONFIDENTIAL
PROPERTY OF THE
FEDERAL BUREAU OF INVESTIGATION

Handwritten notes in the top left quadrant, including the words 'CONFIDENTIAL' and 'PROPERTY OF THE FEDERAL BUREAU OF INVESTIGATION'.

Handwritten notes in the middle left quadrant, including the words 'CONFIDENTIAL' and 'PROPERTY OF THE FEDERAL BUREAU OF INVESTIGATION'.

Handwritten notes in the bottom left quadrant, including the words 'CONFIDENTIAL' and 'PROPERTY OF THE FEDERAL BUREAU OF INVESTIGATION'.

Handwritten notes in the bottom right quadrant, including the words 'CONFIDENTIAL' and 'PROPERTY OF THE FEDERAL BUREAU OF INVESTIGATION'.

EXHIBIT "F"

LIB 3820 PAGE 367

CHESTERFIELD GARDEN CONDOMINIUM

<u>BUILDING</u>	<u>UNIT NUMBER</u>	<u>SQUARE FOOTAGE</u>	<u>% OWNERSHIP</u>
4	A	889 sq. ft.	.3427
	B	889 sq. ft.	.3427
	C	642 sq. ft.	.2475
	D	640 sq. ft.	.2467
3502 Lochearn Court	E	927 sq. ft.	.3574
	F	927 sq. ft.	.3574
	G	671 sq. ft.	.2587
	H	671 sq. ft.	.2587
	J	927 sq. ft.	.3574
	K	915 sq. ft.	.3527
	L	668 sq. ft.	.2575
	M	671 sq. ft.	.2587
3	A	889 sq. ft.	.3427
	B	889 sq. ft.	.3427
	C	642 sq. ft.	.2475
	D	640 sq. ft.	.2467
3500 Lochearn Court	E	927 sq. ft.	.3574
	F	927 sq. ft.	.3574
	G	671 sq. ft.	.2587
	H	671 sq. ft.	.2587
	J	927 sq. ft.	.3574
	K	915 sq. ft.	.3527
	L	668 sq. ft.	.2575
	M	671 sq. ft.	.2587
1	A	887 sq. ft.	.3419
	B	887 sq. ft.	.3419
	C	889 sq. ft.	.3427
	D	887 sq. ft.	.3419
3503 Lochearn Court	E	922 sq. ft.	.3554
	F	922 sq. ft.	.3554
	G	922 sq. ft.	.3554
	H	922 sq. ft.	.3574
	J	924 sq. ft.	.3562
	K	924 sq. ft.	.3562
	L	920 sq. ft.	.3547
	M	922 sq. ft.	.3554

<u>BUILDING</u>	<u>UNIT NUMBER</u>	<u>SQUARE FOOTAGE</u>	<u>% OWNERSHIP</u>
2	A	887 sq. ft.	.3419
	B	887 sq. ft.	.3419
	C	889 sq. ft.	.3427
	D	887 sq. ft.	.3419
3501 Lochearn Court	E	922 sq. ft.	.3554
	F	922 sq. ft.	.3554
	G	922 sq. ft.	.3554
	H	927 sq. ft.	.3574
	J	924 sq. ft.	.3562
	K	924 sq. ft.	.3562
	L	920 sq. ft.	.3547
	M	922 sq. ft.	.3554
23	A	887 sq. ft.	.3419
	B	887 sq. ft.	.3419
	C	889 sq. ft.	.3427
	D	887 sq. ft.	.3419
8048 Abbey Court	E	922 sq. ft.	.3554
	F	922 sq. ft.	.3554
	G	922 sq. ft.	.3554
	H	927 sq. ft.	.3574
	J	924 sq. ft.	.3562
	K	924 sq. ft.	.3562
	L	920 sq. ft.	.3547
	M	922 sq. ft.	.3554
24	A	887 sq. ft.	.3419
	B	887 sq. ft.	.3419
	C	889 sq. ft.	.3427
	D	887 sq. ft.	.3419
8046 Abbey Court	E	922 sq. ft.	.3554
	F	922 sq. ft.	.3554
	G	922 sq. ft.	.3554
	H	927 sq. ft.	.3574
	J	924 sq. ft.	.3562
	K	924 sq. ft.	.3562
	L	920 sq. ft.	.3547
	M	922 sq. ft.	.3554

<u>BUILDING</u>	<u>UNIT NUMBER</u>	<u>SQUARE FOOTAGE</u>	<u>% OWNERSHIP</u>
5 Abbey Court	A	887 sq. ft.	.3419
	B	887 sq. ft.	.3419
	C	889 sq. ft.	.3427
	D	887 sq. ft.	.3419
	E	922 sq. ft.	.3554
	F	922 sq. ft.	.3554
	G	923 sq. ft.	.3554
	H	927 sq. ft.	.3574
	J	924 sq. ft.	.3562
	K	924 sq. ft.	.3562
	L	920 sq. ft.	.3547
	M	922 sq. ft.	.3554
	6 Abbey Court	A	887 sq. ft.
B		887 sq. ft.	.3419
C		889 sq. ft.	.3427
D		887 sq. ft.	.3419
E		922 sq. ft.	.3554
F		922 sq. ft.	.3554
G		923 sq. ft.	.3554
H		927 sq. ft.	.3574
J		924 sq. ft.	.3562
K		924 sq. ft.	.3562
L		920 sq. ft.	.3547
M		922 sq. ft.	.3554
7 Davenport Court		A	887 sq. ft.
	B	887 sq. ft.	.3419
	C	889 sq. ft.	.3427
	D	887 sq. ft.	.3419
	E	922 sq. ft.	.3554
	F	922 sq. ft.	.3554
	G	922 sq. ft.	.3554
	H	927 sq. ft.	.3574
	J	924 sq. ft.	.3562
	K	924 sq. ft.	.3562
	L	920 sq. ft.	.3547
	H	922 sq. ft.	.3554

<u>BUILDING</u>	<u>UNIT NUMBER</u>	<u>SQUARE FOOTAGE</u>	<u>% OWNERSHIP</u>
8	A	887 sq. ft.	.3419
	B	887 sq. ft.	.3419
	C	889 sq. ft.	.3427
	D	887 sq. ft.	.3419
Davenport Court	E	922 sq. ft.	.3554
	F	922 sq. ft.	.3554
	G	922 sq. ft.	.3554
	H	927 sq. ft.	.3574
	J	924 sq. ft.	.3562
	K	924 sq. ft.	.3562
	L	920 sq. ft.	.3547
	M	922 sq. ft.	.3554
9	A	887 sq. ft.	.3419
	B	887 sq. ft.	.3419
	C	889 sq. ft.	.3427
	D	887 sq. ft.	.3419
Davenport Court	E	922 sq. ft.	.3554
	F	922 sq. ft.	.3554
	G	922 sq. ft.	.3554
	H	927 sq. ft.	.3574
	J	924 sq. ft.	.3562
	K	924 sq. ft.	.3562
	L	920 sq. ft.	.3547
	M	922 sq. ft.	.3554
10	A	887 sq. ft.	.3419
	B	887 sq. ft.	.3419
	C	889 sq. ft.	.3427
	D	887 sq. ft.	.3419
Davenport Court	E	922 sq. ft.	.3554
	F	922 sq. ft.	.3554
	G	922 sq. ft.	.3554
	H	927 sq. ft.	.3574
	J	924 sq. ft.	.3562
	K	924 sq. ft.	.3562
	L	920 sq. ft.	.3547
	M	922 sq. ft.	.3554

<u>BUILDING</u>	<u>UNIT NUMBER</u>	<u>SQUARE FOOTAGE</u>	<u>% OWNERSHIP</u>	
11 Wedge wood Court	A	887 sq. ft.	.3419	
	B	887 sq. ft.	.3419	
	C	889 sq. ft.	.3427	
	D	887 sq. ft.	.3419	
	E	922 sq. ft.	.3554	
	F	922 sq. ft.	.3554	
	G	922 sq. ft.	.3554	
	H	927 sq. ft.	.3574	
	J	924 sq. ft.	.3562	
	K	924 sq. ft.	.3562	
	L	920 sq. ft.	.3547	
	M	922 sq. ft.	.3554	
	12 Wedge wood Court	A	887 sq. ft.	.3419
		B	887 sq. ft.	.3419
		C	889 sq. ft.	.3427
D		887 sq. ft.	.3419	
E		922 sq. ft.	.3554	
F		922 sq. ft.	.3554	
G		922 sq. ft.	.3554	
H		927 sq. ft.	.3574	
J		924 sq. ft.	.3562	
K		924 sq. ft.	.3562	
L		920 sq. ft.	.3547	
M		922 sq. ft.	.3554	
13 Wedge wood Court		A	887 sq. ft.	.3419
		B	887 sq. ft.	.3419
		C	889 sq. ft.	.3427
	D	887 sq. ft.	.3419	
	E	922 sq. ft.	.3554	
	F	922 sq. ft.	.3554	
	G	922 sq. ft.	.3554	
	H	927 sq. ft.	.3574	
	J	924 sq. ft.	.3562	
	K	924 sq. ft.	.3562	
	L	920 sq. ft.	.3547	
	M	922 sq. ft.	.3554	

<u>BUILDING</u>	<u>UNIT NUMBER</u>	<u>SQUARE FOOTAGE</u>	<u>% OWNERSHIP</u>	
14 Hedgewood Court	A	887 sq. ft.	.3419	
	B	887 sq. ft.	.3419	
	C	889 sq. ft.	.3427	
	D	887 sq. ft.	.3419	
	E	922 sq. ft.	.3554	
	F	922 sq. ft.	.3554	
	G	922 sq. ft.	.3554	
	H	927 sq. ft.	.3574	
	J	924 sq. ft.	.3562	
	K	924 sq. ft.	.3562	
	L	920 sq. ft.	.3547	
	M	922 sq. ft.	.3554	
	15 Kingsley Court	A	887 sq. ft.	.3419
		B	887 sq. ft.	.3419
C		889 sq. ft.	.3427	
D		887 sq. ft.	.3419	
E		922 sq. ft.	.3554	
F		922 sq. ft.	.3554	
G		922 sq. ft.	.3554	
H		927 sq. ft.	.3574	
J		924 sq. ft.	.3562	
K		924 sq. ft.	.3562	
L		920 sq. ft.	.3547	
M		922 sq. ft.	.3554	
16 Kingsley Court		A	887 sq. ft.	.3419
		B	887 sq. ft.	.3419
	C	889 sq. ft.	.3427	
	D	887 sq. ft.	.3419	
	E	922 sq. ft.	.3554	
	F	922 sq. ft.	.3554	
	G	922 sq. ft.	.3554	
	H	927 sq. ft.	.3574	
	J	924 sq. ft.	.3562	
	K	924 sq. ft.	.3562	
	L	920 sq. ft.	.3547	
	M	922 sq. ft.	.3554	

<u>BUILDING</u>	<u>UNIT NUMBER</u>	<u>SQUARE FOOTAGE</u>	<u>% OWNERSHIP</u>
17 Kingsley Court	A	887 sq. ft.	.3419
	B	887 sq. ft.	.3419
	C	888 sq. ft.	.3427
	D	887 sq. ft.	.3419
	E	922 sq. ft.	.3554
	F	922 sq. ft.	.3554
	G	922 sq. ft.	.3554
	H	927 sq. ft.	.3574
	J	924 sq. ft.	.3562
	K	924 sq. ft.	.3562
	L	920 sq. ft.	.3547
	M	922 sq. ft.	.3554
	18 Kingsley Court	A	887 sq. ft.
B		887 sq. ft.	.3419
C		889 sq. ft.	.3427
D		887 sq. ft.	.3419
E		922 sq. ft.	.3554
F		922 sq. ft.	.3554
G		922 sq. ft.	.3554
H		927 sq. ft.	.3574
J		924 sq. ft.	.3562
K		924 sq. ft.	.3562
L		920 sq. ft.	.3547
M		922 sq. ft.	.3554
19 Abbey Court		A	887 sq. ft.
	B	887 sq. ft.	.3419
	C	889 sq. ft.	.3427
	D	887 sq. ft.	.3419
	E	922 sq. ft.	.3554
	F	922 sq. ft.	.3554
	G	922 sq. ft.	.3554
	H	927 sq. ft.	.3574
	J	924 sq. ft.	.3562
	K	924 sq. ft.	.3562
	L	920 sq. ft.	.3547
	M	922 sq. ft.	.3554

<u>BUILDING</u>	<u>UNIT NUMBER</u>	<u>SQUARE FOOTAGE</u>	<u>% OWNERSHIP</u>	
20 Abbey Court	A	887 sq. ft.	.3419	
	B	887 sq. ft.	.3419	
	C	889 sq. ft.	.3427	
	D	887 sq. ft.	.3419	
	E	922 sq. ft.	.3554	
	F	922 sq. ft.	.3554	
	G	922 sq. ft.	.3554	
	H	927 sq. ft.	.3574	
	J	924 sq. ft.	.3562	
	K	924 sq. ft.	.3562	
	L	920 sq. ft.	.3547	
	M	922 sq. ft.	.3554	
	21 Abbey Court	A	887 sq. ft.	.3419
		B	887 sq. ft.	.3419
C		889 sq. ft.	.3427	
D		887 sq. ft.	.3419	
E		922 sq. ft.	.3554	
F		922 sq. ft.	.3554	
G		922 sq. ft.	.3554	
H		927 sq. ft.	.3574	
J		924 sq. ft.	.3562	
K		924 sq. ft.	.3562	
L		920 sq. ft.	.3547	
M		922 sq. ft.	.3554	
22 Abbey Court		A	887 sq. ft.	.3419
		B	887 sq. ft.	.3419
	C	889 sq. ft.	.3427	
	D	887 sq. ft.	.3419	
	E	922 sq. ft.	.3554	
	F	922 sq. ft.	.3554	
	G	922 sq. ft.	.3554	
	H	927 sq. ft.	.3574	
	J	924 sq. ft.	.3562	
	K	924 sq. ft.	.3562	
	L	920 sq. ft.	.3547	
	M	922 sq. ft.	.3554	
			<u>259,400 sq. ft.</u>	<u>99.9952%</u>

Mailed to: JAMES DAMERON